



NEVADA COUNTY SANITATION DISTRICT NO. 1
950 MAIDU AVENUE, NEVADA CITY, CA 95959-8617
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Steven L. DeCamp
Deputy District Administrator

Mark Miller
Director of Sanitation

July 3, 2008

File: 300.1960 104.6
"CERTIFIED MAIL"

Diana Messina, Senior Engineer
California Regional Water Quality Control Board - Central Valley Region
11020 Sun Center Drive, Suite 200
Rancho Cordova, CA 95670-6114

SUBJECT: Nevada County Sanitation District No. 1 (Discharger) Comments on Tentative Waste Discharge Requirements Renewal and Cease and Desist Order for National Pollutant Elimination System (NPDES) Permit (NPDES No. CA 0083241) for the Cascade Shores Wastewater Treatment Plant

Dear Ms. Messina:

Nevada County Sanitation District No. 1, Cascade Shores, Zone 8, (NCSD1CS) is providing this letter and enclosures as it comments on the Tentative Waste Discharge Requirements (WDRs) Renewal and Cease and Desist Order (CDO) for National Pollutant Elimination System (NPDES) Permit (NPDES No. CA 0083241) for Cascade Shores Wastewater Treatment Plant.

Every effort is being made to expedite the process leading to completing design, construction, and initiating operation of the new wastewater treatment plant. Enclosed is a copy of the 12th quarterly report dated July 1, 2008 on the Cascade Shores Wastewater Treatment Plant Project that provides the current status of the project.

If you have any questions, please feel free to contact me at (530) 265-7103.

Sincerely,

MARK MILLER
Nevada County Sanitation District No. 1

Gordon Plantenga
Wastewater Operations Manager

GP:ms

Enclosures District Comments on Tentative Permit and CDO
Cascade Shores 12th Quarterly Report

cc: Nevada County Sanitation District No. 1 Board of Directors
Sanitation District Advisory Committee
County Counsel, Attention: Rob Shulman
RWQCB, Sacramento Office, Attention: Pamela Creedon, Ken Landau, Patricia Leary, Spencer Joplin,
RWQCB, Redding Office, Attention: Dennis Wilson
Kennedy/Jenks, Attention: Gary Carlton and Ken Shuey
Robertson-Bryan, Inc., Attention: Michael Bryan

Attachment A

COMMENTS
ON
TENTATIVE
CEASE AND DESIST ORDER
AND
WASTE DISCHARGE REQUIREMENTS
FOR
THE NEVADA COUNTY SANITATION DISTRICT No.1
CASCADE SHORES WASTEWATER TREATMENT PLANT
NEVADA COUNTY

July 3, 2008

I. CEASE AND DESIST ORDER

P. 3, Item #9. In this item “0.26” should be changed to “0.026.”

II. WASTE DISCHARGE REQUIREMENTS

P. 8, Table 6. The District requests that the requirements for Settleable Solids be deleted. This is duplication of requirements for a tertiary plant that already has TSS and BOD requirements. This request also applies to Item 3.p of the Fact Sheet (p. F-32).

P. 8, Table 6, footnote 2. The District requests that this footnote be modified as follows: “Based upon and applicable to an average dry weather flow of 0.026 mgd.”

P. 10, Table 7. Interim Effluent Limitations. In our comments on the Preliminary Draft permit, we proposed use of the current permit’s maximum daily BOD and TSS limitations of 35 mg/l as the interim limits (see table below). This is because historic performance shows a 7-42% chance of exceeding the monthly and weekly average effluent limitations for BOD and TSS (see P. 3, Table 2 of Infeasibility Report dated April 11, 2008). As such, neither monthly average nor weekly average effluent limitations for BOD and TSS should be included as interim effluent limitations.

Table 7. Interim Effluent Limitations

Parameter	Units	Effluent Limitations				
		Average Monthly	Average Weekly	Maximum Daily	Instantaneous Minimum	Instantaneous Maximum
Copper	µg/L	--	--	31	--	--
Dichlorobromomethane	µg/L	--	--	7.2	--	--
Aluminum	µg/L	--	--	694	--	--
<u>BOD</u>	<u>mg/L</u>	<u>--</u>	<u>--</u>	<u>35</u>	<u>--</u>	<u>--</u>
<u>TSS</u>	<u>mg/L</u>	<u>--</u>	<u>--</u>	<u>35</u>	<u>--</u>	<u>--</u>

P. 13, Receiving Water Turbidity Limitations. The District requests the addition of the following language to make this permit consistent with permits recently issued for Roseville, Vacaville, Placerville and other Region 5 dischargers.

17. Turbidity: The turbidity to increase as follows:

- a. More than 1 Nephelometric Turbidity Unit (NTU) where natural turbidity is between 0 and 5 NTUs. (When wastewater is treated to a tertiary level, including coagulation, a one-month averaging period may be used when determining compliance with Receiving Water Limitation 17.a for turbidity.)
- b. More than 20 percent where natural turbidity is between 5 and 50 NTUs.
- c. More than 10 NTU where natural turbidity is between 50 and 100 NTUs.
- d. More than 10 percent where natural turbidity is greater than 100 NTUs.

P. 22. Special Provision d. Best Practicable Treatment or Control (BPTC) Evaluation Tasks. As described in the District's Report of Waste Discharge (RWD) for the Cascade Shores WWTP and in the Fact Sheet (p. F-8, "Planned Changes"), the District will be constructing a new tertiary treatment facility with nitrification/denitrification and UV disinfection. The plant design represents BPTC and satisfies Resolution 88-63. Neither the permit nor the Fact Sheet identifies particular concerns that the new WWTP will not meet BPTC. Additionally, as was stated in an earlier comment on the Groundwater Limitations, no justification is made for the WWTP operations posing a threat to groundwater quality. Absent additional rationale/justification, the District does not see the purpose in spending additional public resources assessing BPTC when a new BPTC WWTP is being constructed.

The Fact Sheet (p. F-54) is a reiteration of the permit obligation and does not provide a rationale for the study. Thus, the District requests that the BPTC Evaluation be removed, or be contingent upon the new facility failing to meet one or more effluent limitations upon the new facility coming on-line and its operations optimized over the initial six to eight months of operations.

P. 27. Treatment Feasibility Study. This requirement states: "*The Discharger is required to perform an engineering treatment feasibility study examining the feasibility, costs and benefits of different treatment options that may be required to remove copper and aluminum from the discharge.*"

This requirement is not appropriate, as written, because the District is expecting the new facility to comply with the effluent limitations for copper and aluminum. If the treated effluent from the new plant does not comply, discharger-specific water-effect ratio studies (WER) will be performed for copper and aluminum. Based on other discharger-specific copper and aluminum WER studies conducted in the region, appropriate discharger-specific WER adjustments are expected to achieve compliance. For example, discharger-specific WER results for copper that RBI has determined for the El Dorado Irrigation District's Deer Creek WWTP (WER=9.7) and El Dorado Hills WWTP (WER=8.05) and the effluent aluminum WER determined for the City of Manteca's WWTP for aluminum (WER=21.7) would result in compliance for this facility.

Consequently, the treatment feasibility study as proposed in the Tentative permit is unnecessary. The District requests that this study requirement be removed from the

Attachment A

Order. Alternatively, this requirement should be made contingent upon continued reasonable potential following the new plant coming on line and discharger-specific WER adjustments, should they be needed, for copper and aluminum. Only after these actions is a treatment feasibility study for these metals warranted.

FACT SHEET

P. F-11, C.5 Stormwater Requirements. These requirements only apply to plants with design flows greater than 1 mgd and are not applicable to this Facility, which has a design flow of 0.026 mgd. Thus, the District requests the following modification to this item:

“USEPA promulgated Federal Regulations for storm water on 16 November 1990 in 40 CFR Parts 122, 123, and 124. The NPDES Industrial Storm Water Program regulates storm water discharges from wastewater treatment facilities with design flows greater than 1 mgd. Thus, these regulations do not apply to the Facility. Furthermore, no storm water is directly discharged from the Facility.”



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Steven L. DeCamp
Deputy District Administrator

Mark Miller
Director of Sanitation

July 1, 2008

File: 300.1960 104.6
"CERTIFIED MAIL"

Patricia Leary, Senior Engineer
California Regional Water Quality Control Board - Central Valley Region
11020 Sun Center Drive, Suite 200
Rancho Cordova, CA 95670-6114

**SUBJECT: Quarterly Report Compliance with Cease and Desist Order No. R5-2006-0035
Cascade Shores Wastewater Treatment Plant, NPDES No. CA0073241
(Previously Required by Cleanup and Abatement Order No. R5-2005-0714)**

Dear Ms. Leary:

Nevada County Sanitation District No. 1, Cascade Shores, Zone 8, (NCSD1CS) is providing this letter and enclosures as part of compliance with Cease and Desist Order No. R5-2006-0035 (CDO). This compliance was previously required as part of the compliance under Cleanup and Abatement Order No. R5-2005-0714 (CAO).

This letter shall constitute the twelfth quarterly compliance report required in accordance with CDO Item 9.3. The first three quarterly reports were submitted as in compliance under CAO Item 3 with the fourth and each subsequent quarterly report being submitted in accordance with CDO Item 9.3.

Treatment Plant Improvement Project and Financing

- Every effort is being made to expedite the process leading to completing design, construction, and initiating operation of the new wastewater treatment plant.
- Clearing and grubbing for the new plant site began the last week of May 2008. Excavation and other site work began the following week. The project is now in its fifth week of construction with rough grading completed and the new effluent outfall pipeline installed. The building that will house the treatment facilities and the equalization tank has been ordered.
- The Cascade Shores Wastewater Treatment Plant Improvement Project being constructed by Layne Christensen Company includes an inlet manhole, two inlet screens, lift station, flow equalization tank, parshall flume, two trains of MBBR systems enhanced activated sludge process using anoxic and aerobic zones to remove organic matter BOD and TSS, and nutrients nitrogen and ammonia, two DAF (dissolved air floatation) units, two membrane filters, two inline ultraviolet disinfection units, clear water re-aeration tank, effluent mag meter, transfer pumps, blowers, an aerobic sludge digester, a building containing the treatment facilities, and an odor control unit.
- NCSD1CS will provide a standby emergency power system at the project site.

- Kennedy/Jenks, Consultants is providing construction management and engineering services for the Cascade Shores Wastewater Treatment Plant Improvement Project.
- The estimated project cost is \$4,541,474 and detailed in Table 1.

Table 1

Project Evaluation	\$60,000
Construction Contract	\$3,196,988
Construction Contingency	\$320,000
Construction Management/Engineering	\$500,000
Additional Construction Costs	\$154,000
Geotech Testing	\$20,000
Administration Costs/Department of Sanitation Labor	\$85,000
Interest on Three County loans	\$125,376
Old SRF Loan	\$80,110
Estimated Project and Related Expenses	\$4,541,474

- NCSDICS and its consultants have been working with the County and State to complete the financial plan to fund the estimated project cost and related expenses. Results of those efforts are summarized in Table 2.

Table 2

Local Funds (Interest Earned)	\$42,608
Community Development Block Grant for Construction	\$407,000
Small Community Wastewater Grant for Construction	\$1,752,702
Net Insurance Proceeds	\$2,000,000
Loans for Design/Construction From State Revolving Fund	\$339,164
Project Funding Estimate	\$4,541,474

- On June 24, 2008, the Sanitation District Board of Directors adopted the attached District Resolution SD08-14 accepting the \$1,752,702 Small Community Wastewater Construction Grant and executed the grant agreement to return to the State Water Resources Control Board Division of Financial Assistance for their final execution and subsequent disbursement of grant funds. This is the last piece of the project funding that is being completed.
- The final cost of the project will be determined based on actual construction costs and final financing. Project construction is planned for completion by December 2008 with startup the following month.

Permit Issues

- NCSDICS submitted comments on April 11, 2008, on the Preliminary Draft of the Waste Discharge Requirements (WDRs) Renewal and the Cease and Desist Order (CDO). A copy of those comments was previously transmitted to you. NCSDICS also submitted the attached Revised Infeasibility Report on the same date.
- The draft CDO shows a project compliance date of May 18, 2010, with effluent limitations for ammonia, nitrate, and total coliform organisms. The draft WDR's have

Patricia Leary

Page 3

interim effluent limitations ending on that same compliance date of May 18, 2010, for copper, dichlorobromomethane, BOD, TSS, aluminum, and electrical conductivity. This will allow ample time to complete the Layne Christensen project, initiate operation of the new facility, and complete compliance evaluation of the new facility with effluent limitations.

- The public hearing for the adoption of the WDRs and CDO is scheduled for July 31/August 1, 2008, by the Central Valley Regional Water Quality Control Board.
- NCSD1CS submitted a response to Administrative Civil Liability Complaint (ACLC) No. R5-2008-0521 for Cascade Shores Wastewater Treatment Plant. A copy of that response was previously transmitted to you. The ACLC amount is now \$411,000. NCSD1CS has requested in that response that the assessed amount of \$411,000 be allowed to be applied to the compliance project that is currently being constructed as previously described.

Emergency Plan

- In order to comply with CAO Item 2, we previously transmitted the Cascade Shores Emergency Plan. This plan identified what will be implemented for a number of different emergencies including interim measure failure prior to completing the long-term measures identified in the updated Facilities Plan.

Interim Compliance Measures

- Maintenance of interim slope stability compliance measures is being provided as needed.
- Geotechnical engineering oversight and inspection of the maintenance work on the interim slope stability compliance measures are being provided as needed.

If you have any questions, please feel free to contact me at (530) 265-7103.

Sincerely,

MARK MILLER
Nevada County Sanitation District No. 1



Gordon Plantenga
Wastewater Operations Manager

GP:ms

cc: Nevada County Sanitation District No. 1 Board of Directors
Sanitation District Advisory Committee
Cascade Shores Working Group
County Counsel, Attention: Rob Shulman
RWQCB, Attention: Pamela Creedon, Ken Landau, Diana Messina, Spencer Joplin
Kennedy/Jenks, Attention: Gary Carlton and Ken Shuey
Holdrege & Kull, Attention: Tom Holdrege and Rob Fingerson

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Steven L. DeCamp
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Mark Miller
Director of Sanitation

April 11, 2008

File: 300 1960 001A
"CERTIFIED MAIL"

Diana Messina, Senior Engineer
California Regional Water Quality Control Board
Central Valley Region
11020 Sun Center Drive, Suite 200
Rancho Cordova, CA 95670-6114

SUBJECT: Revised Infeasibility Report for the Cascade Shores Wastewater Treatment Plant, NPDES No. CA 0083241

Dear Ms. Messina:

In April 2008, the Central Valley Regional Water Quality Control Board (Regional Water Board) provided the Nevada County Sanitation District No. 1, Cascade Shores, Zone 8, (NCSD1CS) with a preliminary draft of the proposed Waste Discharge Requirements (draft WDRs)/National Pollutant Discharge Elimination System (NPDES) permit, and associated Cease and Desist Order (CDO), for the Cascade Shores wastewater treatment plant (WWTP). Based on the Regional Water Board's reasonable potential analysis, the preliminary draft permit includes new final and interim effluent limitations for aluminum, copper, and dichlorobromomethane, and associated compliance schedules that requires NCSD1CS to achieve compliance with the new final effluent limits for these constituents, which cannot be complied with immediately, by May 18, 2010. Additionally, the permit contains final effluent limits for total coliform organisms, turbidity, ammonia, nitrate, biochemical oxygen demand (BOD), and total suspended solids (TSS) that cannot be complied with immediately and, therefore, compliance schedules are justified herein. The preliminary draft CDO provides compliance schedules to meet existing final effluent limits for total coliform bacteria, turbidity, and nitrate that the facility has never complied with to date, and schedules for the more restrictive limits being permitted for ammonia, BOD, and TSS. This updated infeasibility provides supporting information demonstrating that the Cascade Shores WWTP has not consistently met these limits in the past and remains unable to comply with the effluent limits until the upgraded facility is constructed and operating optimally.

NCSD1CS staff have prepared this updated infeasibility analysis to justify the request for compliance schedules within which the Cascade Shores WWTP will achieve compliance with the final effluent limits in the revised Orders. The following sections provide supporting information for the justification, as stipulated in Section 2.1 of the 2005 Policy for Implementation of Toxics Standards for Inland Surface Waters, Enclosed Bays, and Estuaries of California (SIP).

- 1. Documentation that diligent efforts have been made to quantify pollutant levels in the discharge and the source of the pollutant in the waste stream, and the results of those efforts.**

Table 1 summarizes the constituents with the potential to exceed the NPDES permit final effluent limits proposed by the Regional Water Board in the preliminary draft order and the corresponding maximum effluent concentration recorded for the current Cascade Shores WWTP. Based upon results of the effluent monitoring for the facility, the WWTP effluent concentrations

would have exceeded the effluent limits on one or more occasions for each constituent listed in Table 1.

Since the Report of Waste Discharge was submitted to Regional Water Board staff, one additional effluent sample was collected in December 2007 and analyzed for aluminum, copper, and dichlorobromomethane. Based upon these results, the WWTP effluent total aluminum and copper concentrations would always exceed the proposed final effluent limits. Additionally, the results for acid soluble aluminum measured in two effluent samples also would exceed the final effluent limit. Results for dichlorobromomethane indicate that the proposed final effluent limit would be exceeded in 50 percent of the samples.

There is no feasible method to optimize the existing WWTP operation to achieve immediate compliance with the final effluent limits. It can be reasonably expected that the WWTP will continue to produce effluent of equivalent quality until planned WWTP upgrades are constructed and operating. Therefore, it can be reasonably concluded that the WWTP effluent quality will not immediately comply with final effluent limits in the preliminary draft order for these constituents.

Observed total coliform, turbidity, ammonia, and nitrate concentrations in the effluent are a function of the raw sewage loading and wastewater treatment process performance. However, the WWTP was originally designed to comply with less stringent requirements. As demonstrated in the Discharge Monitoring Report (DMR) data submitted with the application for permit renewal, the final effluent limits are routinely exceeded for these constituents. Due to design constraints of the current WWTP, there is no feasible method to optimize existing treatment unit processes to always meet the proposed effluent limits.

Table 1. Constituents with Potential to Exceed Proposed NPDES Permit Final Effluent Limits.

Constituent	Units	Maximum Effluent Conc.	Basis of Limitation	Effluent Limitation	Samples Greater than Limitation	
					Number	%
Aluminum ¹	µg/L	259	87 ³	71 ⁴	4 of 4	100
Aluminum, acid soluble ¹	µg/L	190	87 ³	71 ⁴	2 of 2	100
Copper ¹	µg/L	10.0	5.0 ⁵	1.6 ⁴	6 of 6	100
Dichlorobromomethane ¹	µg/L	2.4	0.56 ⁶	0.56 ⁴	2 of 4	50
Total coliform ²	MPN/100 mL	>1600	7	240 ⁸	17 of 70	24%
	MPN/100 mL	>1600	7	23 ¹⁴	9 of 36	25%
Turbidity ²	NTU	43	7	10 ⁸	92 of 427	22%
Ammonia (N) ²	mg/L	23	0.61 ⁹	0.7 ⁴	15 of 36	42%
			2.14 ⁹	2.1 ¹⁰	36 of 300	12%
Nitrate (N) ²	mg/L	92	10 ¹¹	10 ⁴	27 of 36	75%
BOD	mg/L	40	7	10 ⁴	12 of 36	33%
				15 ¹²	19 of 149	13%
				25 ¹³	6 of 155	4%
TSS	mg/L	37	7	10 ⁴	14 of 36	39%
				15 ¹²	35 of 150	23%
				25 ¹³	9 of 166	5%

Data collected during period October 2003 – December 2007

- ² Discharge Monitoring Report (DMR) data collected during period July 2002 – June 2005.
- ³ National Recommended Water Quality Criteria chronic (4-day) criterion for the protection of aquatic life.
- ⁴ Proposed average monthly effluent limitation.
- ⁵ Chronic (4-day) California Toxics Rule (CTR) criterion for the protection of aquatic life at a hardness of 21 mg/L as CaCO₃.
- ⁶ CTR human health criterion for consumption of water and organisms.
- ⁷ Permit limit based on WQBEL to protect beneficial uses.
- ⁸ Proposed instantaneous maximum effluent limitation.
- ⁹ U.S. EPA National Recommended Water Quality Criteria.
- ¹¹ Basin Plan water quality objective/California primary drinking water maximum contaminant level (MCL).
- ¹² Proposed average weekly effluent limitation.
- ¹³ Proposed maximum daily effluent limitation
- ¹⁴ Maximum of 23 MPN/100 ml no more than one per month.

In addition, Table 2 demonstrates that the current facility has not been able to comply with current effluent limits for certain constituents, and will not be able to comply with either these limits or those specified in the renewed permit until plant upgrades are completed and the upgraded facility is operating as intended.

Table 2. Constituents with Potential to Exceed Existing NPDES Permit Effluent Limits.

Constituent	Units	Maximum Effluent Conc.	Basis of Limitation	Effluent Limitation	Samples Greater than Limitation	
					Number	%
Total coliform ¹	MPN/100 mL	>1600	n/a ²	2 ² ³	70 of 158	44%
				23 ⁴	31 of 314	10%
Turbidity ¹	NTU	43	n/a ²	2 ⁵	386 of 427	90%
				2 ⁶	32 of 33	97%
				5 ⁴	245 of 427	57%
Ammonia (N) ¹	mg/L	23	⁷	variable ⁵ ⁴	3 of 300	1%
				variable ⁸ ¹⁰	7 of 156	4.5%
Nitrate (N) ¹	mg/L	92	10 ⁹	10 ⁸	27 of 36	75%
BOD	mg/L	40	n/a ²	15 ⁶	3 of 36	8%
				20 ¹⁰	10 of 149	7%
				35 ⁴	1 of 155	0.6%
TSS	mg/L	37	n/a ²	15 ⁶	15 of 36	42%
				20 ¹⁰	13 of 150	9%
				35 ⁴	1 of 166	0.6%

- ¹ Discharge Monitoring Report (DMR) data collected during period July 2002 – June 2005.
- ² Permit limit based on WQBEL to protect beneficial uses.
- ³ 7-day median when receiving water flow provides less than 20:1 dilution.
- ⁴ Maximum daily effluent limitation.
- ⁵ Daily average effluent limitation
- ⁶ Average monthly effluent limitation.
- ⁷ U.S. EPA National Recommended Water Quality Criteria, based on pH and temperature.

Constituent	Units	Maximum Effluent Conc.	Basis of Limitation	Effluent Limitation	Samples Greater than Limitation	
					Number	%
⁸ Variable, based on pH and temperature. ⁹ Basin Plan water quality objective/California primary drinking water maximum contaminant level (MCL). ¹⁰ Average weekly effluent limitation.						

2. Documentation of source control and/or pollution minimization efforts currently underway or completed.

Overall, constituent source loads in effluent can originate from more than one source, including municipal water supplies and the municipal water treatment plant, wastewater service area loading, infiltration and inflow (I&I), or internally within wastewater treatment processes. I&I occurs through seepage of elevated shallow groundwater into sewer lines and surface seepage through utility access covers (i.e., manholes) in roadways.

The sources of aluminum in the WWTP effluent are uncertain at this time. Aluminum sulfate is used as a coagulant for the existing WWTP and may be a source of aluminum in the effluent. Residential use within the service area of personal care products containing aluminum also may be a source of aluminum in the wastewater. Aluminum also may be associated with a natural mineral source entering the collection system through infiltration and inflow. The aluminum effluent concentrations for this facility are within the typical range seen for other WWTPs in the region.

Cascade Shores is a residential community and, thus, concentrated sources of copper are not expected to occur within the community or the collection system. Elevated copper in the WWTP effluent is likely a function of the corrosivity of the water supply on copper pipes in the service area. The copper effluent concentrations for this facility are within the typical range seen for other WWTPs in the region.

Dichlorobromomethane is a disinfection byproduct, which is created during the chlorine disinfection phase at the current Cascade Shores WWTP. The raw sewage is the source of total coliform, turbidity, ammonia, nitrate, BOD, and TSS concentrations in the effluent.

The NCS DICS is in the process of finalizing the plans and drawings for the new WWTP upgrades. Construction of the new WWTP is set to begin by the end of April 2008 and be completed by December 2008. However, any delays in material supply or weather-related delays during the winter of 2008-2009 could delay completion until mid-2009. The new WWTP will provide superior biological wastewater treatment performance compared to the existing facility and includes membrane filtration and ultraviolet light (UV) disinfection. It is anticipated that the improved treatment processes and increased removal of suspended solids will reduce concentrations of many constituents in the wastewater effluent. The new WWTP will provide state of the art tertiary treatment for these conventional constituents and, therefore, is expected to comply with the final effluent limits for total coliform organisms, turbidity, ammonia, nitrate, BOD, and TSS included in the renewed NPDES permit, which are equivalent to or more restrictive than final limits for these same constituents in the existing permit. Compliance with the effluent limit for dichlorobromomethane is expected to be achieved as a result of eliminating the current chlorine disinfection process.

The removal of aluminum and copper are not specific design considerations for the WWTP. Nevertheless, the wastewater treatment processes does provide substantial removal of metals, as shown by effluent metal concentrations vs. influent metal concentrations. However, it is uncertain whether the effluent produced at the new WWTP will immediately comply with the proposed final permit effluent limits.

3. A proposed time schedule for additional or future source control measures, pollutant minimization actions, or waste management (i.e., facility upgrades).

The following sections describe the actions proposed by the NCS DICS to evaluate, develop, and implement feasible solutions to resolve the potential regulatory compliance issues for each constituent. The requested compliance schedules are driven primarily by completion of the WWTP upgrade, the need to verify compliance following completion of the WWTP upgrades, and implement additional corrective measures if necessary.

Construction of the new WWTP is anticipated to be completed by December 2008. However, given the construction period is ending during the initial months of the winter rainfall season, the potential exists for construction delays. Weather-related delays would likely result in the construction being completed in the following spring-summer 2009. For the purposes of quantifying the proposed compliance schedules, the NCS DICS conservatively assumes that the new WWTP will have been completed by July 2009. The NCS DICS assumes that the permit adoption date for the renewed NPDES permit will be June 12/13, 2008.

In order to comply with the proposed effluent limits, adequate time is required for the NCS DICS to complete these actions. Each section concludes with a constituent-specific request for compliance schedules that effectively condenses, to the maximum extent practicable, the compliance assessment, evaluation, response planning, and implementation activities needed to achieve full compliance.

Aluminum

The NCS DICS proposes a phased approach to achieving compliance with the aluminum final effluent limits. The initial phase will begin following completion of the new WWTP construction, and consists of reviewing additional monitoring data that will be collected as a requirement of the Monitoring and Reporting Program (MRP) of the NPDES permit to determine whether the new WWTP achieves compliance. It is recommended that additional monitoring will be collected and evaluated over a period of up to 12 months following plant startup to provide sufficient time, under a range of seasonal conditions, to determine if compliance is achieved. Monitoring will make use of the acid-soluble method for quantifying effluent aluminum concentrations.

In the event that the new WWTP effluent fails to achieve compliance with the final aluminum effluent limits based on acid-soluble aluminum analyses, a special study to investigate the bioavailability of aluminum in the effluent to determine the applicability of the 87 ug/l EPA recommended chronic criterion for setting effluent limits will be conducted. This study needs to be conducted at the design low flow condition, which is the summer/fall period in the case of Cascade Shores. Thus, the study could not be conducted until the summer/fall period of 2009. The study will require up to 2 years to complete and have the permit reopened to implement results, as appropriate.

Because it cannot be assured at this time whether the aluminum bioavailability study will provide sufficient new information to change the basis for deriving WQBELs for aluminum for this facility, an engineered plant modification could ultimately be required. If an engineering solution is necessary, up to 3 years is required to complete engineering feasibility and alternatives development (including engineering studies), alternatives screening, and selection, pre-design, design, and construction of facility upgrades.

Table 3. Compliance actions — Aluminum

Action	Time to Complete Action	Anticipated Completion Date
Completion of WWTP construction	14 months	July 2009
Compliance evaluation for new WWTP	12 months	June 2010
Site-specific aluminum study	24 months	June 2011 ¹
Engineering feasibility and alternatives development (including special studies), alternatives screening, and selection	12 months	June 2012 ¹
Engineering pre-design, design, and construction of facility upgrades	24 months	June 2013 ¹
¹ Period to complete would overlap with period for previous efforts.		

Compliance Schedule Requested: Based on the overlapping schedules of the activities outlined above, the NCSDDCS requests a 5-year compliance schedule within the permit based on the justifications provided herein.

Copper

The NCSDDCS proposes a phased approach to achieving compliance with the copper final effluent limits. In the first year of the new WWTP operations, NCSDDCS will review additional effluent monitoring data to determine whether compliance with the copper effluent limit is achieved.

In the event that the new WWTP effluent fails to achieve compliance with the final copper effluent limits, NCSDDCS will conduct a discharger-specific copper WER study to adjust the applicable aquatic life copper criteria for this site.

If a discharger-specific WER adjustment does not achieve full compliance with the site-adjusted criteria, and thus an engineering solution is necessary, up to 3 years is required to complete engineering feasibility and alternatives development (including engineering studies), alternatives screening, and selection, pre-design, design, and construction of facility upgrades.

Table 4. Compliance actions — Copper

Action	Time to Complete Action	Anticipated Completion Date
Completion of WWTP construction	14 months	July 2009
Compliance evaluation for new WWTP	12 months	June 2010
WER study	24 months	June 2011 ¹
Engineering feasibility and alternatives development (including special studies), alternatives screening, and selection	12 months	June 2012 ¹
Engineering pre-design, design, and construction of facility upgrades	24 months	June 2013 ¹
¹ Period to complete would overlap with period for previous efforts.		

Compliance Schedule Requested: Based on the overlapping schedules of the activities outlined above, the NCSDDCS requests a 5-year compliance schedule based on the justifications provided herein. To provide the time schedule justified above for copper, the NCSDDCS requests that the

Regional Water Board provide a compliance schedule in the permit to May 18, 2010 and include copper in the Cease and Desist Order to provide a concurrent time schedule with permit adoption. The two Orders together will provide the five year schedule requested herein.

Dichlorobromomethane, Total Coliform, Turbidity, Ammonia, Nitrate, BOD, and TSS

As noted above, the new WWTP is designed to achieve compliance with the proposed permit effluent limits for total coliform, turbidity, nitrate, BOD, and TSS and it is anticipated that compliance with the effluent limit for dichlorobromomethane will be achieved through the elimination of the chlorine disinfection process. The facility design criteria of 2.0 mg/l for ammonia is approximately equal to the proposed ammonia MDEL of 2.1 mg/l but is higher than the proposed final AMEL of 0.7 mg/l for ammonia. Hence, additional time will be required after the upgraded facility comes online to optimize its performance in order to comply with the new, more restrictive AMEL for ammonia. The amount of time required to achieve full compliance with the proposed new or more restrictive final effluent limits after the new WWTP is fully operational cannot be definitively determined at this time. Therefore, NCS DICS will implement a phased approach to permit compliance for these constituents consisting of: (1) completing construction of the new WWTP; (2) treatment plant start-up and optimization and near-term effluent quality monitoring and compliance evaluations; and (3) long-term compliance response planning and implementation, if compliance problems continue to exist and improvements are deemed necessary.

Upon completion of the new WWTP, the plant operators will need up to about 10 months for the treatment processes to be optimized and for the NCS DICS to determine the effect of the improvements on effluent quality. Monitoring throughout all seasons will be required to confirm that effluent concentrations are meeting the effluent limits.

Should compliance monitoring confirm that the effluent quality produced at the WWTP exceeds adopted NPDES permit limits for a specific constituent, the NCS DICS would initiate the planning and implementation of appropriate response activities. Several options are available to provide for successful future compliance, including, but not limited to: (a) source control and pollutant minimization actions; and (b) development and implementation of alternative operational strategies. The appropriate response planning and implementation actions for any particular constituent may require program/study, development, implementation, and monitoring for effect.

Table 5. Compliance actions — Dichlorobromomethane, Total Coliform, Turbidity, Ammonia, Nitrate, BOD, and TSS

Action	Time to Complete Action	Anticipated Completion Date
Completion of WWTP construction	14 months	July 2009
Compliance evaluation and operations optimization for new WWTP	10 months	May 2010

Compliance Schedule Requested: *The NCS DICS requests that compliance schedules for the effluent limits for total coliform, turbidity, ammonia, nitrate, BOD, and TSS be included in the CDO. The NCS DICS requests a 24-month compliance schedule within the CDO based on the justifications provided herein.*

4. Demonstration that the proposed time schedule is as short as practicable.

Because the new WWTP and non-engineering actions outlined above may provide findings that facilitate the NCS DICS achieving compliance with the proposed aluminum and copper effluent limitation, but uncertainty in this regard exists at this time, the engineering actions must be planned for as well. Based on the sequential and overlapping actions necessary to assure full

Ms. Messina
April 11, 2008
Page 8

compliance with the proposed aluminum and copper effluent limitations, the time schedules requested for these constituents are as short as practicable.

Similarly, based on the anticipated completion date for the new WWTP, potential for unforeseen construction delays, and need to optimize plant operations and performance and to verify compliance with the final effluent limits for dichlorobromomethane, total coliform, turbidity, ammonia, nitrate, BOD, and TSS, the time schedule requested for these constituents is as short as practicable.

If you have any questions, please feel free to contact me at (530) 265-7103 or our consultant, Dr. Michael Bryan of Robertson-Bryan, Inc. at (916) 714-1802.

Sincerely,

MARK MILLER
Nevada County Sanitation District No. 1



Gordon Plantenga, Wastewater Operations Manager

GP:RBI

cc: Nevada County Sanitation District No. 1 Board of Directors
Sanitation District Advisory Committee
Cascade Shores Working Group
County Counsel, Attention: Rob Shulman
RWQCB, Attention: Ken Landau
Kennedy/Jenks, Attention: Ken Shuey
Robertson-Bryan, Attention: Michael Bryan

RESOLUTION NO. SD08-14
OF THE BOARD OF DIRECTORS OF
NEVADA COUNTY SANITATION DISTRICT NO. 1

**ACCEPTING THE \$1,752,702 CONSTRUCTION GRANT FROM THE STATE
WATER RESOURCES CONTROL BOARD FOR THE CASCADE SHORES
WASTEWATER TREATMENT PLANT IMPROVEMENT PROJECT**

WHEREAS, Nevada County Sanitation District No. 1 owns and operates facilities for the collection, treatment, and disposal of wastewater in Cascade Shores, Zone 8; and

WHEREAS, the District is proceeding to acquire and construct improvements in order to comply with new State and Federal wastewater standards; and

WHEREAS, the District has determined to request a grant in the amount not to exceed \$2,000,000 through the Small Community Wastewater Grant (SCWG) Program from the State Water Resources Control Board (SWRCB) under an SCWG Agreement between the District and the SWRCB; and

WHEREAS, the District is authorized to enter into SCWG Agreement Number 06-370-550-0 and to use the funds for the purpose of financing the Project under the laws of the State of California, including the provisions of Chapter 3, Part 3 of Division 5 of the California Health and Safety Code, commencing with Section 4700 of said Code, most particularly Section 4764; and

WHEREAS, the Board of Directors approves this transaction in furtherance of the public purposes of the District, and the Board of Directors wishes at this time to authorize all proceedings relating to the acceptance of funds from the SWRCB in order to provide financing for the Project; and

WHEREAS, The Board of Directors had previously authorized by Resolution SD 05-39 the District Engineer (Director of Sanitation) to sign and file the Financial Assistance Application with the State Water Resources Control Board for and in the name of the District; and

WHEREAS, District had previously received the \$58,057 planning grant and the \$189,241 design grant.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of Directors of Nevada County Sanitation District No. 1 as follows:

1. Approves the Small Communities Wastewater Construction Grant; Execution and Delivery of SCWG Agreement, to provide financing for the Project from March 25, 2008, through September 30, 2009.
2. Approves the acceptance of funds for the construction grant from the SWRCB in the amount of \$1,752,702 under the SCWG Agreement Number 06-370-550-0 in substantially the form on file with the Clerk of the Board, together with any nonmaterial changes therein or additions thereto deemed advisable by the Chair of the Board or District Engineer (now Director of Sanitation), whose execution shall be conclusive evidence of the approval of any such changes or additions.
3. Directs the Auditor-Controller to deposit the funds received under into Fund 4735-91005-709-2000/445300 during Fiscal Year 2008/09.

FOR STATE USE ONLY DGS REGISTRATION NO.
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**PROPOSITION 40- SMALL COMMUNITY WASTEWATER GRANT PROGRAM
 GRANT AGREEMENT
 BETWEEN THE
 STATE WATER RESOURCES CONTROL BOARD, hereinafter called "State" or "State Water Board"
 AND**

**NEVADA COUNTY SANITATION DISTRICT NO. 1, hereinafter called "Grantee"
 CASCADE SHORES WASTEWATER TREATMENT PLANT UPGRADE PROJECT,
 hereinafter called "Project"**

**AGREEMENT NO. 06-370-550-0
 PROJECT NO. SCG-989-030**

State and Grantee hereby agree as follows:

PROVISION(S). The following provision(s) authorize the State Water Board to enter into this type of Grant Agreement:

PRC §§ 5096.650, 30925 (Pr 40 Small Community Wastewater)

PURPOSE. State shall provide a grant to and for the benefit of Grantee for the purpose of the construction of new headworks, an equalization tank, Parshall flume, and a new moving bed bioreactor (MBBR) treatment system, followed by a Dissolved Air Floatation (DAF) Unit and ultrafiltration.

GRANT AMOUNT. The maximum amount payable under this Agreement shall not exceed \$1,752,702. Global Positioning System (GPS) locations for any monitoring must be identified for this Project prior to any disbursements.

TERM OF AGREEMENT. The term of the Agreement shall begin on March 25, 2008 and continue through Project completion plus twenty-three (23) years unless otherwise terminated or amended as provided in the Agreement. **HOWEVER, ALL WORK SHALL BE COMPLETED BY SEPTEMBER 30, 2009. ABSOLUTELY NO FUNDS MAY BE REQUESTED AFTER NOVEMBER 1, 2009.**

Project Representatives. The Project Representatives during the term of this Agreement will be:

State Water Resources Control Board	Grantee: Nevada County Sanitation District No. 1
Name: Ms. Erin Ragazzi, Program Manager	Name: Mr. Richard A. Haffey, County Executive Officer (District Administrator)
Address: 1001 I Street, 16th Floor Sacramento, CA 95814	Address: 950 Maidu Avenue Nevada City, CA 95959-8600
Phone: (916) 341-5733	Phone: (530) 265-7040
Fax: (916) 341-5707	Fax: (530) 265-9839
e-mail: eragazzi@waterboards.ca.gov	e-mail: ceo@co.nevada.ca.us

Direct all inquiries to:

State Water Resources Control Board	Grantee: Nevada County Sanitation District No. 1
Section/Unit: Division of Financial Assistance	Section/Unit:
Attention: Mr. Glenn Zeichner, Project Manager	Attention: Mr. Steven Stiles, Grant Contact
Address: 1001 I Street, 16th Floor Sacramento, CA 95814	Address: 950 Maidu Avenue Nevada City, CA 95959-8600
Phone: (916) 323-9322	Phone: (530) 265-1752
Fax: (916) 341-5707	Fax: (530) 265-8949
e-mail: gzeichner@waterboards.ca.gov	e-mail: Steven.Stiles@co.nevada.ca.us

Either party may change its Project Representative upon written notice to the other party.

STANDARD PROVISIONS. The following exhibits are attached and made a part of this Agreement by this reference:

- Exhibit A SCOPE OF WORK
- Exhibit B INVOICING, BUDGET DETAIL AND REPORTING PROVISIONS
- Exhibit C STATE WATER BOARD - GENERAL CONDITIONS
- Exhibit D SMALL COMMUNITY GRANT PROGRAM – SPECIAL CONDITIONS

GRANTEE REPRESENTATIONS. The Grantee accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and commitments made by the Grantee in its application, accompanying documents, and communications filed in support of its request for grant funding. Grantee shall comply with and require its contractors and subcontractors to comply with all applicable laws, policies and regulations.

IN WITNESS THEREOF, the parties have executed this Agreement on the dates set forth below.

By: 

Grantee Signature

Ted S. Owens

Grantee Typed/Printed Name

Chair June 24, 2008

Title and Date

By: _____
Barbara L. Evoy, Deputy Director
Division of Financial Assistance,
State Water Resources Control Board

Date

Reviewed by:
Office of Chief Counsel
Date:

EXHIBIT A — SCOPE OF WORK

1. Work To Be Performed by Grantee:

Construct the Cascade Shores Wastewater Treatment Plant Upgrade Project. All work performed under this Grant Agreement shall be performed in accordance with all State Water Board requirements including, but not limited to the "Small Community Wastewater Grant Program Guidelines" adopted June 17, 2004, amended May 22, 2007, and the "Plans and Specifications Approval" letter dated March 25, 2008. Conduct water quality monitoring in accordance with the Waste Discharge Requirements issued by the California Central Valley Regional Water Quality Control Board.

State Disclosure Requirements – Include the following disclosure statement in any document, written report, or brochure prepared in whole or in part pursuant to this Agreement:

"Funding for this project has been provided in full or in part through an agreement with the State Water Resources Control Board (State Water Board). The contents of this document do not necessarily reflect the views and policies of the State Water Board, nor does mention of trade names or commercial products constitute endorsement or recommendation for use." (Gov. Code, § 7550)

Signage shall be posted in a prominent location at Project site (if applicable) and shall include the State Water Board logo (available from the Program Analyst) and the following disclosure statement:

"Funding for this project has been provided in full or in part through an agreement with the State Water Resources Control Board."

The Grantee shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this work item. (Gov. Code, § 7550)

SMALL COMMUNITY WASTEWATER GRANT PROGRAM
 TABLE OF ITEMS FOR REVIEW
 (Submittals to be delivered to Project Manager to verify Project progress.)

ITEM	DESCRIPTION	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK			
1.0	WORK TO BE PERFORMED BY GRANTEE		
	Approval-To-Award Package		March 2008 (Complete)
	Final Operation and Maintenance Manual		November 2008
	Final Revenue Program		November 2008
EXHIBIT B – INVOICING, BUDGET DETAIL AND REPORTING PROVISIONS			
4.0	REPORTS		
4.1	Progress Reports by the twentieth (20 th) of the month following the end of the calendar quarter (March, June, September, and December)		Quarterly
4.3	Final Cost Project Summary Report		March 2009
5.0	Project Performance Certification Report		September 2009

EXHIBIT B — INVOICING, BUDGET DETAIL AND REPORTING PROVISIONS

1. Request for Disbursement

- 1.1 Upon execution and return of this Grant Agreement, the Grantee may request immediate disbursement of grant funds necessary to reimburse the Grantee for eligible Project costs previously incurred by the Grantee. At the option of the State Water Board, the State Water Board may immediately disburse to the Grantee sufficient sums to reimburse the Grantee for incurred costs.

The original Request for Disbursement Form (Form No. 260) shall be submitted to the State Water Board's Disbursement Coordinator not more than once every thirty (30) calendar days after this Agreement has been executed.

The address for submittal is:

State Water Board, Division of Financial Assistance
Attention: Disbursement Coordinator
17th Floor, Administration Unit
P. O. Box 944212
Sacramento, CA 94244-2120

Street Address: 1001 I Street, 17th Floor
Sacramento, CA 95814

- 1.2 Payment of eligible costs will be made only after receipt of a complete, adequately supported, properly documented and accurately addressed Form No. 260. Forms received by the State Water Board that are not consistent with the approved format will cause delay in disbursement. In the event of a delayed disbursement, the State Water Board's Disbursement Coordinator will notify the Grantee. Full payment will not be made until the issue(s) for the delay are resolved. Failure to use the address exactly as provided above may result in return of the invoice or payment request to the Grantee. Payment shall be deemed complete upon deposit of the payment, properly addressed, postage prepaid, in the United States mail. The State Water Board Program Manager or Project Manager must approve all payments.
- 1.3 Notwithstanding any other provision of this Agreement, no disbursement shall be required at any time or in any manner which is in violation of or in conflict with federal or state laws, rules, or regulations, or which may require any rebates to the federal Government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation.
- 1.4 Notwithstanding any other provision of this Agreement, the Grantee agrees that the State Water Board may retain an amount equal to ten percent (10%) of the grant amount specified in this Agreement until completion of the Project to the reasonable satisfaction of the State Water Board. Any retained amounts due to the Grantee will be disbursed to the Grantee, without interest, upon satisfactory completion of the Project.
- 1.5 The Form No. 260 shall contain the following information (a form partially completed by State Water Board staff will be sent to the Grantee). The Grantee must:
- 1.5.1 Enter the submittal date;
 - 1.5.2 Enter the sequential Disbursement Request Number in a prominent location at the top of the page(s);
 - 1.5.3 Enter the eligible construction completion percentage; (for construction only)
 - 1.5.4 Enter the total cost incurred to date in Column (C), except for construction costs (for construction costs complete a Form 259);
 - 1.5.5 Enter an itemized account of the work for which the State Water Board is being billed:
 - 1.5.5.1 The time period covered, i.e., the term "from" and "to";

- 1.5.5.2 A brief description of the work performed;
- 1.5.5.3 The method of computing the amount due. The amount claimed for salaries/wages/consultant fees must also be explained; i.e., hours or days worked times the hourly or daily rate = the total amount claimed; and
- 1.5.5.4 The total amount due should be in a prominent location in the lower right-hand portion of the last page and clearly distinguished from other figures or computations appearing on the invoice; the total amount due shall include all costs incurred by the Grantee under the terms of this Agreement.

1.6 For Construction Grants, also include: (1) a completed Construction Contractor Spreadsheet, Form No. 259, estimate (a form partially completed by State Water Board staff will be sent to the recipient with the Form No. 260) and (2) a signed construction contractor's pay estimate. To complete the Form 259, the recipient must:

- 1.6.1 Enter the submittal date;
- 1.6.2 Enter the Disbursement Request Number;
- 1.6.3 Enter Total Costs Incurred to Date for each bid item into Column (H);
- 1.6.4 If materials are on hand, enter this figure into Column (H), just below the Subtotal on the bottom of the spreadsheet;
- 1.6.5 Any retention withheld from the contractor should be entered into Column (H), just below the Subtotal on the bottom of the spreadsheet unless the retention was deposited into Escrow or a Certificate of Deposit. The recipient must include a copy of the statement of deposit for any contractor retention funds that have been deposited into Escrow, a Certificate of Deposit, or Letter of Credit.
- 1.6.6 Total Column (H), enter this figure on the Form No. 260, Column (C) for construction costs;
- 1.6.7 Total Column (K), enter this figure on the Form No. 260, Column (E) for construction costs.

1.7 Original signature and date (in ink) of the Grantee's Authorized Representative.

1.8 Final invoice shall be clearly marked "FINAL" and submitted NO LATER THAN NOVEMBER 1, 2009.

2. Budget Contingency Clause

The maximum amount to be encumbered under this Grant Agreement for the 2006-07 fiscal year ending June 30, 2007, shall not exceed ONE MILLION, SEVEN HUNDRED FIFTY-TWO THOUSAND, SEVEN HUNDRED AND TWO DOLLARS (\$1,752,702).

The final construction amount and any applicable allowance will be determined at the time of "Approval to Award" the construction contract(s) for construction of those facilities as determined to be necessary and in accordance with the provisions of the "Small Community Wastewater Grant Program Guidelines" adopted June 17, 2004, amended May 22, 2007. If the Grantee fails or refuses to proceed to construction of facilities, the State Water Board, at its option, may consider such action to be a material violation of the requirements of this Agreement. In the event of such a determination, the State Water Board shall have all rights and remedies as are otherwise available to it for breach of this Agreement by the Grantee.

The Grantee shall not request disbursement for any cost until such cost has been incurred and has been paid by or is due and payable by the Grantee. Although it is agreed that actual payment of such cost by the Grantee is not required as a condition of the grant disbursement, all grant disbursements received by the Grantee shall be paid to contractors and vendors within thirty (30) days from receipt of the funds. In the event that the Grantee fails to disburse grant funds to contractors or vendors within thirty (30) days from receipt of the funds, the Grantee shall immediately return such funds to the State Water Board. Interest shall accrue on such funds from the date of disbursement through the date of mailing of funds to the State Water Board. If the Grantee held such funds in interest-bearing accounts, any interest earned on the funds shall also be due to the State Water Board.

If the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of the State Water Board to make any payments under this Agreement. In this event, the State shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Agreement and Grantee shall not be obligated to perform any provisions of this Agreement. Nothing in this Agreement shall be construed to provide the Grantee with a right of priority for payment over any other Grantee.

If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an Agreement amendment to Grantee to reflect the reduced amount.

3. Line Item Budget

Description	*Total Grant Award: \$1,752,702
	Grant Allotment
Construction**	\$1,752,702
Subtotal	
*TOTAL	\$1,752,702

*These totals must match.

**Breakdown according to "Approval to Award" letter and may include any of the following: Construction, Allowances, Equipment, Land, Contingency, or Other.

4. Reports.

- 4.1 Grantee shall submit quarterly progress reports to the State Water Board's Grant Manager by the twentieth (20th) of the month following the end of the calendar quarter (March, June, September, and December). The progress reports shall provide a brief description of the work performed, accomplishments during the quarter, milestones achieved, and any problems encountered in the performance of the work under this Agreement.
- 4.2 The Grantee agrees to expeditiously provide, during work on the Project and throughout the term of this Agreement, such reports, data, information, and certifications as may be reasonably required by the State Water Board.
- 4.3 Final Costs and Audit. Within one hundred twenty (120) days after Project completion, the Grantee agrees to provide to the State Water Board Project Manager a final cost project summary report on the Project. The summary shall include at a minimum, a statement of:
 - 4.3.1 Brief description of the Project as completed which may include its features, capacity, current and planned uses and users.
 - 4.3.2 Total Eligible Project Costs;
 - 4.3.3 The amount of any unexpended Grant Project Funds;
 - 4.3.4 The total amount of assistance funds received from all sources and the allocation of those funds to the Project's costs;

- 4.3.5 The amount of interest earned, if any, on Grant Project Funds before expenditure on incurred Project costs. If no interest has been earned, this fact shall be expressly stated;
 - 4.3.6 The report shall be accompanied by such other financial information as may be reasonably required by the Division of Financial Assistance to verify Grantee entitlement to assistance, to assure program integrity of the Small Community Wastewater Grant Program. The report shall certify as correct by the duly Authorized Representative of the Grantee that costs attributed to the Project have been incurred in the amounts and for the purposes represented and that the work or material for which payment has been requested is satisfactory. Any change in the information supplied shall be promptly reported to the State Water Board.
5. Submit a Project Certification Report to the Project Manager that is in accordance with the provisions of the "Small Community Wastewater Grant Program Guidelines" adopted June 17, 2004, amended May 22, 2007, pertaining to the Project Performance Standards agreed to by the Grantee on January 30, 2008.
 6. **Payment of Project Costs.** The Grantee agrees that it will provide for payment of its full share of Project costs and that all costs connected with the Project will be paid by the Grantee on a timely basis.
 7. **Audit Disallowances.** The Grantee agrees it shall return any audit disallowances to the State Water Board.

EXHIBIT C — STATE WATER BOARD GENERAL CONDITIONS

1. **AMENDMENT:** No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
2. **APPROVAL:** The Grantee will not proceed with any work on the Project until authorized in writing by the State Water Board.
3. **ASSIGNMENT:** This grant is not assignable by the Grantee, either in whole or in part, without the consent of the State Water Board.
4. **AUDIT:** Grantee agrees that the awarding department, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. The Grantee agrees to maintain such records for a possible audit for a minimum of twenty-three (23) years after final payment, unless a longer period of records retention is stipulated. Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Grantee agrees to include a similar right of the State to audit records and interview staff in any contract related to performance of this Agreement.
5. **BONDING:** Where contractors are used, Grantee shall not authorize construction to begin until each such contractor has furnished a performance bond in favor of the Grantee in the following amounts: faithful performance (100%) of contract value; labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$20,000.00. Copies of performance bonds must be submitted to the Project Manager prior to the authorization of construction activities.
6. **CEQA/NEPA:** No work that is subject to the California Environmental Quality Act (CEQA) or National Environmental Policy Act (NEPA) may proceed under this Agreement until documents that satisfy the CEQA/NEPA process are received by the Project Manager and the State Water Board has given environmental clearance. No work that is subject to an Environmental Impact Report or a Mitigated Negative Declaration may proceed until and unless approved by the Deputy Director of the State Water Board's Division of Financial Assistance (Division). Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required.
7. **COMPLIANCE WITH LAW, REGULATIONS, ETC.:** The Grantee agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, rules, guidelines, regulations, and requirements. Without limitation of the foregoing, the Grantee agrees that, to the extent applicable, the Grantee will comply with the provisions of the adopted environmental mitigation plan for the life of this Project.
8. **COMPUTER SOFTWARE:** The Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
9. **CONFLICT OF INTEREST:** Grantee certifies that it is in compliance with applicable state and/or federal conflict of interest laws.
10. **CONTINUOUS USE OF PROJECT; LEASE OR DISPOSAL OF PROJECT:** The Grantee agrees that, except as provided in the Agreement, it will not abandon, substantially discontinue use of, lease, or dispose of the Project or any significant part or portion thereof during the useful life of the Project without prior written approval of the State Water Board. Such approval may be conditioned as determined to be appropriate by the State Water Board, including conditions requiring repayment of all or any portion of disbursed grant funds covered by this Agreement together with accrued interest and any penalty assessments that may be due. The Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of the Grantee to meet its obligations under this Agreement, without prior written permission of the State Water Board.

11. **DAMAGES FOR BREACH AFFECTING TAX EXEMPT STATUS:** In the event that any breach of any of the provisions of this Agreement by the Grantee shall result in the loss of tax exempt status for any state bonds, or if such breach shall result in an obligation on the part of the State to reimburse the federal government by reason of any arbitrage profits, the Grantee shall immediately reimburse the State in an amount equal to any damages paid by or loss incurred by the State due to such breach.
12. **DATA MANAGEMENT.** This Project includes appropriate data management activities so that Project data can be incorporated into appropriate statewide data systems.
13. **DISPUTES:** Grantee shall continue with the responsibilities under this Agreement during any dispute. Any dispute arising under this Agreement which is not otherwise disposed of by agreement shall be decided by the Deputy Director of the Division of Financial Assistance (Division), or his or her authorized representative. The decision shall be reduced to writing and a copy thereof furnished to the Grantee and to the State Water Board's Executive Director. The decision of the Division shall be final and conclusive unless, within thirty (30) calendar days after mailing of the Division decision to the Grantee, the Grantee mails or otherwise furnishes a written appeal of the decision to the State Water Board's Executive Director. The decision of the State Water Board's Executive Director shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal under this clause, the Grantee shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Grantee shall continue to fulfill and comply with all the terms, provisions, commitments, and requirements of this Agreement. This clause does not preclude consideration of legal questions, provided that nothing herein shall be construed to make final the decision of the State Water Board, or any official or representative thereof, on any question of law.
14. **FISCAL MANAGEMENT SYSTEMS AND ACCOUNTING STANDARDS:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law or this Agreement. The Grantee further agrees that it will maintain separate Project accounts in accordance with generally accepted accounting principles.
15. **GOVERNING LAW:** This grant is governed by and shall be interpreted in accordance with the laws of the State of California.
16. **GRANT MODIFICATIONS:** The State Water Board may, at any time, without notice to any sureties, by written order designated or indicated to be a "grant modification," make any change in Exhibit A, for the work to be performed under this Agreement so long as the modified work is within the general scope of work called for by this Agreement, including but not limited to changes in the specifications or in the method, manner, or time of performance of work. If the Grantee intends to dispute the change, the Grantee must, within ten (10) days after receipt of a written "grant modification," submit to the State Water Board a written statement setting forth the disagreement with the change.
17. **GRANTEE'S RESPONSIBILITY FOR WORK:** The Grantee shall be responsible for work and for persons or entities engaged in work, including, but not limited to, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to payment disputes with contractors, subcontractors, and providers of services. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.
18. **INCOME RESTRICTIONS:** The Grantee agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Grantee under this Agreement shall be paid by the Grantee to the State, to the extent that they are properly allocable to costs for which the Grantee has been reimbursed by the State under this Agreement.

19. **INDEPENDENT ACTOR:** The Grantee, and its agents and employees, if any, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees or agents of the State Water Board.
20. **INSPECTION:** Throughout the life of the Project, the State Water Board shall have the right to inspect the Project area to ascertain compliance with this Agreement.
21. **INSURANCE:** Throughout the life of the Project, the Grantee shall provide and maintain insurance against fire, vandalism and other loss, damage, or destruction of the facilities or structures constructed pursuant to this Agreement, if any. This insurance shall be issued by a company or companies admitted to transact business in the State of California. The insurance policy shall contain an endorsement specifying that the policy will not be cancelled or reduced in coverage without thirty (30) days' prior written notice to the State Water Board. In the event of any damage to or destruction of the Project or any larger system of which it is a part, the net proceeds of insurance shall be applied to the reconstruction, repair or replacement of the damaged or destroyed parts of the Project or its larger system. The Grantee shall begin such reconstruction, repair, or replacement as expeditiously as possible and shall pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the larger system shall be free of all claims and liens.
22. **NONDISCRIMINATION:** During the performance of this Agreement, the Grantee and its contractors shall not unlawfully discriminate against, harass, or allow harassment against any employee or applicant for employment because of sex, race, religion, color, national origin, ancestry, disability, sexual orientation, medical condition, marital status, age (over 40) or allow denial of family-care leave, medical-care leave, or pregnancy-disability leave. The Grantee and its contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment.
23. **NO THIRD PARTY RIGHTS:** The parties to this grant Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this grant Agreement, or of any duty, covenant, obligation or undertaking established herein.
24. **NOTICE:**
 - a. The Grantee shall notify the State Water Board prior to conducting construction, monitoring, demonstration, or other implementation activities such that State Water Board and/or Regional Water Board staff may observe and document such activities.
 - b. The Grantee shall promptly notify the State Water Board of events or proposed changes that could affect the scope, budget, or work performed under this Agreement. The Grantee agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to the State Water Board, and the State Water Board has given written approval for such change.
 - c. The Grantee shall notify the State Water Board at least ten (10) working days prior to any public or media event publicizing the accomplishments and/or results of this Agreement and provide the opportunity for attendance and participation by State Water Board representatives.
 - d. The Grantee shall promptly notify the State Water Board in writing of completion of work on the Project.
 - e. The Grantee shall promptly notify the State Water Board in writing of any cessation of all major construction work on the Project where such cessation of work is expected to or does extend for a period of thirty (30) days or more and of any circumstance, combination of circumstances, or condition, which is expected to or does delay completion of construction for a period of ninety (90) days or more beyond the estimated date of completion of construction previously provided.
25. **OPERATIONS & MAINTENANCE:** The Grantee shall maintain and operate the facility and structures constructed or improved as part of the Project throughout the life of the Project, consistent with the purposes for which this Grant was made. The Grantee assumes all operations and maintenance costs of the facilities

and structures; the State Water Board shall not be liable for any cost of such maintenance, management or operation. The Grantee may be excused from operations and maintenance only upon the written approval of the Program Manager. For purposes of this Agreement, "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses. "Maintenance costs" include ordinary repairs and replacements of a recurring nature necessary to prolong the life of capital assets and basic structures, and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures.

26. **PERMITS, CONTRACTING, WAIVER, REMEDIES AND DEBARMENT:** The Grantee shall procure all permits and licenses necessary to accomplish the work contemplated in this Agreement, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work. Any contractors, outside associates, or consultants required by the Grantee in connection with the services covered by this Agreement shall be limited to such individuals or firms as were specifically identified and agreed to during negotiations for this Agreement, or as are specifically authorized by the State Water Board's Project Manager during the performance of this Agreement. Any substitutions in, or additions to, such contractors, associates, or consultants, shall be subject to the prior written approval of the State Water Board's Project Manager. Any waiver of rights with respect to a default or other matter arising under the Agreement at any time by either party shall not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State provided for in this Agreement are in addition to any other rights and remedies provided by law. The Grantee shall not contract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549, "Debarment and Suspension". The Grantee shall not contract with any individual or organization on USEPA's List of Violating Facilities. (40 CFR, Part 31.35, Gov. Code § 4477) The Grantee certifies to the best of its knowledge and belief, that it and its principals:
- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or Grantee;
 - b. Have not within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and
 - d. Have not within a three-year period preceding this application/proposal had one or more public transactions (federal, state or local) terminated for cause or default.
27. **PREVAILING WAGES AND LABOR COMPLIANCE:** If applicable, the Grantee agrees to be bound by all the provisions of State Labor Code Section 1771 regarding prevailing wages. If applicable, the Grantee shall monitor all agreements subject to reimbursement from this Agreement to assure that the prevailing wage provisions of State Labor Code Section 1771 are being met. The Grantee agrees to fulfill its responsibilities under Section 1771.8 of the Labor Code, where applicable.
28. **PROFESSIONALS:** The Grantee agrees that only licensed professionals will be used to perform services under this Agreement where such services are called for.
29. **RECORDS:** Without limitation of the requirement to maintain Project accounts in accordance with generally accepted accounting principles, the Grantee agrees to:

- a. Establish an official file for the Project which shall adequately document all significant actions relative to the Project;
 - b. Establish separate accounts which will adequately and accurately depict all amounts received and expended on this Project, including all grant funds received under this Agreement;
 - c. Establish separate accounts which will adequately depict all income received which is attributable to the Project, especially including any income attributable to grant funds disbursed under this Agreement;
 - d. Establish an accounting system which will adequately depict final total costs of the Project, including both direct and indirect costs;
 - e. Establish such accounts and maintain such records as may be necessary for the state to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and
 - f. If Force Account is used by the Grantee for any phase of the Project, establish an account that documents all employee hours, and associated tasks charged to the Project per employee.
30. **RELATED LITIGATION:** Under no circumstances may a Grantee use funds from any disbursement under this Grant Agreement to pay costs associated with any litigation the Grantee pursues against the State Water Board or any Regional Water Board. Regardless of the outcome of any such litigation, and notwithstanding any conflicting language in this Agreement, the Grantee agrees to complete the Project funded by this Agreement or to repay all of the grant funds plus interest.
31. **RIGHTS IN DATA:** The Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Agreement shall be in the public domain. The Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this Agreement, subject to appropriate acknowledgement of credit to the State Water Board for financial support. The Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.
32. **STATE REVIEWS AND INDEMNIFICATION:** The parties agree that review or approval of Project applications, documents, permits, plans and specifications or other Project information by the State Water Board is for administrative purposes only and does not relieve the Grantee of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the Project. To the extent permitted by law, the Grantee agrees to indemnify, defend and hold harmless the State Water Board and the State against any loss or liability arising out of any claim or action brought against the State Water Board and/or the State from and against any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from, or in any way connected with (1) the Project or the conditions, occupancy, use, possession, conduct or management of, work done in or about, or the planning, design, acquisition, installation or construction, of the Project or any part thereof; (2) the carrying out of any of the transactions contemplated by this Agreement or any related document; (3) any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the California Hazardous Waste Control Law and California Water Code § 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the System; or (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by the Grantee for use in any disclosure document utilized in connection with any of the transactions contemplated by this Agreement. To the fullest extent permitted by law, the Grantee agrees to pay and discharge any judgment or award entered or made against the State Water Board and/or the State with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section shall survive the term of this Agreement.
33. **SUPPLEMENTAL ENVIRONMENTAL PROJECTS:** Grant Funds shall not be used for supplemental environmental projects required by Regional Boards.

34. **STATE WATER BOARD ACTION, COSTS, AND ATTORNEY FEES:** The Grantee agrees that any remedy provided in this Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the State Water Board as a result of breach of this Agreement by the Grantee, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this Agreement by the State Water Board shall not preclude the State Water Board from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this Agreement, it is agreed that the prevailing party shall be entitled to such reasonable costs and/or attorney fees as may be ordered by the court entertaining such litigation.
35. **TERMINATION, IMMEDIATE REPAYMENT, INTEREST:** This Grant Agreement may be terminated by written notice at any of this Grant Agreement time prior to completion of the Project, at the option of the State Water Board, upon violation by the Grantee of any material provision after such violation has been called to the attention of the Grantee and after failure of the Grantee to bring itself into compliance with the provisions of this Agreement within a reasonable time as established by the State Water Board. In the event of such termination, the Grantee agrees, upon demand, to immediately repay to the State Water Board an amount equal to the amount of grant funds disbursed to the Grantee prior to such termination. In the event of termination, interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to the Grantee to the date of full repayment by the Grantee.
36. **TIMELINESS:** Time is of the essence in this Agreement. The Grantee shall proceed with and complete the Project in an expeditious manner.
37. **TRAVEL AND PER DIEM:** Any reimbursement for necessary travel and per diem shall be at rates not to exceed those amounts paid to the State's represented employees. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the State Water Board. The State's travel and per diem reimbursement amounts may be found online at <http://www.dpa.ca.gov/jobinfo/statetravel.shtml>. Reimbursement will be at the State travel and per diem amounts that are current as of the date costs are incurred by the Grantee.
38. **UNENFORCEABLE PROVISION:** In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement shall continue to have full force and effect and shall not be affected thereby.
39. **USEFUL LIFE OF PROJECT:** For the purpose of this Agreement, the useful life of any constructed portions of this Project begins upon completion of construction and continues until fifty (50) years thereafter for pipelines and structures and twenty (20) years for all else.
40. **VENUE:** The State Water Board and the Grantee hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Agreement.
41. **WITHHOLDING OF GRANT DISBURSEMENTS:** The State Water Board may withhold all or any portion of the grant funds provided for by this Agreement in the event that the Grantee has materially violated, or threatens to materially violate, any term, provision, condition, or commitment of this Agreement, or the Grantee fails to maintain reasonable progress toward completion of the Project.

EXHIBIT D — SMALL COMMUNITY GRANT PROGRAM TERMS AND CONDITIONS

1. The Grantee certifies that any lands or interests in land acquired for this Project shall be acquired from a willing seller.