

PARADISE SEWER REGIONALIZATION PROJECT ADVISORY COMMITTEE

**COMMITTEE MEETING MINUTES
MONDAY, 14 JUNE 2021**



COMMITTEE MEETING LOCATION: TOWN OF PARADISE

COMMITTEE MEMBERS PRESENT:

Mayor Steve Crowder
Vice Mayor Jody Jones

Mayor Andrew Coolidge

COMMITTEE MEMBERS ABSENT:

Vice Mayor Kasey Reynolds

TOWN OF PARADISE STAFF PRESENT:

Kevin Philips, Town Manager
Marc Mattox
Katie Simmons
Melanie Norris
Dina Volenski

CITY OF CHICO STAFF PRESENT:

Mark Orme
Erik Gustafson
Debbie Presson

CENTRAL VALLEY WATER BOARD STAFF PRESENT:

Clint Snyder
Bryan Smith

ADDITIONAL ATTENDEES PRESENT WHO WERE IDENTIFIED:

Leslie Tice (HDR Engineering) and John Buttz (HDR Engineering)

AGENDA ITEM 1 - INTRODUCTIONS

At 2:00 p.m. Clint Snyder called the meeting to order, stated the purpose of the meeting and organizational structure of the meeting, provided an overview of attendance options and procedures, and facilitated introductions.

Emailed comments received from the public included Todd Swaggerty, Matt Ladey, Vincent Child, Gabrielle (last name uncertain). Emails were provided to Committee members.

Mr. Snyder introduced Water Boards staff present, Mr. Phillips introduced Town of Paradise staff present, and Mr. Orme introduced City of Chico staff present.

AGENDA ITEM 2 – APPROVE PREVIOUS MEETING MINUTES

Committee unanimously approved May 10, 2021 meeting minutes.

AGENDA ITEM 3 – COMMITTEE MEMBER COMMUNICATION

Mr. Crowder – Expressed his appreciation for in-person meeting.

Ms. Jones – Expressed her appreciation for in-person meeting and welcomed attendees to Paradise.

Mr. Coolidge – Inquired about in-person public participation. Public invited to June meeting, but none attended in person.

AGENDA ITEM 4 – STATUS UPDATES

A. ENVIRONMENTAL IMPACT REPORT

Ms. Tice, HDR Engineering, provided update on project's EIR. 30-day public comment (scoping phase) concluded June 3, 2021. Two virtual scoping meetings were held: 28 total comments from 25 commenters. Meetings were recorded and are posted on the project website. Ms. Tice is currently working to prepare a summary report which will be posted on the project website when complete.

Ms. Tice also reviewed the project schedule. Next steps will be to refine the scope of the project analysis based on input received during the scoping meetings, finalize field studies, environmental impacts analysis, and project alternatives.

Mayor Coolidge inquired about how public comments would be routed to Committee members; Ms. Simmons responded that written correspondence would be routed to the Town and City Clerks who would route communication to respective Committee members.

B. COOPERATIVE FUNDING AGREEMENT (CFA) SCOPE OF WORK

Mr. Gustafson provided that the City of Chico has contracted with Carollo Engineering to evaluate potential improvements to the City's Water Pollution Control Plant (WPCP). Initial work to begin in the next couple of weeks.

Ms. Jones inquired about how long the work would take to complete and how the work would relate to the EIR; Mr. Gustafson replied that contract provides that the work would be complete by February 2022, but that they hope to finish sooner. City of City will work with Carollo to identify and prioritize EIR dependent work to prevent any delays with the EIR.

C. OTHER FOLLOW-UP ACTION ITEMS FROM SRPAC

None.

AGENDA ITEM 5 – PRINCIPALS OF AGREEMENT WORKING SESSION

Mr. Buttz facilitated Committee working session on development of the Principals of Agreement (POA). The POA will serve as an outline for an inter-municipal agreement should the project be approved and follows City of Chico code requirements for considering regional projects.

Mr. Buttz explained that there have been several Town and City staff meetings since the last Committee meeting to develop draft language for Committee discussion and consideration. Further, that the Committee will revisit each of the POA topics multiple times through the document's development process.

Sewer Use Ordinance –

Committee considered section language during previous meeting. Committee didn't make any changes to this section during June 2021 meeting.

User Inventory –

Staff/Committee discussion regarding frequency and methods of reporting new and projected connections to City. Information relevant to City's WPCP operators so that they can make appropriate adjustment to the WPCP to accommodate projected increases in wastewater strength and volume. Town and City staff will continue to develop language and present to the Committee for their consideration. Initial draft language included in the attached Draft POA.

Pretreatment –

Pretreatment Program ensures connections producing high strength waste have controls in place to prevent upsets to City of Chico WPCP as is also required by facilities within the City of Chico. No draft language proposed during June 2021 Committee meeting as City will need to consult with its engineering consultant. Both Mayor Coolidge and Vice Mayor Jones agree to consider staff suggestions regarding pretreatment language.

Pretreatment Data Access –

City of Chico municipal code requires that a town connecting to the City's WPCP provide the City with certain data regarding their pretreatment activities. Committee discussed classifications of professionals hired to oversee pretreatment program, economies of scale could be leveraged through a partnership between the Town and City. Draft language included in the attached Draft POA.

Wastewater Limits -

Limited discussion. The POA will need to define limits on the volume and quality of Paradise wastewater discharged to the Chico Water Pollution Control Plant (WPCP). This

will likely be addressed by the City's CFA efforts; when complete the Committee will review the results and draft POA language.

Wastewater Monitoring –

Mr. Buttz provided that the POA will need to define how the volume and quality of Paradise wastewater will be monitored. Topic introduced; no draft language prepared as wastewater monitoring will likely be addressed through the City's CFA efforts; once completed the Committee will review the results of the analysis and draft POA language based on that analysis.

Access to Facilities –

Mr. Buttz explained that the City will need to be granted access to the Town's wastewater facilities including those within the Town's boundaries. The Committee previously considered draft language granted the City access but expanded upon that language by requiring the City to provide the Town sufficient notice due to traffic control and other potential considerations. Draft language is included in the attached Draft POA.

Remedies for Breach of Agreement

Breach of Agreement language required to address any breach of agreement between the two parties; Town and City. Committee discussed roles of the Committee, Town and City councils, and their respective legal counsel in developing Breach of Agreement language. General agreement that the Committee would develop guiding language to be included in the POA, which the respective legal counsel would review and add detail where appropriate. Mayor Coolidge asked that where there is disagreement between counsel, would the issue(s) be brought back to Committee members to develop mutually agreeable solutions? Paradise agreed that yes, the Committee should serve that role. The POA would be used to develop the Inter-Municipal Agreement (IMA) which would contain language making it legally binding, therefore would come to Committee and/or Town and City Councils for final consideration and adoption.

Committee then discussed future connections to the pipeline between the Town and City WPCP. Committee generally agreed that any future connections would need Town and City approval. Note too that any future connection would likely require full CEQA require including public noticing and comment periods before Town and City Council consideration. Committee deferred to staff to draft language for Committee's consideration, both Mayor Coolidge and Vice Mayor Jones supported staff's consideration of language prohibiting connection outside of the Town limits.

Connection Fees –

Mr. Buttz introduced topic to Committee. Connection fees language relies heavily on work currently being conducted by City's consultants, Carollo Engineers and so Committee will hold off on meaningful discussion until Carollo completes its work. Committee and staff discussed models used by other municipalities and potential frequency of fees paid and collected by the City. Mayor Coolidge inquired about common problems associated with

these agreements post construction. Mr. Buttz and Mr. Snyder both agreed to look into the matter more and report back to the Committee at a later date.

Committee also discussed need to consider environmental liability at the WPCP, micro-hydro power generation, and recycled water use as part of the fee structure or IMA.

Monthly User Fees –

Multiple items need to be addressed related to the monthly fees to be paid by the Town for discharging to the Chico WPCP. These will likely be addressed by the City's CFA efforts; the Committee would then review those results and draft POA language. No draft language developed during the June 2021 Committee meeting.

Operation and Maintenance of Facilities –

Current vision; Town would construct and own the export pipeline along with the intake structure at the City of Chico WPCP. The POA would need to address ownership and operation and maintenance of the pipeline and termination structure. Mayor Coolidge asked about length of agreement and results of agreement termination. Mr. Phillips and Mr. Orme responded that agreements generally mirror lifespan of the infrastructure; 50 years for broader infrastructure projects for example. No draft language developed by the Committee during the June 2021 meeting.

AGENDA ITEM 6 – PUBLIC FORUM

No members of the public present.

AGENDA ITEM 7 – CLOSING COMMITTEE REMARKS

Mr. Coolidge was pleased with the progress and appreciated staffs time.

Ms. Reynolds was appreciative in starting work on POA.

Mr. Crowder echoed his appreciation.

Ms. Jones expressed her appreciation of the process, thanked Mr. Buttz for keeping the Committee on track, asked that the next meeting to be in-person.

Closing – Town and City staff will meet between Committee meetings to develop proposed language for Committee consideration. Committee agrees to moving Committee meetings from monthly to bi-monthly, rotating between the Town and City council chambers.

Meetings to occur on the second Monday of the respective month from 1:00 pm to 3:00 pm. August 9 meeting to occur at the City of Chico.

ADJOURNMENT

Clint Snyder adjourned the Committee meeting.

DRAFT Principles of Agreement

(version 2, 14-June-2021)

Introduction and Background

Through its work on the Paradise Sewer Project (Project), the Town of Paradise (Town) has identified a connection to the Chico Water Pollution Control Plant (WPCP) as its preferred alternative for wastewater treatment and disposal, and has approached the City of Chico (City) to explore the feasibility of such a connection. The Councils of the Town of Paradise and City of Chico have formed a Sewer Regionalization Project Advisory Committee (Committee) as a mechanism for exploring this proposal. The Central Valley Regional Water Quality Control Board (Regional Board) has agreed to facilitate the activities of the Committee.

Membership on the Committee is limited to elected officials from the Town and City, as those two parties are signatories to the Cooperative Funding Agreement (CFA) and will be signatories to a future inter-municipal agreement (IMA). The Town and City have both designated their Mayors and Vice Mayors as their Committee members.

The Committee will develop an agreed-upon list of basic principles for an IMA, which will be captured in this document, the Principles of Agreement (POA). It is anticipated that a draft POA will be developed by the Committee, which will then be brought to the Town Council and City Council for review and approval. The final POA would then be turned over to legal counsel from the Town and City to draft into an IMA for consideration by the Town Council and City Council.

City of Chico Municipal Code

The City of Chico has a provision in its municipal code *Section 15.40.285—Regulation of Waste Received from Other Jurisdictions* that specifically addresses handling wastewater from outside the city's sanitary sewer system. That code section is presented in its entirety at the end of this document.

Principles of Agreement

The Principles of Agreement are divided into eleven subject areas, as listed below. (Other subject areas may be added over time.) The first eight items reflect the eight items specified in Section 15.40.285. Over the course of its work, the Committee will develop specific agreed-upon statements (principles of agreement) for each of these items.

1. **Sewer Use Ordinance:** The Town will need to adopt a sewer use ordinance that parallels the City's sewer use ordinance. The POA could contain a commitment from the Town to have an ordinance completed by a certain milestone.
 - **DRAFT:** "The Town will adopt a sewer use ordinance that parallels the City's ordinance. The Town's ordinance shall be adopted and in place 30 days prior to the commencement of discharge into the Project." [Committee members to review with City and Town staff.]
2. **User Inventory:** The Town will need to submit an annual inventory of entities discharging into the sewer system. The POA could contain a statement to that effect.
 - **DRAFT:** "The Town will submit a quarterly inventory of entities discharging into its sewer system, classified by residential and commercial dischargers. This quarterly report will also contain an estimate of new connections estimated to occur over the upcoming 12 months, broken down by the same classifications.

This inventory will reflect data from July 1 through June 30 of each year, and will be submitted by August 1 of each year.”

- **DRAFT:** “A process for consulting with the City during development review of new connections to the Project needs to be identified. The City needs visibility of potential high-strength or unusual wastewater generators, because of the impact on the Chico WPCP.” [Town and City staff to develop specific recommended language for the development review process.]
 - **DRAFT:** [This POA should contain statements about the control of connections to the pipeline. The Town and City are in partnership on this project, and both would need to agree to any future tie-ins to the export pipeline. The Town could also commit, in this POA, to not allow future connections outside of the Town of Paradise to the export pipeline.]
3. **Pretreatment:** The City has an existing pretreatment program to monitor industrial/commercial dischargers, which Town dischargers will need to meet. (The City has two employees conducting annual inspections of commercial/industrial dischargers.) The POA could contain a statement to that effect. In addition, the Town will need to decide whether to create and administer its own pretreatment program, or simply comply with the City’s pretreatment program. Ultimately, the Town and City will need to determine who implements the various pretreatment activities for Paradise dischargers. The POA could contain the basic definition of these divisions of responsibility.
- **DRAFT:** The Paradise pretreatment program will include requirements that are at least as stringent as the City’s Fats, Oils & Grease (FOG) program.
4. **Pretreatment Data Access:** The Town will need to provide the City with all information it obtains related to the pretreatment activities. The POA could contain a statement to that effect.
- **DRAFT:** “The Town will provide the City with all information it obtains relative to meeting the City’s pretreatment program requirements.”
 - **DRAFT:** “Paradise will contract with the City or hire and use qualified professionals (Industrial Waste Inspectors, testing, labs, etc.) to conduct its pretreatment activities.”
5. **Wastewater Limits:** The agreement will need to define limits on the volume and quality of Paradise wastewater discharged to the Chico Water Pollution Control Plant (WPCP). This will likely be addressed by the City’s CFA efforts; the Committee would then review those results and draft POA language.
6. **Wastewater Monitoring:** The agreement will need to define how the volume and quality of Paradise wastewater will be monitored. This will likely be addressed by the City’s CFA efforts; the Committee would then review those results and draft POA language.

7. **Access to Facilities:** The City will need to be granted access to the Town's wastewater facilities, including those within the Town's boundaries. The POA could contain a statement to that effect.
 - **DRAFT:** "The Town will grant the City access to the Town's wastewater facilities, including those within the Town's boundaries for purposes of inspection, sampling, and other duties deemed necessary by the City. The City will give the Town sufficient notice to allow the Town to arrange safe access to the facilities. The Town and City will look for efficient ways to jointly conduct inspections to minimize impacts to both entities' staff."
8. **Remedies for Breach of Agreement:** Like all legal agreements, the IMA will need to address how the parties would handle any breach of the agreement. This item might need input from Town and City attorneys, in order to draft appropriate POA language. These remedies will vary by the various required items in this POA.
 - **DRAFT:** "If disagreements exist between the Town and City attorneys regarding agreement language, those disagreements will be brought back to the Committee to attempt to resolve."
9. **Connection Fees.** A number of items need to be addressed related to the fee to be paid by the Town for connecting to the Chico WPCP. These will likely be addressed by the City's CFA efforts; the Committee would then review those results and draft POA language. Items include:
 - How much should the initial connection fee be (e.g., for the initial Paradise flow or the ultimate flow)?
 - If ongoing connection fees are to be collected for future connections, how much should they be (e.g., linked to the City of Chico's current connection fee schedule)?
 - How should they be collected and paid to the City of Chico (e.g., collected by the Town of Paradise on an ongoing basis and paid to the City of Chico quarterly)?
10. **Monthly User Fees.** A number of items need to be addressed related to the monthly fees to be paid by the Town for discharging to the Chico WPCP. These will likely be addressed by the City's CFA efforts; the Committee would then review those results and draft POA language. Items include:
 - How much should the monthly user fees charged to the Town be (e.g., linked to the treatment portion of the City of Chico's current monthly user fees)?
 - How should they be collected and paid to the City of Chico?
 - How should future rate updates be handled?

- [There is potential for power generation as the wastewater moves from Paradise down off the Ridge to Chico. Need to address potential for sharing any electrical generation revenue.]
- [There is potential for Chico to treat its wastewater for recycling. Need to address the potential for revenue sharing.]
- [Include a requirement for producing an annual financial report.]

11. **O&M of Facilities.** The Town will construct the export pipeline and a termination structure at or near the Chico WPCP. The Town would own the regional pipeline. The POA would need to address who is responsible for O&M and future repairs/replacements of the export pipeline and termination structure at the Chico WPCP.

- [It may work best to develop a separate “O&M Agreement” to cover all of the various items related to operating costs.]
- [Consider whether the segment of the export pipeline through the City should be owned by the City (to allow better access for maintenance).]

12. **Term and Termination of the Agreement.** [Need to develop the term and termination of the agreement. The term of the agreement should match any financing requirements and/or the lifespan of the infrastructure. Also need to address how to handle disaster scenarios.]

City of Chico, Code Section 15.40.285

The City of Chico has a provision in its municipal code, Section 15.40.285—Regulation of Waste Received from Other Jurisdictions, that specifically addresses handling wastewater from outside the city's sanitary sewer system. Here is the code section in its entirety:

15.40.285 Regulation of Waste Received from Other Jurisdictions

If another municipality or user located within another municipality contributes wastewater to the city's sanitary sewer system, the director shall enter into an inter-municipal agreement with the contributing municipality. Prior to entering into an agreement, the director shall request the following information from the contributing municipality:

- 1. A description of the quality and volume of wastewater discharged to the city's sanitary sewer system by the contributing municipality;*
- 2. An inventory of all users located within the contributing municipality that are discharging to the city's sanitary sewer system; and*
- 3. Such other information as the director may deem necessary.*

An inter-municipal agreement shall contain the following conditions:

- 1. A requirement for the contributing municipality to adopt a sewer use ordinance which is at least as stringent as this ordinance and local limits, including required baseline monitoring reports which are at least as stringent as those set out in section [15.40.024](#). The requirement shall specify that such ordinance and limits must be revised as necessary to reflect changes made to the city's ordinance or local limits;*
- 2. A requirement for the contributing municipality to submit a revised user inventory on at least an annual basis;*
- 3. A provision specifying which pretreatment implementation activities, including wastewater discharge permit issuance, inspection and sampling, enforcement, will be conducted by the contributing municipality; which of these activities will be conducted by the director; and which of these activities will be conducted jointly by the contributing municipality and the director;*
- 4. A requirement for the contributing municipality to provide the director with access to all information that the contributing municipality obtains as part of its pretreatment activities;*
- 5. Limits on the nature, quality, and volume of the contributing municipality's wastewater at the point where it discharges to the city's sanitary sewer system;*
- 6. Requirements for monitoring the contributing municipality's discharge;*
- 7. A provision ensuring the director access to the facilities of the users located within the contributing municipality's jurisdictional boundaries for the purpose of inspection, sampling, and other duties deemed necessary by the director; and*
- 8. A provision specifying the remedies available for breach of the terms of the inter-municipal agreement.*