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## Central Valley Regional Water Quality Control Board

### MEETING NOTICE AND AGENDA

#### Paradise Sewer Regionalization Project Advisory Committee Meeting

Monday October 11, 2021 1:00 PM to 3:00 PM

#### Paradise Town Hall

#### PURPOSE OF THIS MEETING

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 regional project. The Councils of the Town of Paradise and City of Chico have agreed to form a Sewer Regionalization Project Advisory Committee (Committee) as a mechanism for exploring this proposal.

The committee serves to: (1) Monitor progress of the Paradise Sewer Project, including the Project's Environmental Impact Report (EIR), and efforts being done under the Town and City's Cooperative Work Agreement, (2) Develop the Principles of Agreement for an inter-municipal agreement between the Town and City, and make a recommendation on those Principles to the two Councils if applicable, and (3) Guide public participation in the EIR process which will happen separately but in parallel with the Committee's work.

#### Committee Members represent Signatory Agencies to the Cooperative Work Agreement:

**Town of Paradise**  
Mayor Steve Crowder  
Vice Mayor Jody Jones



**City of Chico**  
Mayor Andrew Coolidge  
Vice Mayor Kasey Reynolds



**THIS MEETING WILL BE CONDUCTED IN PERSON AT:**  
**Paradise Town Hall**  
**5555 Skyway, Paradise**

#### MEETING AGENDAS & MINUTES CAN BE FOUND ONLINE AT:

<https://chico.ca.us/agendas-minutes>

<https://www.townofparadise.com/meetings>

Meeting participation details and agenda on the following page.



**TO MAKE PUBLIC COMMENT IN PERSON AT THE MEETING:**

Public comment may be made in person at the meeting during opportunities per the agenda and according to standard procedures. Please note that given ever changing guidance related to the COVID pandemic, masking and socially distancing may be required during public meetings. Signage will be posted at the facility's entry should these precautions be necessary.



**TO VIEW THE MEETING ONLY – NOT PROVIDE PUBLIC COMMENT:**

If you do not need to participate but would like to watch and listen in, please use the link below.

[Click here to join the meeting](#)

Please note chat features may be disabled and will not be monitored by the Committee or staff.



**TO PROVIDE WRITTEN COMMENT BEFORE THE MEETING:**

Email [sewercommittee@townofparadise.com](mailto:sewercommittee@townofparadise.com). Emails received at this email address will be forwarded to Advisory Committee Members by 5:00 PM on the business day prior to the date of the meeting. This e-mailbox will not be monitored during the meeting.

**AGENDA**

The Committee's October 11, 2021 Agenda is as Follows:

1. Introductions
2. Public Forum – Any Agency Representative or Member of the Public May Address the Committee on any matter not included in the agenda. Commenters will be limited to 3 minutes.
3. Approve Previous Meetings Minutes
4. Committee Member Communication
5. Status Updates:
  - a. Environmental Impact Report
  - b. Cooperative Funding Agreement Scope of Work
  - c. Other Follow-up Action Items from SRPAC
  - d. *Public comments on agenda items 5(a) through 5(c)*
6. Principles of Agreement Working Session
  - a. *Public comments on agenda item 6*
7. Closing Committee Remarks

Items on this Agenda are numbered for identification purposes only; the Committee may consider these items out of their listed order.

**MORE INFORMATION**

Paradise Sewer Project information, including Phase I reports and Phase II EIR details, can be found on: <https://paradiseseWER.com/>. For general questions, please send an e-mail to [seWERcommittee@townofparadise.com](mailto:seWERcommittee@townofparadise.com).

# **DRAFT Principles of Agreement**

## **(version 4, 11-October-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."
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:** “The Town will develop and administer a Sewer Application process, with two parts—a Town-reviewed portion for the collection system and a City-reviewed portion for treatment. The treatment portion will follow the existing City sewer application. If the proposed discharge exceeds the thresholds established in the pretreatment program (see below), it will have to treat its discharge to a sufficient degree to meet the City’s pretreatment program requirements. Businesses would face the same pretreatment requirements, whether they are in Paradise or Chico.”
- **DRAFT:** [~~This POA should contain statements about the control of connections to the export 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.~~]
  - **Staff Draft Text:** “The Town and the City agree to prohibit future connections to the export pipeline in the portion of the pipeline that sits outside of the Town limits or City limits.”

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 Town will follow the City’s pretreatment program, including future changes; the Town will not develop a pretreatment program of its own. This includes the City’s Fats, Oils & Grease (FOG) program. Dischargers would follow the City’s pretreatment program application process, which includes setting monthly fees.”

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. **Town and City staff are currently awaiting results from the City's engineering consultant in order to draft suggested language for this item.**
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.
  - **DRAFT:** "The Termination Structure, to be constructed as part of the Paradise Sewer Project, will contain wastewater monitoring equipment (e.g., flow meter, composite sampler). Because the City has staff familiar with this type of equipment, and because it has its own wastewater laboratory for testing wastewater samples, the flow metering and monitoring equipment will be operated and maintained by City staff, and samples will be processed in the City lab. Consideration will also be given to having some level of monitoring equipment at the upper end of the export pipeline. A negotiated annual payment will be made by the Town to the City to cover the costs associated with these efforts."
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. **(Note: The City does not currently break its monthly fees into treatment and collection system components.)** ~~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)?
  - **Staff Draft Text:** Assuming that the City establishes a treatment portion of its monthly user fee, the Town users will pay that treatment monthly user fee to the City. Town users will also pay a collection system monthly user fee to the Town associated with the Town's collection system and export pipeline O&M costs.
- How should they be collected and paid to the City of Chico?
  - **Staff Draft Text:** The Town will collect the treatment monthly user fee from its users. The Town will submit the total treatment monthly user fee amount to the City on a [monthly/quarterly] basis. The Town will be responsible for collecting unpaid treatment monthly user fees from its users.
- How should future rate updates be handled?
  - **Staff Draft Text:** As discussed above, the Town users will pay the treatment monthly user fee to the City, including any future increases made to those fees.
- [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.]
  - **Staff Input:** It is generally not practical to generate electricity from raw wastewater flows, especially intermittent flows that we will see in the export pipeline. Therefore, this item will not be addressed in the POA.

- [There is potential for Chico to treat its wastewater for recycling. Need to address the potential for revenue sharing.]
  - **Staff Input:** Because the City’s wastewater system operates as an “enterprise” fund, any income or cost resulting from water recycling will be incorporated into the City’s connection fees and monthly user fees. Therefore, this item will not be addressed in the POA.
- [Include a requirement for producing an annual financial report.]
- [Prop 218 notifications will ultimately need to be addressed.]

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 export 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.]
- **Staff Draft Text:** It is anticipated that the Town will own the entire export pipeline and will provide all operation and maintenance associated with it, with the exception of wastewater monitoring efforts, which are described in item 6 above.

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. This item might need input from Town and City attorneys, in order to draft appropriate POA language.]

13. **[Staff Draft Text] “Revisit” Clause.** [Need to develop a statement that allows for an evolution of the roles and responsibilities established in this document. For example, in the future, if the Town grows to a size that it makes sense for it to create and run its own pretreatment program, the document should allow for that to happen. This item will need input from Town and City attorneys.]

## 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.*