

**MEMORANDUM OF UNDERSTANDING REGARDING REGIONAL SEWER COLLABORATION BETWEEN
OLIVEHURST PUBLIC UTILITIES DISTRICT AND CITY OF WHEATLAND**

WHEREAS, Olivehurst Public Utilities District (OPUD) operates a wastewater treatment plant (WWTP); and

WHEREAS, the OPUD wastewater treatment plant currently has 1.5 MGD available capacity now and expansion capacity for up to 8 MGD in the future; and

WHEREAS, OPUD is in process of annexing and serving the Yuba County Entertainment Zone with water and sewer utilities; and

WHEREAS, OPUD wishes to increase flows into its WWTP, reduce its overall O&M costs, and minimize future sewer rate increases to all its customers; and

WHEREAS, Wheatland requires a solution for future wastewater capacity; and

WHEREAS, Wheatland wishes to connect to the OPUD wastewater treatment plant to meet current and future wastewater treatment needs; and

WHEREAS, the extension of the OPUD wastewater collection infrastructure to serve the Yuba County Entertainment District significantly reduces the capital investment required for Wheatland to connect to the OPUD wastewater treatment plant; and

WHEREAS both OPUD and Wheatland are committed to negotiating a mutually beneficial agreement for a regional sewer collaboration.

Therefore, in consideration of the above, both parties agree to the following:

1. Parties direct their respective staffs to negotiate a long-term agreement between OPUD and Wheatland for wastewater treatment and collection services that meets the needs of both jurisdictions and establishes an appropriate share of cost; and
2. Parties agree to appoint a Regional Sewer Ad-hoc Committee comprised of two elected members of each jurisdiction's governing board to work with staff toward completion of an agreement; and
3. Parties agree to work collaboratively to finance the required capital improvements in a manner that does not burden the rate payers of either jurisdiction.

Meeting Notes OPUD & Wheatland Wastewater Agreement

May 27, 2020

Participants:

John Tillotson – OPUD
Jim Goodwin-Wheatland
Dan Rich-Wheatland/Nexgen
Dane Schilling-Wheatland/Coastland

Notes:

1. Discussion of MOU
2. Proposed Deal Points:
 - Treatment Costs
 - O&M costs charges as a percentage of overall flow
 - First year based on 5-years of flow data from both agencies
 - After first year, based on average annual with quarterly-annual true-up
 - Effluent Quality/Limits not to exceed BOD of 300mg/l and TSS of 300mg/l (flow weighted calculation).
 - Wheatland will install a flow meter at or near the POC to the OPUD system.
 - Need to define sampling protocols/frequency.
 - Non-residential users would be subject industrial pre-treatment requirements to achieve residential effluent quality/strength limits.
 - Exceedance of quality/strength limits – true-up of strength how & when? Incidental occurrences and long-term high strength flows.
 - Industrial applicants reviewed by a panel of OPUD & Wheatland staff to determine strength and associated charges.
 - Wheatland to continue its FOG program. Review with OPUD and update as needed.
 - Treatment Capacity
 - Wheatland's Phase 1 collection system = 1.5MGD
 - Wheatland to pre-purchase Phase 1 connections up to 1.0MGD (secures capacity for 0.6MGD for existing customers and 0.4MGD for future Wheatland growth. Leaves 0.5MGD of current 1.5MGD plant capacity for future County-wide growth).
 - Wheatland's expectation is that the 1.0MGD pre-purchased is owned by the City and not available to others. Look at adapting Placer County-Lincoln COJA agreement language.
 - Discuss guarantees to expand the WWTP when needed, before new connections are needed. Five-year look-ahead per Placer-Lincoln COJA model?

- Conveyance Capacity
 - Wheatland's initial need of 0.6MGD + 0.9 for growth = 1.5MGD total (equals approx. peak flow of 4.5MGD)
 - Ultimate need of roughly 4MGD total for Wheatland (Wheatland to verify)
 - OPUD south county conveyance capacity needed for future. OPUD plan for multiple pipelines.
 - Discuss guarantees to expand the conveyance system ahead of new development.

 - Connection Fees/Capacity Charges
 - Historic Olivehurst Sewer charge may not apply based on the extent/use of the historic system for the south county pipeline (depends on the design by Jacobs).
 - Wheatland capacity charges based on nexus to Wheatland flows in existing system.
 - City not responsible for any capital costs incurred by OPUD that are grant funded by a third party.
 - Agree that an EDU is defined as 280 gpd/EDU
 - Include a re-opener in the agreement for update/redefinition of EDU that may change over time.

 - Governance
 - Determine a point (trigger or threshold) at which Wheatland's flows are large enough that OPUD and Wheatland become partners in a JPA.
3. Miscellaneous
- Jacobs Engineering – timing of getting a decision and design flows (peak flow and average flows)
 - Wheatland will participate in OPUD design meetings as needed
4. Next progress meetings June 10th & 17th

END