Project Update
Construction is underway in Project Area 1S, the Chapman-Mulberry Neighborhood. All four construction companies hired to complete work in the Chapman-Mulberry Neighborhood are from the local area (Chico, Paradise and Oroville). The Nitrate Compliance Program is proud to be supporting our local contractors. It is anticipated that Project Area 1S construction will be completed by Fall 2011. The design for Project Area 2N, the East Avenue/Cohasset Road Area, is currently underway. Construction for this area is anticipated to begin by Spring 2012. To answer your questions about the elements of a sanitary sewer system, and the fees associated with connection, please see the reverse side of this newsletter. If you would prefer to receive this newsletter electronically, please contact Casey Hatcher, chatcher@buttecounty.net.

Contact
County of Butte
Casey Hatcher
Manager, Program Development
25 County Center Drive
Oroville, CA 95965
(530) 538-6182
chatcher@buttecounty.net

City of Chico
Matt Thompson
Senior Civil Engineer
411 Main Street
Chico, CA, 95928
(530) 879-6959
mthompso@ci.chico.ca.us

Project Timeline

<table>
<thead>
<tr>
<th>Project Area</th>
<th>Location</th>
<th>Estimated Construction Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1N</td>
<td>Lassen Avenue Area</td>
<td>Completed</td>
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<tr>
<td></td>
<td>Completed January 2010</td>
<td>Complete</td>
</tr>
<tr>
<td>1S</td>
<td>Chapman-Mulberry Neighborhood Area</td>
<td>Fall 2011</td>
</tr>
<tr>
<td>2N</td>
<td>East Avenue/Cohasset Road Area</td>
<td>Fall 2012</td>
</tr>
<tr>
<td>2S</td>
<td>East 5th/East 8th Avenue Area</td>
<td>Fall 2014</td>
</tr>
<tr>
<td>3N</td>
<td>Esplanade/Nord Hwy Area</td>
<td>Fall 2016</td>
</tr>
<tr>
<td>3S</td>
<td>Nord/West 11th Avenue Area</td>
<td>Fall 2017</td>
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</tbody>
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Why Connect?
The following are just a few of the benefits to sewer connection:
- reduces septic system maintenance issues and costs,
- increases the re-sale value of the home,
- allows the ability to install a garbage disposal,
- provides the opportunity to pave/deck over previous line areas, and
- provides a means to comply with Prohibition Order.

About the Project
The Chico Urban Area Nitrate Compliance Program (Nitrate Program) was developed in response to the Central Valley Regional Water Quality Control Board’s Prohibition Order No. 90-126 issued on April 27, 1990, which prohibited waste discharges from individual septic systems within the Chico Urban Area. The Order affects nearly 12,000 dwelling units. The County of Butte, City of Chico, and Chico Redevelopment Agency (Agency) have worked together to find a means to provide public sewer facilities to which citizens could connect in order to comply with the Prohibition Order. Project planning costs have been funded with County Service Area 114 revenue dedicated to this project. The costs of construction will be funded with a $38 million loan from the State Water Resources Control Board, which will be repaid with tax increment revenue received by the Agency. This loan has already been approved through the Clean Water State Revolving Fund which is dedicated to addressing water quality issues.

Project Website
Wondering if your property is affected by the Nitrate Compliance Program? Visit: www.NitrateCompliance.org to find out.
Locating your property on the Nitrate Compliance Program website is easy:
2. Click on “Locate Address”
3. Type your address
4. Choose “Search”
The search result will provide your: Project Area, Connection Areas Boundary, Estimated Construction Timeline and Construction Location.
What do you mean by sanitary sewer system?
Sanitary sewer systems are the collection of pipes, pumps and lift stations, manholes, service lines, and other infrastructure throughout the City designed to handle and safely transport used water, body waters, and toilet paper as sewage to the Water Pollution Control Plant.

What is the Water Pollution Control Plant (WPCP)?
The WPCP provides wastewater treatment and disposal for the greater Chico Urban Area. At the WPCP, municipal wastewater flows through a series of mechanical and biological treatment processes to remove the solids from the liquids. The treated wastewater meets regulatory standards for discharge into the Sacramento River. The treated biosolids are disposed at the Neal Road Landfill.

WPCP Fee = $2,251/unit (fee waived for property within the Nitrate Compliance Program Connection Area Boundaries)

What is a sewer lateral?
A sewer lateral is the pipe that carries the wastewater from the house to the sanitary sewer main line in the street. Every building receiving sewer service from the City of Chico has at least one sewer lateral.

Sewer Lateral Fee = $29.81/ft. (fee waived for property within Nitrate Compliance Program Connection Area Boundaries)

What is a sewer main line?
The sewer main line is the pipe in the street in front of a property which the lateral attaches to. The sewer main pipe transports waste water from the connected laterals to the sewer trunk lines.

Sewer Main Fee = $47.80/ft. (fee waived for property within Nitrate Compliance Program Connection Area Boundaries)

What is the sewer trunk line?
The sewer trunk line is the larger diameter pipe that connects to the sewer main lines and flows out to the WPCP.

Sewer Trunk Line Capacity Fee = $1,693 per unit

What is a lift station?
Lift stations pump municipal wastewater from a low point to a higher elevation which enables the sewage to flow by gravity to the next low point and eventually into the WPCP.

Lift Station Capacity Fees vary based on the property location. Contact the City of Chico for a Fee Schedule or view the Fee Schedule online: http://www.chico.ca.us/government/CityFeeSchedules.asp (see Schedule 50, Section 50.060)

Why do I pay a Sewer Application Fee?
The sewer application fee covers the cost to: calculate sewer fees, generate property owner informational letter and packet, and file and track the application.

Sewer Application Fee = $100

What is the cost to finance the sewer related fees?
Property owners have the opportunity to finance the trunkline capacity fee and the lift station fee, if applicable, over a ten-year period. The fees are then collected on property tax bills. The annual interest rate is calculated on a rate of interest being received by the City on all of the city’s invested funds, plus two percent (2%).

Sewer In-Lieu Application Fee = $346

Annual Interest Rate on Fees Financed = Currently 6.02%

What is the monthly service rate if I do connect to sewer?
Once connected to city sewer, the City of Chico is responsible for all operation, maintenance, and repair associated with the sanitary sewer system. The following rates apply to residential property.

Monthly Service Rates (within city limits of Chico) = $20.44 per month

Monthly Service Rates (within unincorporated area of County) = $21.28 per month

Questions?
For specific questions related to sewer application, sewer fees, or the sewer fee in-lieu process please contact:
Rich Burgi, Associate Civil Engineer, City of Chico, (530) 879-6950, rburgi@ci.chico.ca.us