



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



EXHIBIT F-2
15 Pages

GRANITE CHIEF "A" LINE SEWER

DATE: November 28, 2023

TO: District Board Members

FROM: Dave Hunt, District Engineer
Thomas Archer, District Counsel

SUBJECT: Granite Chief "A" Line Sewer Abandonment – Notice of Discontinuation of Sewer and Water Service

BACKGROUND: The Granite Chief "A" Line sewer is a non-compliant private sewer line that serves eight (8) properties at the lower end of the Granite Chief subdivision. The "A" Line is owned by the Granite Chief Estates Property Owners Association (GCEPOA) and the property owners connected to that line.

The line is located immediately adjacent to Washeshu Creek, and a failure of the line could result in a sewage spill into Washeshu Creek with associated environmental and public health impacts. A map of the sewer line and affected parcels is attached to this report.

Discussions of the "A" Line and its ownership and operation and maintenance (O&M) responsibilities date back to the 1970s. In May 2013, the District informed the GCEPOA and property owners connected to that line in writing of the damaged and deteriorating condition of the sewer line. The District followed up with a letter on December 4, 2013 requiring the affected parties to develop a plan and schedule to replace the line, and requiring quarterly cleaning of the line until a plan was agreed upon and executed. Quarterly cleaning has been performed by the District since that time and continues today.

In 2015, the GCEPOA contracted with Auerbach Engineering Corporation to prepare a Technical Design Memorandum (TDM) to study alternatives to replacement of the "A" Line in conformance with Federal, State and County regulations and the District's Sewer Code. If designed and constructed in compliance with the District Sewer Code with the necessary easements provided, the District may accept dedication of the new sewer line, pending approval from the Board of Directors, and relieve the GCEPOA and property

owners of their individual and collective liability and risk associated with ownership of a private sewer facility. This alternative includes construction of a new sewer pipeline and requires the GCEPOA and property owners, specifically 213, 217, 221, and 233 Granite Chief Road, to provide new sewer easements for the pipeline and for future access for maintenance, repair, and replacement. The District has extended efforts to work cooperatively with the GCEPOA and its engineer since 2015 regarding this alternative. However, it has become clear that not all affected property owners will agree to convey the necessary easements.

DISCUSSION: The District issued the attached compliance letter to the GCEPOA and the affected property owners on April 13, 2023 notifying them that *“the private sewer pipeline serving your property known as the Granite Chief “A” Line be permanently abandoned no later than November 30, 2023.”*

The owner(s) of a private sanitary sewer facility are required to comply with the following pursuant to the District Sewer Code:

- Section 3.15 of the District’s Sewer Code places the responsibility of “operation and maintenance, repair, and replacement of private sanitary sewer facilities” upon the property owners. This section further states that the owner of private sanitary sewer facilities, at their own risk and expense, shall install, keep, and maintain in good repair these facilities.
- Section 10.01 of the Sewer Code requires *“All private sanitary sewer facilities found in need of repair as a result of testing procedures required by this Chapter shall be repaired and/or installed to the standards set forth in this Chapter”*.

The owners of the private sewer line have three (3) potential options to bring the “A” Line into compliance with State, Local, and District ordinances and regulations, which may include the following:

1. Construct a new sewer main pursuant to Alternative 3A of the Auerbach TDM, secure the required sewer easements and dedicate the sewer facilities to the District;
2. Construct and test individual residential pump systems pursuant to Section 1.26 of the District Sewer Technical Specifications;
3. Repair or replace the existing “A” Line as a Private Sanitary Sewer facility pursuant to the options identified in the Auerbach TDM.

The affected parties have failed to comply with the terms of the April 13, 2023 compliance letter to initiate, construct and complete one of the potential options listed above by the November 30, 2023 deadline. Pursuant to Section 9.01(B) of the District Sewer Code, the District has the authority to disconnect

any property served by the District system after having served notice of violation within five (5) days after the receipt of such notice, if the violations have not been cured. Non-compliance with the stipulations addressed in the letter constitutes such a violation.

Staff and District legal counsel are recommending, with the Boards approval, to issue a Notice Discontinuation of Service (Notice) pursuant to Section 9.04 of the Sewer Code and Water Code, effective no later than June 30, 2024. The District is providing time in addition to the 5-day notice requirement of Section 9.01(B) to allow the GCEPOA and affected property owners additional time to design, permit, and construct the required sewer facilities. Failure to comply with this notice will result in the District moving forward with the abandonment of the "A" Line and discontinuation of service to the eight (8) affected properties through disconnection of water supply. The Notice will further advise that the District shall not provide periodic inspection nor maintenance of the "A" Line after June 30, 2024, hereby terminating any oral, written or implied agreement to provide such services.

- ALTERNATIVES:**
1. Authorize the General Manager to issue a Notice of Discontinuation of Water and Sewer Service to the GCEPOA and affected property owners pursuant to Section 9.04 of the Sewer Code and Water Code, effective no later than June 30, 2024.
 2. Do not authorize the General Manager to issue a Notice of Discontinuation of Sewer and Water Service.

FISCAL/RESOURCE IMPACTS: There are no fiscal impacts related to issuance of a Notice of Discontinuation of Sewer and Water Service.

RECOMMENDATION: Authorize the General Manager to issue a Notice of Discontinuation of Sewer and Water Service to the GCEPOA and affected property owners pursuant to Section 9.04 of the Sewer Code and Water Code, effective no later than June 30, 2024.

ATTACHMENTS:

- Notice of Discontinuation of Water and Sewer Service
- Map of "A" Line and affected properties
- April 14, 2023 Water and Sewer Committee Meeting notes
- November 7, 2023 Water and Sewer Committee Meeting notes
- Granite Chief "A" Line Update PowerPoint presentation

DATE PREPARED: November 21, 2023



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



NOTICE OF DISCONTINUANCE OF SEWER AND WATER SERVICE

NOTICE IS HEREBY GIVEN:

On April 13, 2023, the District issued a Letter/Notice (Notice) to the Granite Chief Estates Property Owners Association (“GCEPOA”) and to each Property Owner connected to the Private Sewer Pipeline, known as the Granite Chief A Line. The Notice required Abandonment of the A Line and/or performance of Alternatives in order to bring the “A” Line into compliance with State, Local and District codes, ordinances and regulations. Compliance was specified to occur on or before November 30, 2023. A copy of the Notice is attached hereto.

You and the GCEPOA have failed to comply with Abandonment and/or performance of the Alternatives set forth in the Notice. You were also notified that non-compliance with the timely performance of the requirements of said Notice that pursuant to Division 9 of the District Sewer Code, the District has the authority to disconnect any property served by the District Sewer system in the event of violation of District Ordinances and Regulations.

You have failed to initiate, construct, and complete the potential Alternatives set forth in the Notice by November 30, 2023. The District, as determined by the Board of Directors, finds that the Private Sewer System is in non-compliance with District, State and Local ordinances and regulations justifying the Disconnection of the Sewer Pipeline, achieved by the Discontinuance of Water Service.

PLEASE TAKE NOTICE, that the District hereby grants an Extension to Comply with the requirements of the Notice, up to and including June 30, 2024. No further extensions shall be allowed. Failure to timely comply with the requirements of the Notice shall result in the District initiating Disconnection of the Sewer Pipeline and Discontinuance of Water Service to your Property.

Be further advised that the District shall not provide periodic inspection nor maintenance of the Sewer Pipeline after June 30, 2024, hereby terminating any oral, written or implied agreement to provide such services.

You have the Right to Appeal this Notice to the Board of Directors pursuant to the provisions of Division IX, Section 9.16 of District Administrative Code.



Granite Chief "A" Line

Properties Affected

April 2023



**OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
WATER AND SEWER COMMITTEE MEETING**

DATE: APRIL 14, 2023

Directors Present: Director Cox,* Director Smolen

*Participated via noticed teleconference.

Staff Present: Thomas Archer, District Counsel; Jessica Asher, Board Secretary; Brandon Burks, Operations Manager; Mike Geary, General Manager; Dave Hunt, District Engineer.

Others Present: Chris Boyle, Tracy Hansen, Noah Santoro.

A Call to order: 10:00 A.M.

B Public comment: None.

C Granite Chief “A” Line Sewer Replacement: The committee reviewed the item, accepted public comment, and voiced support for Staff’s action to date including the mailing of a compliance letter sent to the Granite Chief Estates Property Owners Association (CGEPOA) and the property owners connected to the “A” Line Sewer on April 13th, 2023.

Staff and Director Cox presented a brief background of the project and explained the need for replacement of the Granite Chief “A” Line Sewer. Currently, this sewer line is out of compliance with the District’s Sewer Technical Specifications.

To address the issue, staff issued a letter to the CGEPOA on April 13, 2023, regarding the abandonment of the private “A” Line Sewer Pipeline that services eight (8) properties along lower Granite Chief Road. The letter stated that failure to comply with the stipulations outlined in the letter by November 30, 2023, would constitute a violation justifying disconnection of the private sewer line and individual property sewer service laterals.

Staff reviewed four planning level design alternatives developed by Auerbach Engineering in 2015 to rectify the issue. These options include repairing the sewer line, replacing the line in the same location, constructing a new sewer facility with proper easements and dedicating the line to the District, or installing individual sewer ejector pump systems. All options are feasible, and homeowners have the choice of how to bring the system into compliance. The CGEPOA has pursued a District-owned system, but negotiations to date have failed due to inability to secure the necessary easements for the project.

Director Cox emphasized the need for a solution to be developed despite the generous timeline provided to bring the line into compliance. He recommended a gravity-fed sewer system compared to an ejector system, highlighting the maintenance challenges associated with the latter. Director Smolen discussed the permitting requirements that may be needed and emphasized the importance of the homeowners initiating the process and showing due diligence in a timely manner.

Mr. Archer acknowledged the District's responsibility to ensure homeowners have sewer collection. However, he noted that the GCEPOA and the eight (8) property owners connected to the line bear the

responsibility for operation, maintenance, repair and replacement of the sewer pipeline and the risks associated with pipeline failure. He provided details on the deadline sequence initiated by the compliance letter. Unless there are substantial steps taken to bring the line into compliance, the District would deliver a notice of sewer disconnection on November 30, 2023. This would result in disconnection of water service, and Placer County would not allow occupation of the building until the connections have been restored. Mr. Hunt suggested that substantial progress could include securing easement commitments, completing project design, permitting, and bidding, and finalizing the construction schedule.

During the meeting, there was a brief discussion about eminent domain and steps that could be taken to force compliance. However, staff noted that significant expenses and challenges are associated with that process, and it is an issue for private counsel.

Finally, staff provided direction to the present homeowners regarding requests for public records.

D Adjourn: No further business coming before the Water and Sewer Committee, the meeting was adjourned.

By, JA/DH/MG

**OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
WATER AND SEWER COMMITTEE MEETING
DATE: NOVEMBER 7, 2023**

Directors Present: Director Cox,* Director Smolen

*Participated via noticed teleconference.

Staff Present: Thomas Archer, District Counsel; Jessica Asher, Board Secretary; Mike Geary, General Manager; Dave Hunt, District Engineer.

Others Present: None.

A Call to order: 9:05 A.M.

B Public comment: None.

C Granite Chief “A” Line Sewer Replacement: The committee reviewed the item.

Mr. Hunt provided a slideshow presentation to review the history of the “A” line, maintenance agreements, compliance, the 2015 technical design memorandum, efforts to bring the system into compliance, and the status of those efforts.

Design alternatives include: (1) replacing the line in place with the Granite Chief Estates Property Owners Association (GCPOA) retaining ownership and providing operations and maintenance responsibilities, (2) installing individual sewer lift stations at each of the eight affected properties, or (3) designing and constructing a new line with necessary easements that is acceptable for dedication to the District. The CGEPOA has pursued a District-owned system, but negotiations to date have failed due to inability to secure the necessary easements for the project.

District staff issued a letter to the GCEPOA on April 13, 2023 regarding the abandonment of the failed “A” line sewer by November 30, 2023. The letter stated that *Pursuant to Division 9 of the District Sewer Code, the District has the authority to disconnect any property served by the District system in the event of a violation of District Ordinances and Regulations of the District. Non-compliance with the stipulations addressed in this letter by November 30, 2023 would constitute such a violation. Failure to initiate, construct and complete one of these potential options, subject to District approval, shall be considered a violation justifying disconnection of the Private Sewer Line and individual property sewer service laterals to District facilities.*



Staff provided the Committee with proposed next steps to enforce District Code. Staff will request Board action at the November 28th, 2023 meeting to authorize staff to serve each affected property owner and the GCEPOA with a notice of the continued violations constituting a potential public nuisance and health hazard, and specifying enforcement through a discontinuation of maintenance services and disconnection of water services. Each of the affected owners will be provided with an opportunity for a hearing before the Board at which the basis for the action would be presented.

Legal counsel discussed potential liability concerns and outlined the process mandatory for protection of the District in consideration of moving forward with potential disconnection of services to the Granite Chief Estates Subdivision.

Director Cox and Smolen stated that their recommendation to the Board at the November 28th, 2023 meeting will be for the Board to authorize staff to send a notice of discontinuation of maintenance of the "A" line sewer line on June 30th, 2024 and notice of disconnection to property owners that are reliant on that line at that time.

D Adjourn: No further business coming before the Water and Sewer Committee, the meeting was adjourned at 10:55 A.M.


By, JA/DH/TA


Granite Chief “A” Line Update

Water & Sewer Committee Meeting
November 7, 2023

1



History



- SAD4 created in 1978 – Install new sewer system in Granite Chief Subdivision
- “A” Line was not a part of SAD4
 - Although not constructed in conformance with District standards, it was still in good shape at the time
 - GCPOA and property owners could not provide the required easements that would allow dedication to the District

November 21, 2023
Olympic Valley Public Service District 2

2



Repair History



- 1975 – Repair section with DIP
- 1981 - Addition of sewer manhole to correct flow issues
- 1997 Flood – several areas of wash out, severed pipe
 - Repairs required of GCPOA, but no action on their part
 - District decided to perform repairs at Boards direction (billed GCPOA and homeowners)

November 21, 2023

Olympic Valley Public Service District 3

3



Maintenance




- 1975 Maintenance Agreement
 - O&M and capital improvement of water distribution and sewage collection systems
 - Agreement provided District with legal access to private property easements to provide O&M on private water and sewer systems
 - Agreement shall continue in force until June 30, 1976, and shall continue year after year until either party provides notice of termination (No Notice of Termination found in District files)


November 21, 2023

Olympic Valley Public Service District 4

4




Compliance




- **December 6, 2013 letter from District to GCPOA**
 - Based on findings from 2013 CCTV inspection of “A” Line, District required POA to come up with a plan for line replacement
 - District also required POA to perform quarterly cleaning of the “A” Line until a plan is agreed upon and executed.
 - District has performed this quarterly cleaning since 2013 and bills POA for staff time plus overhead

November 21, 2023
Olympic Valley Public Service District 5

5




2015 Technical Design Memorandum




- **Granite Chief HOA A-Line Sewer Replacement Technical Design Memorandum – Auerbach Engineering Corporation**
 - Identified alternatives for repair and/or replacement of line
 - Spot repairs/replacements
 - Replace line in current location (potential use of trenchless methods)
 - Replace line in new location – acceptable for dedication to District

November 21, 2023
Olympic Valley Public Service District 6

6




Since 2015




- District has worked with POA and property owners since 2015 on solution for Alternative 3 which would allow for dedication of improvements to District and integration into public sewer system
- POA and property owners unable/unwilling to provide necessary easements for this alternative to be implemented
- District issued compliance letter in April 2023, placing a sunset date on constructing necessary improvements and bringing system into compliance with District Sewer Code of November 30, 2023

November 21, 2023
Olympic Valley Public Service District 7

7




Improvement Alternatives




- Replacing line and maintaining provide ownership and O&M responsibilities
- Installing individual sewer lift stations at each of the 8 properties
- Design and construct new line, provide necessary easements for dedication to District

November 21, 2023
Olympic Valley Public Service District 8

8




Non-Compliance




Failure to initiate, construct and complete one of these potential options, subject to District approval, shall be considered a violation justifying disconnection of the Private Sewer Line and individual property sewer service laterals to District facilities.

November 21, 2023
Olympic Valley Public Service District 9

9



Current Status



- Specific property owner(s) are not supportive of providing necessary easements for District dedication
- Property owners are unable to work it out amongst themselves for replacement of private line
- Some homeowners have committed to installing individual sewer lift stations

November 21, 2023
Olympic Valley Public Service District 10

10



Moving Forward



- Issue letter of non-compliance with disconnection of service date June 30, 2024