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P.O. Box 8138 Auburn, California 95604

Background Information regarding

Auburn Valley Community Service District

 (AVCSD / District)

**Date: Sept 26, 2021**

**Background**

From its creation in 1998 per Placer County’s LAFCO process, Auburn Valley Community Service District (AVCSD) has provided potable water and sewer services to the various owners of the property commonly referred to as the Auburn Valley Golf Club (AVGC). For these services, AVCSD bills AVGC various amounts on a quarterly basis.

AVGC is not only a property/entity served by AVCSD, but is also named as a Co-Discharger by the California Regional Water Quality Control Board, Central Valley Region. AVGC is responsible for adhering to the Waste Discharge Requirements (WDR Order No. R5-2002-0030) issued by the RWQCB for the District’s Wastewater Treatment Plant (WWTP).

Throughout their mutual history, there have been many disputes between AVCSD and AVGC. Some of these disputes regarding EDUs, rates, fees, easements, liens, disposal fields, etc. have resulted in litigation (Superior Court cases SCV0022319 and SCV0038449).

In the case of SCV0022319, AVCSD (Plaintiff and Cross-Defendant) was granted an amended judgment in its favor on August 2, 2010. The Court awarded AVCSD the right to collect $144,082.36 from Defendant.

In the case SCV0038449, AVCSD was named Defendant and Lone Star Golf Inc. was named as Plaintiff. After many months of negotiation prior to trial, an out-of-court settlement was reached between AVCSD and Lone Star Golf on April 18, 2018. AVCSD received consideration and agreed to expunge six liens that it had on the AVGC property. Lone Star agreed to dismiss with prejudice the action (named above) filed in Superior Court.

**Purpose**

Considering the foregoing, and with the potential sale of the Club, the purpose of this memorandum is to disclose pertinent information to any potential new owner of AVGC, so that going forward both AVCSD and AVGC operate under the same set of assumptions, conditions, agreements, and/or legal obligations.

**Services & Charges**

1. AVCSD is obligated to serve AVGC with potable water and sanitary sewer service, as AVGC lies with the AVCSD boundary.
2. AVGC is allocated 22 EDUs of capacity of the District’s WWTP.
3. AVGC is allocated 22 EDUs of capacity of the District’s potable water system.
4. AVCSD charges AVGC for 22 EDUs of water O&M ($2,640 per quarter) and 22 EDUs of sewer O&M ($7,590 per quarter).
5. AVCSD charges AVGC for metered water usage for the four (4) connections to the Club’s facilities; clubhouse, maintenance yard, 5th tee restroom, and 14th tee restroom (typically $1,000 per quarter).
6. Rate increases for water and/or sewer O&M, if necessary, will be allocated to AVGC based upon its 22 EDU capacity share. Rate increases will be done in accordance with Prop 218.
7. Rate increases for metered water usage, if necessary, will be applied to AVGC in the same manner as to individual community property owners. Rate increases will be done in accordance with Prop 218.
8. Special assessments, if necessary, will be done per Prop 218.
9. If indeed, AVGC is knowingly or unknowingly suppling water to a third party which is not part of the District (and therefore not covered by the District’s will-serve obligation) AVGC shall immediately disconnect the supply conveyance and suffer any possible repercussions vis-à-vis the third-party separately and independently from AVCSD.

**Easements**

Numerous easements between AVCSD and AVGC have been established. A primary one allows AVCSD to build, operate, maintain, and access Well #4 and Well #8 and their associated piping and electrical service rights-of-way. Other easements have been executed to accommodate AVCSD’s Wastewater Treatment Plant (WWTP), effluent discharge into three dispersal fields on AVGC property, and for effluent quality monitoring wells associated with the dispersal fields which are also located on AVGC property.

AVCSD wants any new AVGC owner to be aware of the importance of the existing easements (e.g., wells, utility corridors, effluent fields, monitoring wells), in existence at the time of purchase, on the District’s ability to provide potable and wastewater service to the Club, as well as the entire Auburn valley community.

Over the past several years, AVCSD has determined that it is in the best interest of the Auburn Valley Community to increase the District’s potable water supply. Studies were conducted to determine how this capacity increase should be achieved. Drilling a new well was the final recommended alternative.

AVCSD negotiated with past owners of AVGC for easements on the Club’s property to accommodate one or more new wells. No agreement was reached. AVCSD desires to establish new easements for the purpose of locating one or more new wells and piping/electrical service corridors. AVCSD will negotiate in good faith with AVGC to preclude possible eminent domain actions by AVCSD to acquire AVGC property in lieu of easements.

**WWTP Discharger Responsibilities**

As a named Co-Discharger on the WDR Order, AVGC shall ensure that the effluent originating in the Club’s various facilities (present and future) adhere to the standards set forth in the WDR. It is the Club’s responsibility for proper FOG (Fats, Oils, Grease) disposal by means other than discharge into the WWTP. It is also the Club’s responsibility to certify periodic and timely grease trap cleanings for its applicable facilities (if appropriate).

Likewise, it is the Club’s responsibility to cooperate with AVCSD regarding the integrity, efficacy, operation, and maintenance of the WWTP, effluent disposal fields, and monitoring wells located within easements on Club property.

**General Land Use**

AVGC, because of modifications and/or expansions to its general land use, (e.g., new or expanded facilities, venues, subdivision, etc.) shall not negatively impact the integrity, efficacy, operation, access to, or maintenance of any of AVCSD’s easements, facilities, and/or equipment.

AVCSD will work with AVGC on its facilities modification / expansion plans (if any) to ensure no negative impact of its plans on the District’s ability to deliver services from its existing water/sewer infrastructure.

If the AVGC property is subdivided, the owner will be responsible for cost and construction of the newly required potable water and wastewater infrastructure.

NOTE: AVGC is also a member of the Auburn Valley Property Owners Association, an entity separate from AVCSD. AVGC pays semi-annual dues to the AVPOA and enjoys the benefits accorded to Association members. Any current (or hoped for) agreements between AVGC and AVPOA are not covered by this memorandum.