



CITY OF WHEATLAND

CITY COUNCIL MEETING STAFF REPORT

January 24, 2023

SUBJECT: City Council discussion and consideration of Resolution No. 04-23 approving an application to the California Water Resources Control Board Clean Water State Revolving Fund (CWSRF) for financing the construction of a regional wastewater connection to Olivehurst Public Utility District (OPUD)

PREPARED BY: Jim Goodwin, City Manager
Dane Schilling, City Engineer

Recommendation

Staff recommends adoption of Resolution No. 04-23.

Background/Discussion

For the past 2 years, your Regional Sewer Ad-hoc Committee, and staff, have been engaged with multiple parties to develop a regional solution to wastewater treatment needs in South Yuba County, including the City of Wheatland. Since the beginning of this effort, the following has been accomplished:

- A feasibility analysis of multiple regional service alternatives was completed by Wheatland.
- A decision was made by the Wheatland City Council to select Olivehurst Public Utility District as the city's preferred regional partner.
- Yuba Water Agency (YWA) agreed to fund, on a grant/loan basis (with an option for the loan portion to be forgiven), design and environmental clearance for both agencies to design a regional conveyance system connecting Wheatland to OPUD for purposes of wastewater treatment.
- Both agencies have completed Basis of Design Reports (BODR) for the project, are nearing 100 percent design, and also are near completion of environmental review.
- YWA also agreed to fund a consulting team to work with both agencies to complete an application to the California State Water Resources Control Board Clean Water State Revolving Fund (CWSRF) program for full grant funding of the project.

Earlier this year, CWSRF staff advised Wheatland and OPUD this regional project may be highly competitive to receive full grant funding. Changes in state program requirements now allow for large project grant funding commitments. In this case, the total construction phase estimate is approximately \$130 million (both Wheatland and OPUD components), and current program regulations could allow for full grant funding in this amount.

The consulting team preparing the grant application has been working with Wheatland, OPUD and state representatives of the CWSRF to complete the application. The state CWSRF staff has recommended that a single application for the project be submitted to start the review process. Given the target funding is a regionalization program and Wheatland is the agency regionalizing service, the consultants recommend Wheatland serve as the lead agency. In December 2022, both OPUD and Wheatland approved a Delegation Agreement to have Wheatland submit the application on behalf of both agencies.

The attached Resolution is required for submitting the application to the CWSRF program. The resolution requests \$112,000,601 for Wheatland's share of total project costs. OPUD will be submitting a similar resolution for its share of cost. Staff anticipates the initial submission of the application this month.

Alternatives

Failure to submit the CWSRF application and project resolutions would guarantee the City and OPUD do not receive the estimated \$130 million in project grant funding.

Fiscal Impact

City costs on this project are covered by existing appropriations and the YWA grant/loan agreement. YWA is funding preparation of the grant agreement.

Attachments

1. Resolution No. 04-23

RESOLUTION NO. 04-23

**RESOLUTION APPROVING
THE AUTHORIZED REPRESENTATIVE
FOR THE
CITY OF WHEATLAND
AND THE
OLIVEHURST PUBLIC UTILITY DISTRICT
REGIONAL WASTEWATER TRANSMISSION AND TREATMENT
FACILITIES PROJECT**

WHEREAS the City of Wheatland (City) has been in negotiation(s) with the Olivehurst Public Utility District (OPUD), serving the Community of Olivehurst, for the planning, design and construction of a Regional Wastewater Transmission and Treatment Facilities (Project); and

WHEREAS the Project includes the planning, design, and construction of new wastewater conveyance pipelines, pump stations, wastewater treatment plant upgrades (OPUD), and other required appurtenances; and

WHEREAS the City's existing wastewater treatment facility has exceeded its useful design life and fails to meet current California Regional Water Quality Control Board (CRWQCB) Waste Discharge Standards and Requirements; and

WHEREAS the City has completed the planning and design of the wastewater infrastructure that will convey raw sewage from the City's current collection system to the OPUD Wastewater Treatment Plant (WWTP) approximately 17.5 miles in length; and

WHEREAS portions of the Project will include improvements to existing wastewater transmission pipelines, pump stations and treatment facilities as currently owned and operated by OPUD; and

WHEREAS the City has, in good faith, been working cooperatively with OPUD over the last 3 years in the development of strategies to cost-effectively transport its raw wastewater from its current wastewater treatment plant with a design capacity of .62 MGD to the OPUD WWTP which has a permitted capacity of 3.0 MGD; and

WHEREAS the City and OPUD have contracted with environmental consulting firms to address all potential environmental impacts as created by the construction and operation of the new wastewater conveyance facilities from the City of Wheatland to the OPUD WWTP; and

WHEREAS plans and specifications (95% complete) have been prepared for the wastewater conveyance facilities from the City to OPUD's WWTP along with other required sewer system overflow facilities located within the community of Olivehurst; and

WHEREAS the City and the OPUD are in negotiation(s) on various agreements, including and not limited to, Operations Agreement, Capacity and Purchase Agreement, and Delegation Agreement; and

WHEREAS the City and OPUD have recently requested to the State Water Resources Control Board (SWRCB) that both agencies will jointly be preparing SWRCB State Revolving Fund (SRF) grant application(s) with the intent of acquiring 100% grant funding for the City and OPUD, which are both considered Disadvantage Communities (DAC) under current SWRCB guidelines; and

WHEREAS both the City and OPUD will be preparing and submitting grant application(s) for facilities as, described within Attachment A, under the SWRCB SRF FFAST Program, including required resolutions and documents for both agencies and on behalf of their customers; and

WHEREAS the project description and proposed costs have been completed for both the City

and OPUD's required facilities with the total project cost being \$144,937,883 which includes the planning, design, and construction of the City's regional pipeline and pump stations along with required improvements to the OPUD's existing facilities and including OPUD's required Sewer System Overflow (SSO) pipeline improvements solely benefitting the Community of Olivehurst; and

WHEREAS the City's share of the proposed project is \$117,624,521 which includes new conveyance pipelines, pump stations, connection fees, and upgrades and improvements to portions of the OPUD existing wastewater transmission, pump station, and WWTP facilities; and

WHEREAS the City is requesting to the SWRCB a grant in the amount of \$112,000,601 which compliments a non-grant eligible local matching share of \$5,623,920; and

WHEREAS the City of Wheatland is anticipating a 100% grant eligibility due to the 2020 census designation of being a Disadvantaged Community, and

WHEREAS the City is requesting a 100% grant for its share of the regional project totaling \$112,000,061 which does not include project cost allocated to OPUD for its required and necessary wastewater facilities SSO improvements, and

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHEATLAND, that the following recitals are true and correct:

1. The City Council hereby authorizes and directs the City Manager to sign and file, for and on behalf of the City of Wheatland, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Regional Wastewater Transmission and Treatment Facilities Project, as the Authorized Representative for the proposed grant funded project.
2. This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.
3. The Authorized Representative, or his/her designee, is designated to represent the City of Wheatland in carrying out the city's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the City of Wheatland and compliance with applicable state and federal laws.

AYES:

NOES:

ABSENT:

ABSTAIN:

Rick West, Mayor

ATTEST:

Lisa J. Thomason, City Clerk