

**FEBRUARY 23, 2021 MINUTES
REGULAR WHEATLAND CITY COUNCIL MEETING
WHEATLAND COMMUNITY CENTER
101 C STREET, WHEATLAND, CA
6:30 – 8:50 P.M.**

COUNCIL MEMBERS PRESENT: R. Coe, L. McIntosh, J. Pendergraph, P. Shelton R. West

OTHERS PRESENT: J. Goodwin, City Manager
T. Raney, Community Development Director
S. Mahoney, Finance Director
J. Buckman, City Attorney
D. Schilling, City Engineer
D. Sylvester, Police Chief
A. Paquette, Fire Chief
D. Klever, Public Works Director
K. Giurbino, Utility Billing Account Clerk

PLEDGE OF ALLEGIANCE: Council Member R. Coe led the pledge of allegiance.

PUBLIC COMMENT: None.

CONSENT CALENDAR

Motion was made by Vice Mayor R. Coe, Seconded by Council Member P. Shelton to **approve minutes from the regular City Council meeting on February 9, 2021; Notice of Completion for the Hooper Street Improvements Project; Resolution No. 06-21 Authorizing the examination of Transactions Tax Records and Proclamation Honoring Women in Construction Week National Association of Women in construction (NAWIC.)** Vote called – AYES; All. Motioned carried.

REGULAR CALENDAR

1) City Manager J. Goodwin presented the staff report for Council consideration and adoption of Resolution 07-21 on the participation and support of the Yuba County Three Rivers Parkway. Yuba Water Agency (YWA) has sponsored formation of a Three Rivers Parkway Working Group and has retained a consultant to develop the concept. The proposed Three Rivers Parkway is envisioned as an open space and recreational public space that can promote opportunities for waterway conservation, habitat restoration, recreational access, and increased quality of life for Yuba County and regional residents.

The attached information outlines the concept. Doug Svensson, a consultant with Applied Development Economics (who is also Wheatland's consultant for our Business Park Feasibility Study), is present to make a presentation on the project. Wheatland is being asked to adopt Resolution 07-21 to show support for the regional effort. Specifically, the resolution states Wheatland will; participate in the planning activities of the Yuba County Three Rivers Parkway Working Group; encourage the land use planning agencies in the County, including Yuba County, and the cities of Marysville and Wheatland, to incorporate the River Parkway concept into their park and recreation master plans; collaborate with Working Group member organizations to identify and access state,

federal and foundation grants, or other funds to acquire land and design and construct facilities to implement the river parkway plan; participate in the formulation of a long term organizational and funding plan for operation and maintenance of the river parkway system and urge the California State Departments of: (A) Fish and Wildlife, (B) Water Resources (C) Wildlife Conservation Board, as well as all other local, state, and federal agencies to support and expedite the forgoing River Parkway acquisition and planning activities.

Council Member L. McIntosh commented on the homeless and clean up.

Council Member P. Shelton commented on clean up and parking access.

Mayor R. West commented that it is a good plan with challenges. West also commented on private landowners and that the plan was put together quickly.

Council Member J. Pendergraph commented on his experience of a similar plan in North Carolina.

Planning Commissioner S. Witt gave a thumbs up and commented on the Camp Far West area.

Motion was made by Council Member J. Pendergraph, Seconded by Vice Mayor R. Coe **adopted Resolution No. 07-21 On the Participation and Support of The Yuba County Three Rivers Parkway.** Vote called – AYES: All. Motion carried.

2) City Manager J. Goodwin and City Engineer D. Schilling, presented the staff report for Council consideration and adoption of Resolution No. 08-21 Amending the FY 20/21 Budget; Directing Staff to Negotiate a Reimbursement Agreement with OPUD; Directing Staff to Seed Rate Stabilization Funds; and Directing Staff to Negotiate Connection and Service Agreements with OPUD and LCWD, for the City's Regional Wastewater Project. On December 10, 2019, City staff presented a report entitled City of Wheatland Wastewater Treatment Alternatives Analysis, November 2019 which considered five alternative approaches to addressing the lack of wastewater treatment capacity, serving existing customers, and the relative capital costs and sewer rates associated with the two most feasible alternatives. On January 14, 2020, the City Council directed the formation of an Ad-Hoc committee to work toward securing the best possible long-term solution to the City's future wastewater treatment needs by exploring and developing the two alternatives recommended in the City of Wheatland Wastewater Treatment Alternatives Analysis report. The assistance of consultants is needed to accomplish the goals of Ad-Hoc Committee. On March 10, 2020, the City Council directed staff to amend the Fiscal Year 2019-20 Budget to allocate \$50,000 from the Sewer Collection Impact Fund (Fund #121) to cover the costs of services for technical assistance with engineering evaluations, determining financial feasibility and potential rate impacts. Accordingly, and in consultation with the Ad-Hoc Committee and under the direction of the City Manager, Coastland Engineering and Nexgen Utility Management (who prepared the Wastewater Treatment Alternatives Analysis) have continued in their roles of providing technical assistance to further explore and refine the opportunities of a regional sewer pipeline to either Olivehurst Public Utilities District (OPUD) or Linda County Water District (LCWD). On July 7, 2020, the Yuba Water Agency (YWA) Board granted \$2,596,320 50% grant and 50% loan) to the City of Wheatland for the design and environmental efforts for the conveyance pipeline and pump stations needed to deliver 1.5 million gallons per day of sewage from Wheatland to the planned terminus of OPUD's new pipeline at Rancho Road and South Beale Road ("Project") and to have the Project "shovel ready" within 12 – 14 months. The Project would involve 9.7-miles of pipelines primarily over existing roads, three pump stations, modifications to the exiting Malone Pump Station, and crossing of the UPRR tracks, Highway 65, and several waterways. On July 28, 2020, the City Council adopted Resolution No. 35-20 approving the \$2.6M grant/loan agreement to fund environmental and design efforts for the Project and authorizing the City Manager to sign the agreement. The Ad-Hoc committee and staff have continued to meet with all agencies involved including YWA, OPUD, LCWD and County Staff as well as Wheatland's development interests regarding the best wastewater treatment options. At this point in the multi-agency discussions a wastewater connection to the north of Wheatland

is the best option for the City's future wastewater disposal needs. It is also clear that, regardless of the chosen wastewater treatment provider, the City will need a pipeline capable of conveying its sewage from the existing pump station at Malone Avenue to the area near Rancho Road and South Beale Road. On November 10, 2020, Council adopted Resolution 43-20 amending the FY 2020-21 Budget to include the YWA grant/loan funds and authorizing the City Manager to move forward with design of the Project and approve expenditures not to exceed the grant/loan amount. Coastland Engineering and Raney Planning and Management are completing the work under their existing contracts with the City. Work on the design has been progressing, and at the upcoming March 9 City Council meeting, Council will be asked to approve the Basis of Design Report for the Wheatland portion of the wastewater infrastructure. Wastewater Solution Concept. The overall concept that has developed is one of flexibility. Wheatland is participating in the design and eventual construction of backbone infrastructure that will move Wheatland's wastewater north to either OPUD or, eventually, LCWD. This design flexibility is critical because it ensures there is available capacity to treat Wheatland's wastewater at one or both of the two plants. The Phase 1 project is a dedicated force main from Wheatland to a new pump station at Ostrom Road with a capacity for 1.5 million gallons per day (MGD) average dry weather flow (ADWF). The pipeline will extend slightly past the receiving OPUD pump station so that flows could, at a future, point, be diverted to the LCWD plant. The plan also includes a shared OPUD/Wheatland pipeline from that pump station to the OPUD plant that also includes 1.5 MGD ADWF capacity for Wheatland. The preliminary engineering has determined that a certain minimum amount of flow is needed for the infrastructure to work properly. The only certain source of flow is the City of Wheatland's 0.35 MGD which is currently treated at the City's wastewater plant. Consequently, both Wheatland and OPUD's designs anticipate that Wheatland will connect Wheatland's existing customers to the regional infrastructure upon its completion. Wheatland's Phase 1 flows are anticipated to go to the OPUD plant. Wheatland staff has communicated clearly that if the existing Wheatland customers are connected to the regional system, there is an anticipated, extraordinary potential rate impact that must be addressed prior to Wheatland connecting to the regional system. The rate impact must be calculated based on the difference between the anticipated future costs of repairs, regulatory upgrades or issues that may arise because of the current aging wastewater treatment plant verses the immediate cost associated with a regional treatment partnership. Currently, the funding agreements between YWA and OPUD and Wheatland did not anticipate the full cost of the regional improvements. OPUD's agreement anticipated some costs associated with oversized piping and at a lower flow than Wheatland is requesting. Wheatland's agreement covers the costs of Wheatland's design of the pipeline from Wheatland to the connection at Rancho Road. The collaborative design by the City's and OPUD's engineers now includes both higher flows (1.5 MGD verses .75 MGD) and a dedicated force main from Rancho Road to Ostrom Road. These additions add approximately \$800,000 in additional design costs. It is anticipated the majority of these costs will be Wheatland's responsibility. The OPUD design team (Jacobs Engineering) is finding it difficult to apportion responsibility of design costs of infrastructure shared by OPUD and Wheatland. As a result, OPUD will seek an amendment to their design contract from YWA for the full amount. In turn, Wheatland will need to enter into a reimbursement agreement with OPUD to reimburse the Wheatland fair share once it is calculated. The amended agreement with YWA and the OPUD/Wheatland agreement must include the same "loan to grant" conversion language found in the existing design agreements. This language allows for loan forgiveness if growth necessary to support loan repayment does not occur. Adoption of Resolution No. 08-21 will accomplish amending the FY 20/21 Budget to Commit Additional Local Funding to the Project; Following consultation with the City Council Regional Wastewater Ad-hoc Committee, staff is recommending commitment of an additional \$50,000 from the Sewer Collection Impact Fund (Fund #121) to the regional effort. The purpose of this fund is to achieve a solution to Wheatland's current lack of wastewater capacity. The additional funds will cover the cost of bringing on to the team an attorney specializing in regional agreements and completing other technical work required that is in addition to the design and environmental clearance

work funded under the YWA grant/loan agreement. This budget amendment does not affect the General Fund; Direct staff to Negotiate a Reimbursement Agreement with OPUD Regarding Additional Design Costs. OPUD will need to seek an amendment to their design and environmental clearance funding agreement with YWA for the additional design costs. Wheatland will need to enter into a Reimbursement Agreement with OPUD for Wheatland's share of those additional costs. The agreement will come back to the City Council for approval; Direct Staff to Seek Rate Stabilization Assistance for Extraordinary Rate Impacts Resulting from the Regional Collaboration. Based on current rate analysis, staff is anticipating that connecting the existing Wheatland wastewater customers to the regional pipeline at the time of its completion is likely to trigger rate impacts that should not be borne by the current customers. Before Wheatland can commit to construction of the regional infrastructure, a plan must be in place to relieve the current customers of any extraordinary costs. Council must take notice that this does not mean rates should not be adjusted for ordinary cost increases at the expiration of the current rate cycle ending in 2025. Direct Staff to Negotiate Service Agreements with Both OPUD and LCWD. Once the pipeline is constructed, Wheatland will want predictability regarding the costs associated with connecting to either the OPUD or LCWD plants, and the costs for treating Wheatland's wastewater. Agreements for treatment should be approved prior to completion of the regional infrastructure. These agreements would come back to the City Council for approval. Council Member P. Shelton commented on the area west of the highway including potential annexed properties and current employees adapting to the new system.

Council Member J. Pendergraph thanked staff for work.

Vice Mayor R. Coe concurred with Council Member Pendergraph.

Planning Commissioner D. Panteloglow commented on the project time frame, Public Works work force and rate increase.

Motion was made by Council Member J. Pendergraph, Seconded by Council Member L. McIntosh **adopted Resolution No. 08-21 Amending the FY 20/21 Budget; Directing Staff to Negotiate a Reimbursement Agreement with OPUD; Directing Staff to Seek Rate Stabilization Funds; and Directing Staff to Negotiate Connection and Service Agreements with OPUD and LCWD, for the City's Regional Wastewater Project.** Vote called – AYES: All. Motion carried.

3) City Attorney Jennifer Buckman began Part II of Ethics Training.

REPORTS

Chief Sylvester reported on the vacation watch program.

Vice Mayor R. Coe commented on the ZOOM League meeting.

There being no further business, Mayor R. West adjourned the meeting at 8:50 p.m.

Minutes approved and adopted on this 9th day of March 2021.

Rick West, Mayor

Lisa J. Thomason, City Clerk