

Agenda Report



MEETING DATE: Tuesday, December 10, 2024

TO: City Council

FROM: PUBLIC WORKS & UTILITIES DIRECTOR LINDBERG
ASST PUBLIC WORKS & UTILITIES DIRECTOR GREEN

SUBJECT: ADOPT RESOLUTIONS 1) AUTHORIZING CITY MANAGER TO APPLY FOR A FINANCIAL ASSISTANCE APPLICATION FOR A \$37,000,000 FINANCING AGREEMENT FROM THE STATE WATER RESOURCES CONTROL BOARD FOR THE PLANNING, DESIGN, AND CONSTRUCTION OF THE HEADWORKS AND INFLUENT PUMP

RECOMMENDED ACTION:

Adopt two resolutions 1) Authorizing the City Manager to apply for a financial assistance application for a \$37,000,000 financing agreement from the State Water Resources Control Board for the planning, design and construction of the Headworks and Influent Pump Station Project and 2) Approving official intent as a matter of course for the purpose of reimbursing expenditures for which tax-exempt obligations have not been issued as required for the State Revolving Fund Loan Application.

BACKGROUND:

Design is underway for the Headworks and Influent Pump Station Project, No. WW-24-14410. This project will be a significant capital investment in the Wastewater Treatment Facility (WWTF) to replace the existing headworks process area, influent pump station, and grit handling area. The estimated construction cost is approximately \$37 million, requiring some form of low-interest loan or other grant funding sources prior to construction as the Sewer Enterprise Fund currently does not have sufficient budget to cover such a large capital expense.

DISCUSSION:

The headworks area at the City's WWTF consists of an influent pump station and preliminary wastewater treatment facilities. The influent pump station lifts water up from the underground sewer lines that convey sewage to the WWTF, and into the concrete headworks structure that contains preliminary treatment processes. The preliminary treatment systems are screening for rags/wipes and other debris removal, followed by a grit removal system to remove rocks and sand. As a whole, the influent pump station and headworks are a single point of failure at the WWTF.

Unfortunately, the influent pump station and headworks structures are significantly aged and in need of replacement. Decades of corrosive sewer gasses have severely corroded the concrete, exposing aggregate and rebar, and making the structure unsafe to walk on in certain areas. Additionally, the structure was designed and constructed prior to modern day seismic codes. To highlight the importance of the headworks, a significant failure of the structure that could not be fixed immediately would result in needing to mobilize emergency pump-around equipment and staffing the facility 24/7 until repaired. It could also result in violations of environmental regulations due to improper operation of the treatment plant. Replacing the headworks with a new structure and screening/grit removal technologies will reduce these types of risks and additional costs to the City, by improving the WWTF's reliability and performance.

Staff is preparing a State Revolving Fund application for the project which would provide a low-interest loan from the State Water Resources Control Board. In order to submit the application, the two resolutions are required to be approved by Council.

The overall project CEQA analysis is in the process of being prepared. Most likely it will result in an exemption from CEQA because the project involves the replacement of existing wastewater treatment infrastructure with no expansion of capacity. Once analysis is completed, staff will file the notice of exemption.

STRATEGIC PLAN:

Applying for an SRF loan is consistent with the following strategic plan goals:

2-Infrastructure & Environment

4-Fiscal Health

FINANCIAL IMPACT:

There is no financial impact at this time in applying for an SRF loan. If awarded, an action will be returned to Council to formally accept and execute the loan agreement.

ALTERNATIVE ACTION:

No reasonable alternatives are known at this time.

ATTACHMENTS AND/OR REFERENCES (If any):

None.