

**CITY COUNCIL A G E N D A  
MONDAY, OCTOBER 30, 2023**

**3:00 P.M. Special Session**

**33 Church Street, Sutter Creek CA 95685**

**The Agenda can be found on the City's Website: [www.cityofsuttercreek.org](http://www.cityofsuttercreek.org)**

**THE CITY OF SUTTER CREEK CITY COUNCIL MEETING WILL BE AVAILABLE VIA ZOOM AND  
IN PERSON.**

**Join Zoom Meeting**

**<https://us02web.zoom.us/j/9568520224>**

**or**

**Dial by phone:**

**301-715-8592**

**Meeting ID: 956 852 0224**

**Unless stated otherwise on the agenda, every item on the agenda is exempt from review under the California Environmental Quality Act ("CEQA") per CEQA Guidelines Sections 15060(c), 15061(b)(3), 15273, 15378, 15301, 15323 and/or Public Resources Code Section 21065.**

**1 CALL TO ORDER AND ESTABLISH A QUORUM FOR REGULAR MEETING**

**2. PLEDGE OF ALLEGIANCE TO THE FLAG**

**3. PUBLIC FORUM**

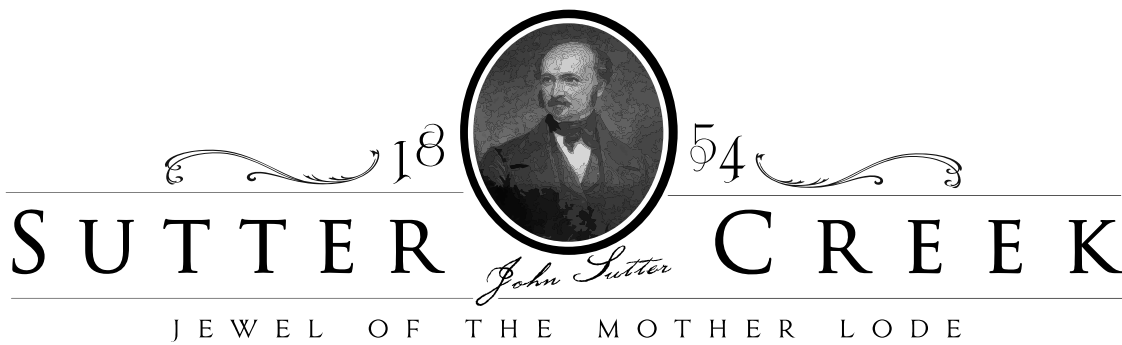
*At this time, the public is permitted to address the City Council on items not appearing on the agenda. Comments may not exceed 5 minutes. In accordance with State Law, however, no action or discussion may take place on any item not appearing on the posted agenda. The City Council may respond to statements made or questions asked or may request Staff to report back at a future meeting on the matter. The exceptions under which the City Council may discuss and/or take action on items not appearing on the agenda are contained in Government Code §54954.2. Public comment on any item listed below shall be limited to five minutes, unless additional time is permitted by the Mayor/Council.*

**4. PRESENTATION**

**A. WWTP Replacement Project Update (informational)**

**8. ADJOURNMENT**

**The next regularly scheduled meeting is MONDAY, NOVEMBER 6<sup>TH</sup> 7:00 P.M**




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## STAFF REPORT

**TO:** MAYOR AND CITY COUNCIL MEMBERS  
**MEETING DATE:** OCTOBER 30, 2023  
**FROM:** SANDRA SPELLISCY, INTERIM CITY MANAGER  
**SUBJECT:**

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### RECOMMENDATION:

Informational

### BACKGROUND:

Sutter Creek is the recipient of a \$500,000 planning grant from the State Water Resources Control Board to do the planning and pre-design work for a new wastewater tertiary treatment plant. The original grant expiration date was September 30, 2023, but staff has requested an extension from the Water Board to continue working on the grant. Below are some key milestones that occurred/will occur leading up to and following receipt of the grant funding.

- July 2017 – City of Ione notifies ARSA that it will cease accepting treated effluent from the ARSA system as of July 2022 per 2007 three-party agreement.
- February 2018 – Sutter Creek approves adoption of Wastewater Master Plan Update that cites construction of new tertiary treatment plant as best alternative for system infrastructure improvements.
- August 2019 – Sutter Creek receives Planning Grant from SWRCB for a design/build project for a new treatment plant.
- February 2020 – Sutter Creek contracts with Carollo Engineering to act as Owner's Advisor on the WWTP replacement project grant.
- January to May, 2021 – Carollo convenes numerous meetings with Council sewer subcommittee to discuss progress on the project, including cost estimates that show new plant costs estimated to be approximately \$49 million.
- May 2021 – City administration tells Carollo to cease work on the project.
- September 2022 – ARSA files lawsuit against City of Ione and CDCR for breach of 2007 operating agreement.
- March 2023 – Staff discovers the existence of the grant and begins work to re-start the project.
- September 2037 – Operations agreement and ground leases for the ARSA system expire.

**DISCUSSION:**

Today's special meeting is designed to update the Council on the most recent work on the project, and to provide new details about next steps and financial implications.

**BUDGET IMPACT:**

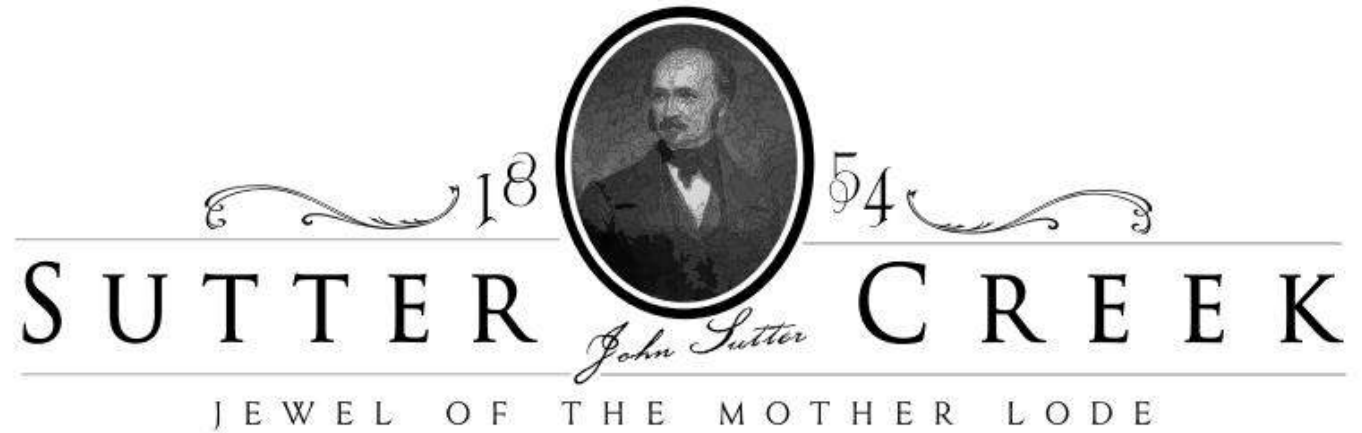
N/A

**ATTACHMENTS:**

Carollo PPT

# Project Update

## **Wastewater Treatment Plant Upgrade Project**



October 2023

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# Introductions

# City Staff and Your Carollo Support Team —



**Sandra Spelliscy**

*Interim City Manager*

**Christina Romano**

*Principal-In-Charge*

**Louis Lefebvre**

*Project Manager*

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# Agenda and Goals



# Agenda

- Meeting Goals
- Project Background
- Current Project Efforts
- Funding Opportunities
- Next Steps
- Q&A





# Goals

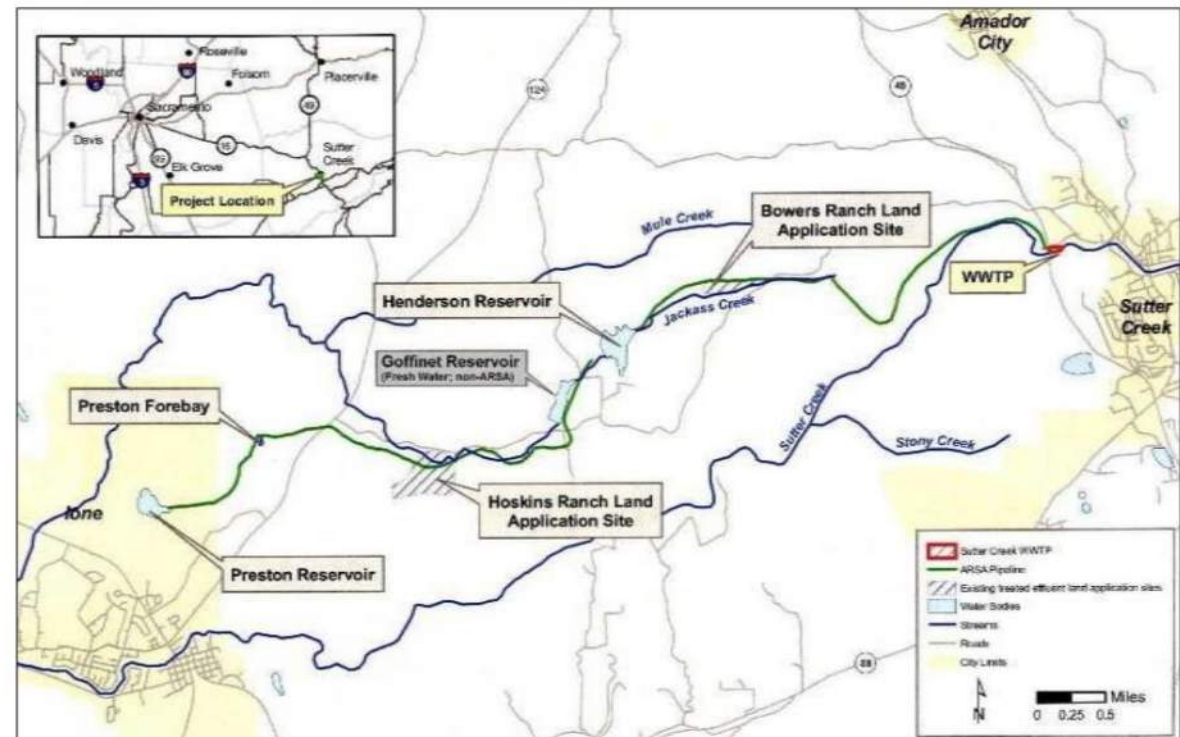
- Develop understanding of:
  - » project, project history, and project costs
  - » project funding opportunities
  - » the processes that exist to facilitate implementation
  - » community benefits

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## Project Background

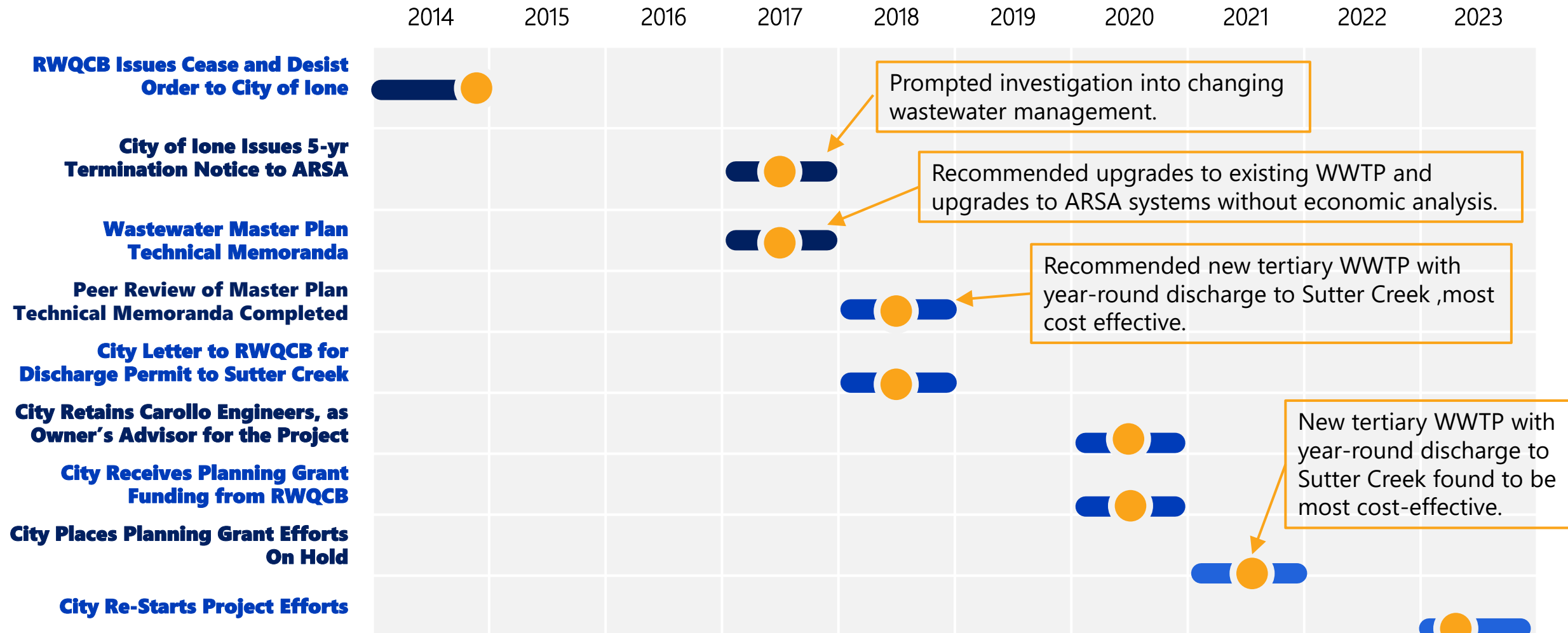
# Project Background

- Existing wastewater treatment plant was built in 1949.
  - » Some expansion and modification since, but largely the same.
- Complex and costly Amador Regional Sanitation Authority (ARSA) treated wastewater disposal system
  - » Legal complexity
  - » Physical complexity
  - » Outdated, needing extensive repair, and expensive to operate



Modified from WWTP Draft EIR

# Project Timeline – 2014 to 2023



# Planning Grant Project Report Alternatives

- Upgrading the existing WWTP and ARSA systems
- Regionalization with the City of Jackson
- Regionalization with the City of Lone
- Construct a new tertiary WWTP with year-round discharge to Sutter Creek
- Construct a new tertiary WWTP with discharge to ARSA (dry season) and Sutter Creek (wet season)
- Construct a new tertiary WWTP with discharge to Sutter Creek when dilution is greater than 20:1 and to ARSA when dilution is less than 20:1.

Most cost-effective option



# Conceptual Project Site Layout



Excerpted from 2021  
Project Report efforts



# WWTP Upgrade Project Benefits

- Discontinue complex and costly use of ARSA pipeline
- City removes itself from complex legal ARSA agreements
- Independence
  - » Avoid State mandated action and/or State enforcement action
- Potential for water recycling/reuse
- Potential environmental benefit via increased flow in Sutter Creek
- Less costly now rather than later





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# Current Project Efforts

## OVERVIEW



# Project Tasks Since April 2023 Restart

- Requested planning grant timeline extension and scope revision
- Updated inflow and infiltration (I/I) analysis
- Validated existing flow to WWTP
- Updated project cost estimate
  - » New tertiary WWTP with year-round discharge to Sutter Creek
- Planning level cost estimate prepared for planning and design services

# Project driver changes since 2020

- The 2022 deadline originally drove previous design-build delivery strategy.
  - » 40-yr ARSA agreements end in 2037
- More funding needed - design-bid-build delivery allows for more funding options.
- Change from “progressive design-build” to “design-bid-build” requires planning and pre-design to be performed now instead of being part of a design-build contract.

# Planning Grant – Scope Revision and Time Extension Request

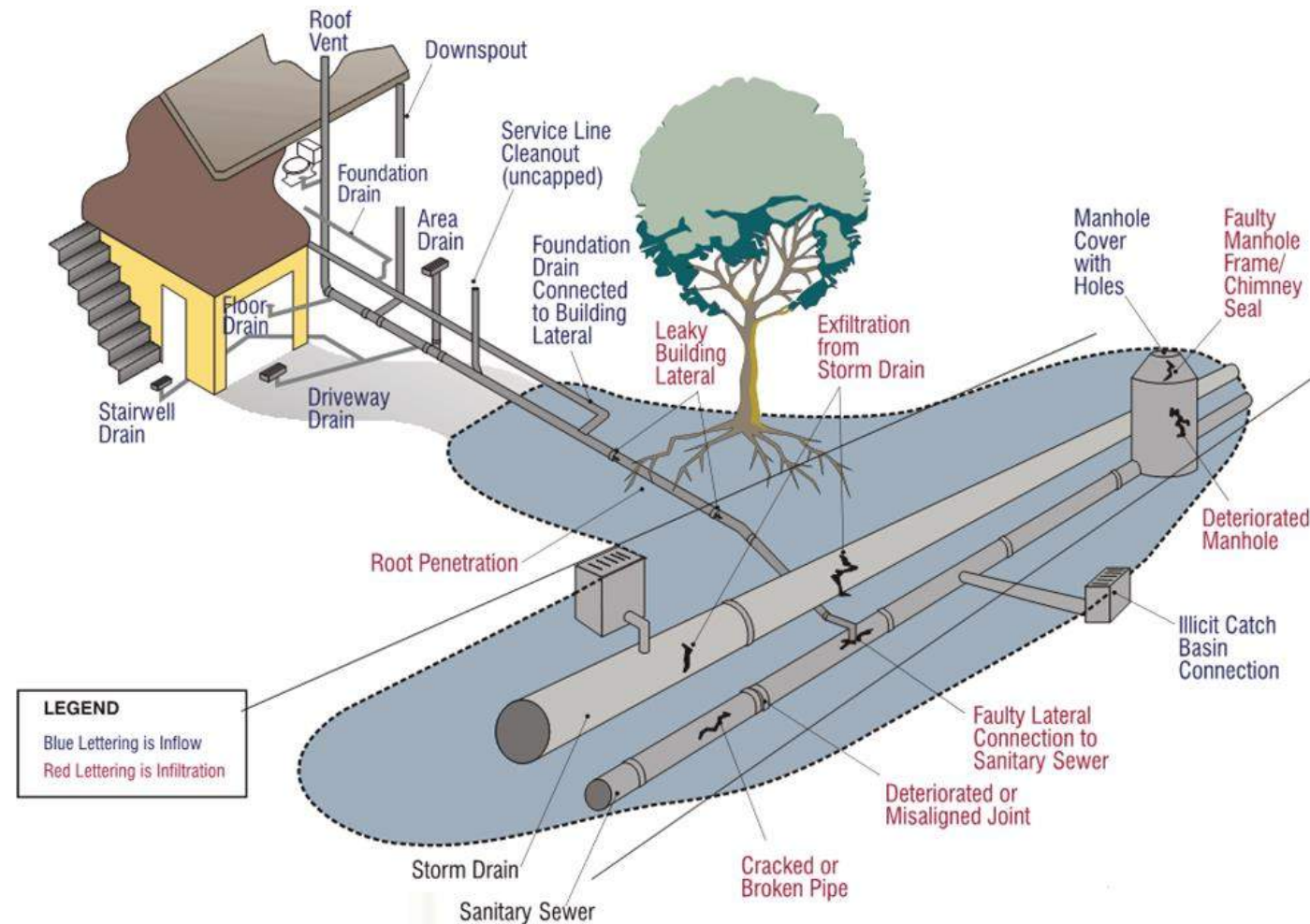
- **Request to Revise Scope/Alternatives**
  - » Construct a new secondary WWTP with offsite disposal, not discharged to Sutter Creek
  - » Construct a new tertiary WWTP with year-round discharge to Sutter Creek
  - » Construct a new tertiary WWTP with year-round discharge to Sutter Creek and provisions for future recycled water
- **Request to Extend Planning Grant Reimbursement Timeline**
  - » October 31, 2024

# Planning Grant Considerations

- Reimbursements under current grant expired on September 30, 2023
- Any work going forward is not eligible for reimbursement until the State Board grants the extension
- Expecting extension approval in Spring 2024

# Infiltration and Inflow Background

- City has high infiltration and inflow
  - » Driver for large equalization storage
- City-led I/I efforts include:
  - » Smoke testing
  - » Manhole lining
  - » Bolting down manhole lids



# Inflow and Infiltration Analysis Update

- Sewer flow monitoring in March/April 2023
- I/I has not reduced
- Needs to be accounted for by the WWTP Upgrade Project
- Prioritize four basins for rehabilitation to maximize I/I reduction potential

Table 2 Peak Influent Flows

Scenario	Peak Influent Flow (mgd)
No Reduction	5.36
30% Reduction in Basins 5, 6, 8, and 9	4.74
65% Reduction in Basins 5, 6, 8, and 9	4.03

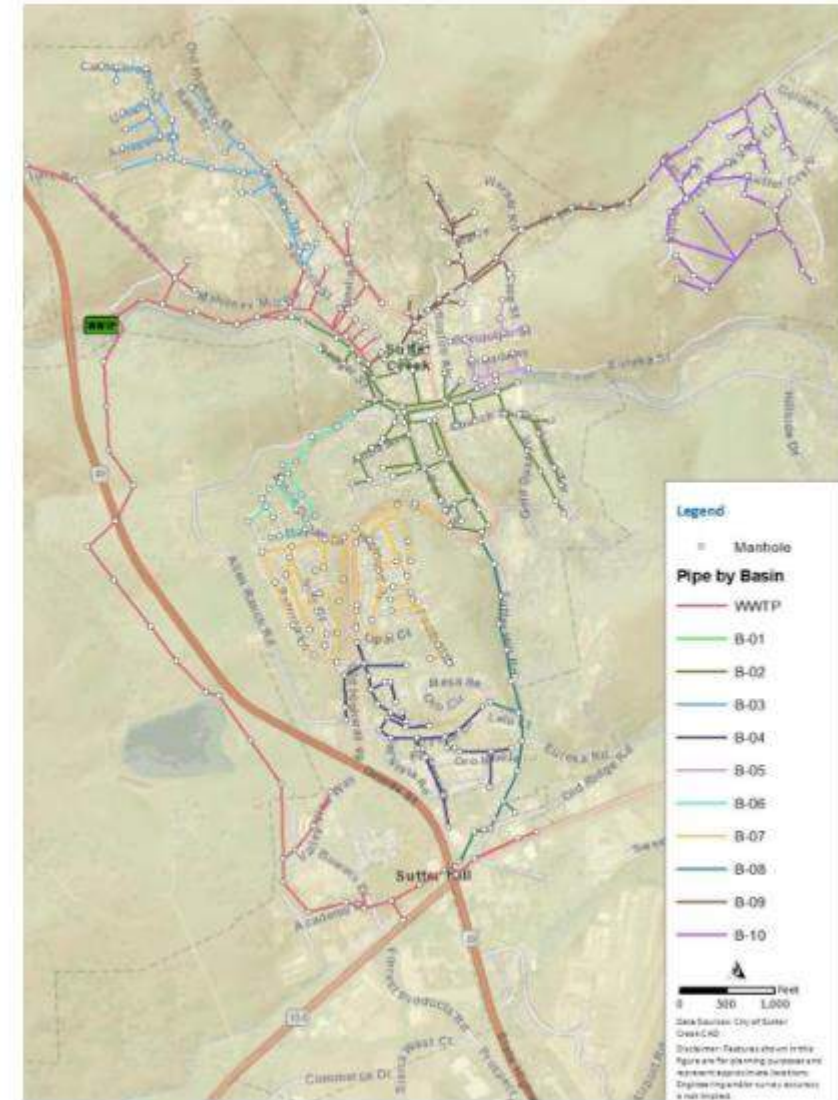


Figure 6 Meter Basins Map



# WWTP Peak Flows Have Increased

Table 1      Validation of Existing Sewer Flows

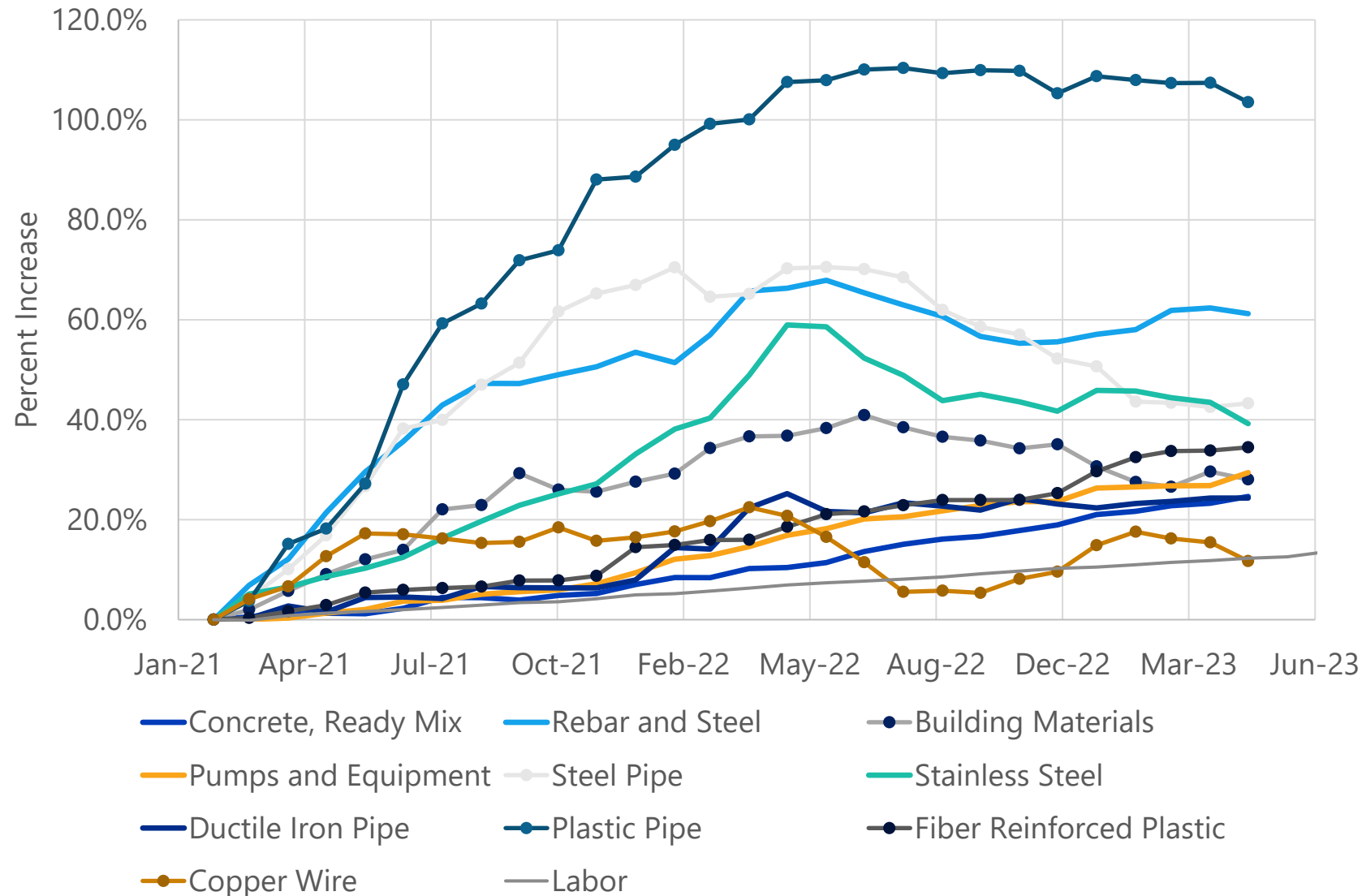
Flow Criteria	Units	Values Based on 2017-2019 Data	Values Based on 2017-2023 Data
Average Day Dry Weather Flow	mgd	0.33	0.33
Annual Average Day Flow	mgd	0.42	0.40
Average Day Maximum Month Flow	mgd	0.66	0.57
Peak Day Flow	mgd	2.65	3.16
Peak Hour Flow	mgd	5.0 <sup>(1)</sup>	5.36 <sup>(2)</sup>

Notes:

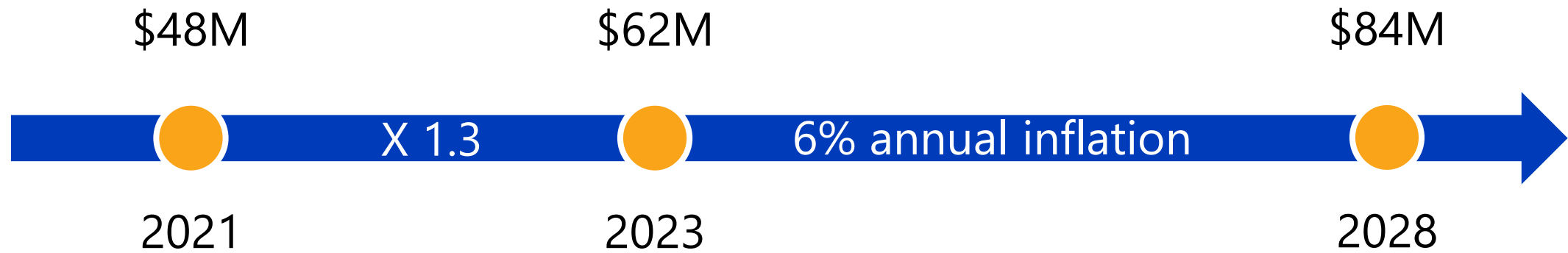
- (1) Peak hour flow based on 2017-2019 WWTP influent data and preliminary wet weather modelling.
- (2) Peak hour flow based on 2017-2023 WWTP influent data, data from the March/April 2023 City-conducted sewer flow monitoring, and wet weather modelling described in Attachment A.

# Project Construction Cost Update

Change in Commodity Producer Price Indices Since Feb 2021



# Project Construction Cost Update



# Project Construction Cost Estimate Updates

Midpoint of Construction	Construction Cost Estimate	Cumulative Cost of Delay
2023	\$62M	n/a
2026	\$74M	n/a
2027	\$79M	\$5M
2028	\$84M	\$10M
2029	\$89M	\$15M
2030	\$94M	\$20M

Note: These are AACE level 5 cost estimates with an accuracy range from -30% to +50%.

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# Funding Opportunities

# Changes to the funding landscape

- **Bipartisan Infrastructure Law (BIL): WW Infrastructure Funding**
  - » Increased funding for Clean Water SRF Programs (\$11.713B over 5 years nationwide)
    - **Increased funding for disadvantaged communities as BIL requires 49% of monies be provided as grants/Principal Forgiveness**
  - » Sewer overflow and stormwater reuse municipal grants (\$280M/yr for 5 years)
- **State Budget Action 2021/2022/2023 Opportunities**
  - » State Water Resources Control Board (\$1.55B)
  - » Department of Water Resources (~\$1.2B)
  - » Governor's Office of Planning and Research

# Potential Funding Strategies

100% Small Community Clean Water/WW (SRF) Funding	<ul style="list-style-type: none"> <li>• Planning Grant (typ. 6-9 month process)</li> <li>• Construction Grant (\$45,000/connection with no cap) – Due to current demands SWRCB may modify approach to funding awards for DACs</li> <li>• Low Interest Loan Financing (FY 2023 2.8% interest/30 years)</li> <li>• Federal Cross Cutters (CEQA+, BABA, AIS, Davis Bacon, etc.)</li> </ul>
100% USDA Funding	<ul style="list-style-type: none"> <li>• Low interest loan financing (3%+; 40-year loan term)</li> <li>• Grant funding would be dependent on MHI</li> <li>• Considerations: <ul style="list-style-type: none"> <li>• Program will not fund DB project delivery</li> <li>• USDA has limited funding capacity (annual cap is \$30-\$40M); would require national approval</li> </ul> </li> </ul>
Small Community Clean Water/WW (SRF) / USDA Funding	<ul style="list-style-type: none"> <li>• CWSRF grant funding to extent available</li> <li>• USDA Low Interest Loan Financing (perhaps small grant)</li> <li>• Considerations: <ul style="list-style-type: none"> <li>• Program will not fund DB project delivery</li> <li>• Limited funding capacity (annual cap is \$30-\$40M); requires national approval for higher awards</li> </ul> </li> </ul>
WIFIA & Small Community Clean Water/WW (SRF)/USDA	<ul style="list-style-type: none"> <li>• 49% WIFIA and 51% SRF/USDA Financing</li> <li>• WIFIA is competitive; low demand on program for DAC projects</li> </ul>



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# Next Steps

Tasks, Risks, Decisions

# Due Diligence and Feasibility

- Funding strategy/planning
- Rate study
- EQ tank siting analysis
  - » Engineering and environmental evaluation
- Land acquisition analysis
- PG&E coordination
- Caltrans right-of-way coordination

# Planning and Permitting

- Project Report
- Report of Waste Discharge
- Preliminary design of preferred alternative
- CEQA/NEPA
- Construction funding application(s)

# Next Steps – Planning Budget

- Planning Budget - \$1.5M - \$2.5M
- Potential and Existing Funding Sources
  - » Existing SRF planning grant
    - **With planned budget increase request**
  - » USDA Rural Development
  - » EPA WIFIA
  - » Stepped rate increase(s)

# Question and Answer

