

## TUOLUMNE CITY SANITARY DISTRICT

TCS  
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### REGULAR MEETING STAFF REPORT JANUARY 3, 2024

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#### Agenda Item No. 4

To: Board of Directors

From: Dave Andres, General Manager

Subject: Tentative SRF Project/Application Schedules

Date: December 20, 2023

**Background:** District Staff is completing the first phase of funding under the State Revolving Fund (SRF) program. The District received \$8,000,000 in funding beginning in 2017 fiscal year that provided both *Planning Grants* and *Construction Grants* for the Wastewater Treatment Plant (WWTP) and the Wastewater Collection System (WWCS). These funds allowed for \$2,000,000 in improvements to the WWTP and \$6,000,000 for replacement of the WWCS in the lower end of the *Carter Basin*. The WWTP Phase I project completed its one-year anniversary as the warranty period has expired, while construction of the WWCS Phase I project was completed in November. While all of the construction work has been completed on the WWCS Phase I project, the District still needs to be reimbursed for outstanding costs from the state and submit final reports required under the grant. The District has also received up to an additional \$2,211,010 in Phase II funding for the WWTP project. Staff would like to provide your Board with a tentative outline of the proposed schedule for the upcoming WWTP Phase II funding and additional grant submittals approved by your Board at your Special Meeting on December 6, 2023.

**Discussion:** The District is currently eligible for 100% grant funding under the State Revolving Fund (SRF) Program administered by the State Water Resources Control Board (SWRCB). This program offers two types of grants: planning grants and construction grants. The District is not limited on the amount of planning grant funding due to a change in regulations that previously limited the amount to \$500,000. Planning grants are utilized when the project or projects need to be designed and undergo an environmental assessment prior to being finalized. Construction grants are used when the environmental and permitting is complete and the plans are at least 70% designed and the project is close to bidding.

The District received *Special Funding* from the SRF program to initiate the *WWTP Upgrade Project Phase II*. This funding will cover reimbursement for previous costs incurred under the WWTP Upgrade Project Phase I (\$324,500), Site Improvements including paving and corrections to the effluent outfall line (\$1,294,260), and SCADA Upgrades (\$592,250). The District submitted a *Technical Memorandum* to the state for this project in June of 2022 and received contract approval for construction in October of 2023. As a result, District staff has initiated the

necessary work to construct the project. The tentative project schedule is provided below as *Table 1*. It should be noted that the schedule listed below is “tentative” and subject to change based on various issue that may delay implementation of the project. Based on our current agreement it appears that an extension for completion will be required. This typically happens after bids are received so that the contract payments are adjusted to reflect actual bid costs. In addition, the successful contractor will submit a *construction schedule* that will more realistically reflect the actual time necessary to complete the project.

**Table 1. Tentative Schedule - WWTP Upgrades Phase II**

<b>WWTP UPGRADES PHASE II - PROJECT ACTIVITIES TENTATIVE SCHEDULE</b>	<b>START DATE</b>	<b>COMPLETION DATE</b>
TCSO Submits SRF Technical Memo / Application	05/25/2022	06/23/2023
SRF Contract Approval	06/24/2023	10/18/2023
90% Design	11/15/2023	01/16/2024
100% Design	11/15/2023	01/30/2024
Board Authorization		03/06/2024
Issue Bids	03/08/2024	
Pre-Bid Meeting	03/27/2024	
Bid Opening	03/08/2024	04/17/2024
Board Approves Bid		05/01/2024
Contract Approval /Notice of Award / Notice to Proceed	05/02/2024	05/24/2024
Mobilization	05/27/2024	06/26/2024
Construction	06/27/2024	12/27/2024
Request SRF Contract Extension Based on Contractor Schedule / Bid Award		06/30/2024
Contractual Deadline for Project Completion	10/18/2023	10/31/2024
Notice of Completion Approved by Board		01/08/2025

District staff met and outlined potential projects for future funding that your Board approved at your December Board Meeting. The projects, as summarized in Table 2 below, were lumped into four primary categories based on whether the project is in the collection system or at the treatment plant and whether the project is slated for a construction grant or a planning grant. Due to the high cost of pipeline replacement in the collection system we will be submitting a “three-level” funding request for *Phase II* of the Carter Basin WWCS project. I am concerned that the state may not wish to fund the full \$10,750,000 request to complete the entire Carter Basin project. However, our priorities are to 1.) complete the work not funded under the Phase I WWCS project (\$750,000); 2.) complete the lower segment of the Carter Basin (\$5,500,000); and 3.) complete the last segment of the Carter Basin (\$4,500,000). In respect to the WWTP the \$4,500,000 request primarily addresses permit compliance issues. This includes a runoff control system and additional automation at the effluent reservoir, nitrate removal at the WWTP, and lagoon lining. The two planning grants will provide final design and bid ready documents for the Willow Basin and address issues related to the WWTP in respect to the Apple Colony Lift Station

and a *Comprehensive Facilities Master Plan* for any remaining projects that may be required in the near future.

Table 2. Proposed Estimated Project Funding Request

<b>PROJECT TYPE</b>	<b>GRANT SOURCE</b>	<b>ESTIMATED AMOUNT</b>	<b>PRELIMINARY PROJECT SUMMARY</b>
WWTP <i>Special Funding</i>	SRF CONSTRUCTION GRANT – PHASE II (Special Funding)	\$2,211,010	<ul style="list-style-type: none"> <li>❖ Reimbursement for prior costs - <b>\$324,500</b> (complete)</li> <li>❖ Site Improvements (paving; effluent line relocation) - <b>\$1,294,260</b></li> <li>❖ SCADA Upgrades - <b>\$592,250</b></li> </ul>
WWTP	SRF CONSTRUCTION GRANT – Phase III	\$4,500,000	<ul style="list-style-type: none"> <li>❖ Environmental Update (if necessary)</li> <li>❖ Final Design &amp; Bidding</li> <li>❖ Tailwater/Runoff Control &amp; Monitoring Project at Reservoir</li> <li>❖ Reservoir Controls Building/Storage Area/Repair Wier</li> <li>❖ Chemical Feed Station and other compliance equipment / facilities at Reservoir;</li> <li>❖ Storage Lagoon Liners</li> <li>❖ Install de-nitrification system (Wave Ox)</li> <li>❖ Miscellaneous WWTP Site Improvements, paving &amp; Hydrant Replacements</li> </ul>
WWTP	SRF PLANNING GRANT	\$650,000	<ul style="list-style-type: none"> <li>❖ Environmental</li> <li>❖ <i>Apple Colony Lift Station</i> Upgrades and potential relocation analysis / design</li> <li>❖ Utility location / Easements / Facility Surveys</li> <li>❖ WWTP Facilities Master Plan encompassing all potential future WWTP projects (e.g. Dewatering Facility, Widen Entrance Bridge, Headworks/Grit Removal Upgrades; Clarifier Modifications; Overflow Pond Modifications; etc.)</li> </ul>
WWCS	SRF CONSTRUCTION GRANT – PHASE 2 Carter Basin  <div style="text-align: right;">Total:</div>	\$750,000 \$5,500,000 \$4,500,000 <u><b>\$10,750,000</b></u>	<ul style="list-style-type: none"> <li>❖ Bidding</li> <li>❖ Phase 2A – Construct Incomplete Phase 1 <i>Additive Alternate (Cedar / Madrone area)</i> - \$750,000</li> <li>❖ Construct Carter Basin Phase 2B - \$5,500,000</li> <li>❖ Construct Carter Basin Phase 2C - \$4,500,000</li> </ul>
WWCS	SRF PLANNING GRANT	\$650,000	<ul style="list-style-type: none"> <li>❖ Environmental (if necessary)</li> <li>❖ Utility Location Services</li> <li>❖ Easements / Facilities / Lateral Surveys</li> <li>❖ Design / Bid Documents Willow Basin Collection System;</li> </ul>

**Fiscal Impact:** The District is currently eligible for 100% State grant funding under the SRF program. The total proposed funding request for the WWTP Phase III and WWCS Phase II construction projects is estimated to exceed \$15,000,000. Planning grants are proposed at \$650,000 each.

**Attachment(s):** None

**Recommendation:** None required. Information only.

**Recommended Motion:** None required. Information only.

**BOARD ACTION:**

<input type="checkbox"/> Resolution No_____	Moved by: _____	Second by: _____
_____AYES	_____NOES	_____ABSTAINED
_____ABSENT	<input type="checkbox"/> No Action Taken	