

TUOLUMNE CITY SANITARY DISTRICT

TCSO
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REGULAR MEETING STAFF REPORT SEPTEMBER 6, 2023

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Agenda Item No. 5

To: Board of Directors

From: Dave Andres, General Manager

Subject: SRF Application Resolutions

Date: August 17, 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). The WWTP project is coming up on its one-year anniversary as the warranty period is about to expire, while construction of the WWCS project should be completed by the end of October. The District has been notified that it may receive up to an additional \$2,211,010 in Phase 2 funding for the WWTP project. Additional funding may also be in the offing for the WWCS, but this is not known for certain at this time. Staff would like to discuss with your Board potential grant applications for potential future projects.

Discussion: The District is currently eligible for 100% grant funding under the SRF Program administered by the State Department of Water Resources (DWR). 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.

District staff has met and outlined potential projects for future funding. Staff has separated the projects 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. In addition, the District has been notified that it is eligible for approximately \$2.2 million in “special funding” at the WWTP and potentially \$1.8, or more in “special funding” for the WWCS. Depending on if DWR provides the “special funding” for the WWCS will determine our request for additional

construction funding for the *Carter Basin*. A summary of the potential projects is provided as Table 1 below.

Table 1. Proposed Future Project Funding (estimates only, subject to change)

<u>PROJECT TYPE</u>	<u>GRANT SOURCE</u>	<u>ESTIMATED AMOUNT</u>	<u>PRELIMINARY PROJECT SUMMARY</u>
WWCS	SRF PLANNING GRANT	TBD	Design Willow Basin Collection System; Environmental Assessment and Design of Apple Colony Collection System;
WWCS	SRF CONSTRUCTION GRANT	TBD	Complete Construction of Carter Basin (seek funding for Phases 2A & 2B if <u>not</u> funded below)
WWCS <i>Special Funding</i>	SRF CONSTRUCTION GRANT – PHASE 2* Carter Basin	\$1,853,245 \$6,079,992 \$9,560,416	Complete Phase 1 <i>Additive Alternates</i> - \$1,853,245 Carter Basin Phase 2A - \$4,226,747 Carter Basin Phase 2B - \$3,480,424
WWTP <i>Special Funding</i>	SRF CONSTRUCTION GRANT – PHASE 2**	\$2,211,010	Site Improvements (paving; effluent line relocation) - \$1,618,760 SCADA Upgrades - \$592,250
WWTP	SRF PLANNING GRANT	TBD	Storage Lagoon Liner; Dumpster Cover; Pond 1 Wet-well; Additional Plant Paving; Dewatering Facility; Widen Entrance Bridge; Headworks/Grit Removal Upgrades; Clarifier Modifications; Overflow Pond Modifications; Chemical Feed Station at Reservoir; Apple Colony Lift Station Upgrades;
WWTP	SRF CONSTRUCTION GRANT	TBD	Tailwater/Runoff Control Project at Reservoir; Reservoir Controls Building/Storage Area/Repair Wier; Sludge Well Pumping Improvements; Clarifier Flap-gates Improvements; Blower Replacement/Correct Supply Line Leak; Headworks Overflow Pipe; Hydrant Replacements;

* Subject to State Approval; ** Pending State Contract Approval

Prior to submitting any new applications for funding staff will meet with our consultants to finalize the project descriptions and cost estimates. These items will then be brought back to your Board for final review.

In respect to the WWTP project Resolution 2023-08 is necessary to comply with federal Treasury Department and Internal Revenue Service regulations. This allows the state to expend tax exempt bonds for project costs incurred by the District within sixty days of adoption of this resolution. The State can then reimburse the District for these incurred

costs from the bond funds. Resolutions 2023-06 and 2023-07 authorize submittal of the applications for funding and designate the General Manager as the authorized representative of the District to sign and submit the various forms and information required by the State.

Fiscal Impact: The District is currently eligible for 100% State grant funding under the SRF program. Total Funding for the WWTP and WWCS Phase 2 projects could be as high as \$15,000,000.

Attachment(s): Resolution 2023-06 SRF Application – Treatment Plant
Resolution 2023-07 SRF Application - Collection System
Resolution 2023-08 SRF Reimbursement Compliance

Recommendation: Approve attached resolutions.

Recommended Motion:

- 1.) I move to adopt Resolution 2023-06 authorizing the submittal of an application under the State Water Board SRF program for the *Treatment Plant Project – Phase 2* and designating the General Manager as the authorized representative of the District.
- 2.) I move to adopt Resolution 2023-07 authorizing the submittal of an application under the State Water Board SRF program for the *Collection System Project – Phase 2* and designating the General Manager as the authorized representative of the District.
- 3.) I move to adopt Resolution 2023-08 regarding reimbursement from the State Water Board SRF (State Revolving Fund) program.

BOARD ACTION:

<input type="checkbox"/> Resolution No _____	Moved by: _____	Second by: _____
_____ AYES	_____ NOES	_____ ABSTAINED
_____ ABSENT	<input type="checkbox"/> No Action Taken	