

PROJECT STATUS FOR CIP WW 20-17 SURFACE WATER DISCHARGE PROJECT, AND CONSIDER APPROVAL OF RELATED DOCUMENTS

CITY COUNCIL REGULAR MEETING

ITEM 5.5, SEPTEMBER 13, 2021



BACKGROUND

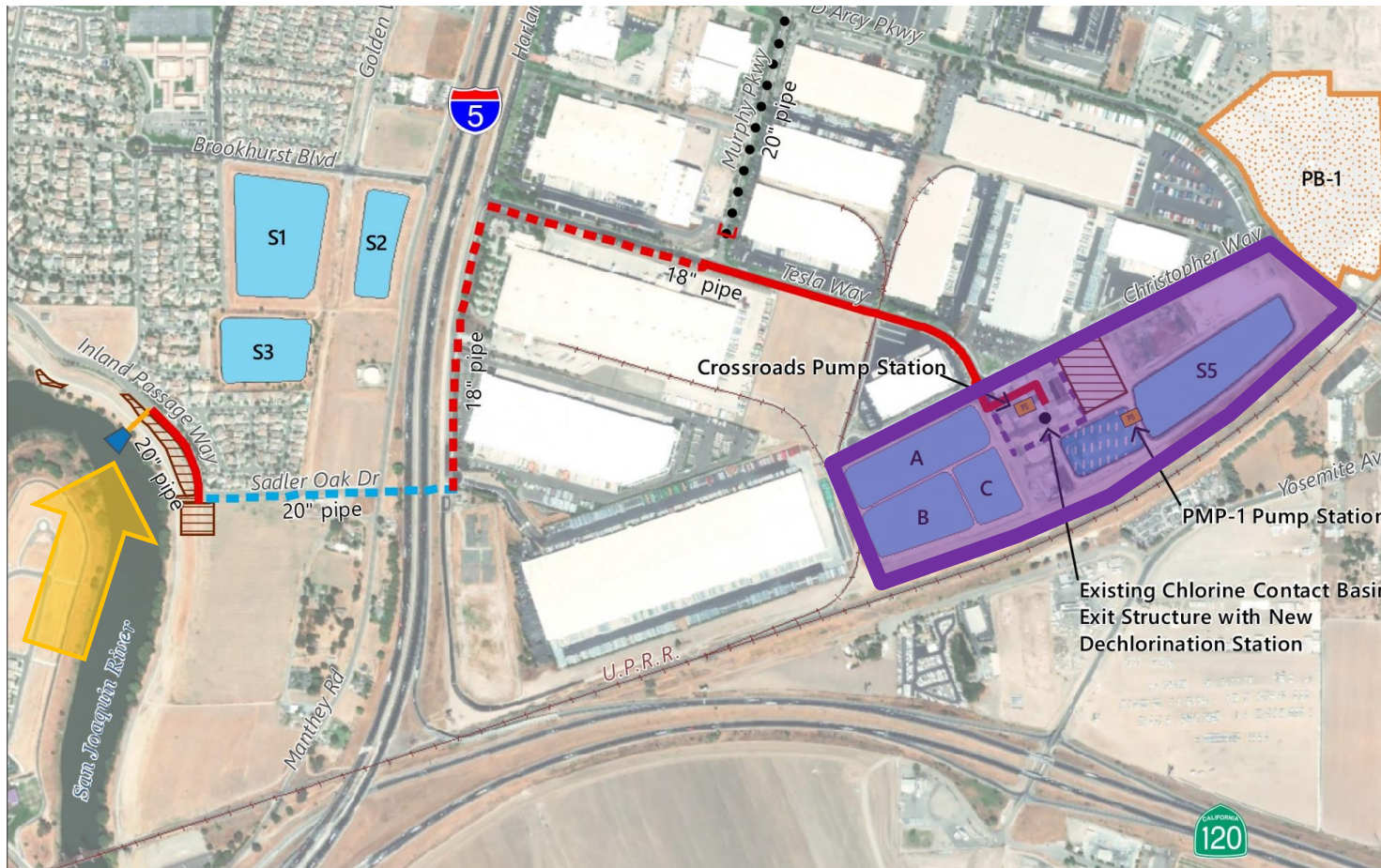


- Wastewater treated at two separate facilities
 - Manteca Water Quality Control Facility (WQCF) → San Joaquin River
 - Lathrop Consolidated Treatment Facility (CTF) → Ponds and Spray Fields

- April 2017, Lathrop staff initiated discussions with the Central Valley Regional Water Quality Control Board (Central Valley Water Board) regarding an National Pollutant Discharge Elimination System (NPDES) permit for a surface water discharge for the CTF

- August 2019, Wastewater Regionalization, Reclamation, Recycling Report concludes:
 1. Long-term Lathrop cannot utilize ponds and spray fields
 2. Regionalization with Manteca WQCF is not feasible or practicable

PROPOSED PROJECT



■ Modify CTF

- Dechlorination prior to river discharge

■ Pipeline

- Dedicated discharge pipeline connecting CTF to new outfall

■ Outfall Structure in River

- Includes RD 17 levee pipeline crossing

PROJECT COST



DESCRIPTION	COST
Permitting	\$700,000
CEQA	\$650,000
CTF Improvements	\$3,620,000
Pipeline from CTF to River	\$3,382,000
Engineering and Construction Management	\$2,255,040
Contingency (10%)	\$1,060,704
Reimbursements for existing infrastructure	\$6,515,399
Total Estimate Cost	\$18,183,143

PROJECT SIGNIFICANCE



■ **Buildout of the City**

- Allows for full buildout of City in accordance with General Plan
- At build out, ponds and spray fields would take up 1,500 acres of developable land at a cost of \$200 million
- Ponds and spray fields will get developed resulting in lower utility rates because fixed operational costs are spread across a much larger base.

■ **Future Development**

- High cost of sewer in Lathrop is pushing development away. Future sewer cost is reduced by 50%, from the current \$75/gallon down to \$37/gallon.

■ **Existing Rate Payers**

- Provides optimal management of City water supplies
- Retains control over City wastewater services and costs
- Minimize future rate increases; ponds and spray fields are expensive to maintain

RESIDENTIAL COST SAVINGS



Component	Current Cost (w/o discharge)	Future Cost (w/ discharge)	Difference
Storage & Disposal	\$8,600	\$0	-\$6,000
River Discharge	\$0	\$761	\$761
Total	\$8,600	\$860	-\$7,740 Reduction = Savings per Home

PROGRESS - STARTING JULY 2020



Obtaining a surface water discharge permit is a complex process that involves extensive coordination between City staff, developers, specialized consultants, multiple permitting agencies, and, eventually, construction contractors.

- Begin CEQA Process (NOP) Complete
- Award Design Contracts Complete
- Submit permit applications Complete
- Certify EIR and Approve Project Complete
- Complete consultation with resource agencies Complete
- Complete 100% Design Complete
- Finalize Permits Almost Complete, Army Corps 404, NPDES
- Award Construction Contracts September 13, 2021
- Complete Construction of Project August 2022

APPROVALS BEING REQUESTED



Related to CIP WW 20-17 Surface Water Discharge Project:

1. Approve Funding Agreements with River Islands Development, LLC, Saybrook CLSP, LLC, and Richland Crossroads, L.P.
2. Award Construction Contract to Cushman Contracting Corporation for Dechlorination Facilities
3. Award Construction Contract to Teichert & Son, Inc. dba Teichert Construction for Pipeline and River Outfall Construction,
4. Approve Professional Consulting Services Agreement with TRC Engineers, Inc. for Professional Engineering Consulting Services and Construction Management
5. Ratify Equipment and Material Purchases (Purchase Order No. 2022-57)
6. Ratify Outfall Permit Agreement with Reclamation District 17, and
7. Approve Related Budget Amendment

FUNDING AGREEMENTS



- River Islands Development, LLC funding agreement requires a total contribution of \$11,865,770. After deducting the reimbursements for the ponds and pipelines the City will keep, and the credit for studies that River Islands already funded for the City, their remaining cash contribution is \$5,637,895.

<u>Developer</u>	<u>Contribution</u>	<u>Land Returned</u>
River Islands Development, LLC	\$5,637,895	265 Acres
Saybrook CLSP, LLC	\$1,782,774	94 Acres
Richland Crossroads, L.P.	\$1,376,996	23 Acres
Total Funding Agreements	\$8,797,665	382 Acres

CONSTRUCTION CONTRACTS



- CTF Dechlorination Facility (*Cushman Contracting Corporation*)

\$3,620,000	Base Bid
<u>\$362,000</u>	<u>Contingency Fund</u>
\$3,982,000	Total Contract Budget

- Pipelines and Outfall Structure in the San Joaquin River (*Teichert Construction*)

\$2,866,392.60	Base Bid – pre-purchased pipe
<u>\$338,200.00</u>	<u>Contingency Fund</u>
\$3,204,592.60	Total Contract Budget

CONSTRUCTION MANAGEMENT



- Professional Service Agreement for Construction Management Services (TRC)

\$228,220	Contract Amount
<u>\$22,822</u>	<u>Contingency Fund</u>
\$251,020	Total Contract Budget

PURCHASE ORDER NO. 2022-57



- The 2021 construction window in the San Joaquin River is very short, and the delivery times for pipelines and related materials is currently long.
- Advance purchase of these materials was necessary to give the contractor time to complete in-water work this calendar year.
- Prices for pipe and materials was from Teichert, based upon their low bid.
- Teichert Construction for Advance Purchase of Pipelines and Materials
\$515,607.40 Purchase Order No. 2022-57

OUTFALL PERMIT AGREEMENT



- **Reclamation District 17** for Outfall Permit Agreement
 - Reclamation District 17 is responsible to maintain the levees
 - Approval of this Permit Agreement was required by the Central Valley Flood Protection Board before they would place their outfall permit on their calendar for August 27, 2021.
 - If staff waited for Council approval, this would have delayed the permits by at least a month

BUDGET AMENDMENT



- **Budget Amendment** will account for the funds being received from three developers per the Funding Agreements being considered tonight:

River Islands Development, LLC	\$5,637,895
Saybrook CLSP, LLC	\$1,782,774
<u>Richland Crossroads, L.P.</u>	<u>\$1,376,996</u>
Total Budget Amendment	\$8,797,665

RELEASE OF LAND AND PERFORMANCE BONDS



- Saybrook CLSP, LLC dedicated three parcels, totaling 38.24 acres that are not yet in the City's RWQCB permit. These parcels and the \$4,387,449 performance bond will be released by the City as soon as Saybrook CLSP, LLC funds its \$1,782,774 share of the Project.

RECOMMENDATION



Adopt Resolution Related to CIP WW 20-17 Surface Water Discharge Project:

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2. Awarding Construction Contract to Cushman Contracting Corporation for Dechlorination Facilities,
3. Awarding Construction Contract to Teichert & Son, Inc. dba Teichert Construction for Pipeline and River Outfall Construction,
4. Approving Professional Consulting Services Agreement with TRC Engineers, Inc. for Professional Engineering Consulting Services and Construction Management,
5. Ratifying Equipment and Material Purchases (Purchase Order No. 2022-57),
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7. Approving Related Budget Amendment