

Our ref: 12640567

June 09, 2026

Kyle Knopp, City Manager  
City of Rio Dell  
675 Wildwood Drive  
[Suburb STATE 0000]

### Painter Street Sewer Main Upgrade Budget Update and Amendment 1

Dear Kyle,

This letter proposal provides an update on GHD's work on the Painter Street Sewer Upgrade Project including history, budget, and next steps now that bids have been received and the project is starting construction.

#### Project History

GHD completed a preliminary evaluation of a project in 2018 to upsize the Painter Street sewer main from a 12" pipeline to an 18" line from the end of Painter Street to the Wastewater Treatment Plant (WWTP). The preliminary evaluation was used to apply for State Water Resources Control Board (SWRCB) Clean Water State Revolving Fund (CWSRF) grant funding for final design and construction. The SWRCB processed the CWSRF application over several years, and the funding agreement was executed in December 2025.

To advance the project, design was initiated in Spring of 2024 when the City received a budget amendment for the CWSRF funded Sanitary Sewer Evaluation Study, which included design funding, and the Painter Street sewer main was considered an eligible expense.

Over the course of the design development, a number of obstacles were encountered for implementing a simple sewer main upsizing to resolve sanitary sewer overflows at the manhole at the end of Painter Street. The issues encountered included the following:

- **Conflicting survey data:** A new survey of the area was required to ensure pipe depths and slopes were accurately modelled for system performance.
- **Minimum pipe cover requirements not met:** Survey information showed minimum ground cover requirements were not met at the upstream end of the Painter sewer main. Alternate alignments were evaluated, but would have been significantly more complicated and costly. The final design included the addition of cover material along portions of existing sewer main alignment and requirements for improved drainage.
- **Easement conflicts:** The existing pipeline was not within the mapped easements for the properties closest to the treatment plant, and there were potential conflicts with structures on private property. Multiple alternatives were developed to route the pipeline with minimal impacts to the landowner, minimal bends, and maintained access on City property. The City then worked with a licensed

surveyor and their attorneys to update the easements for the proposed pipe locations across three private properties.

- **Minimum pipe slope/velocity requirements:** The simple 18” pipeline, initially proposed, did not provide the additional capacity needed in the winter to prevent sewer overflows while maintaining minimum flow velocities in the summer to prevent solids settlement and build up in the pipeline. To meet minimum velocities for the gravity sewer line in lieu of a new cost prohibitive pump station, the solution was to install a new main consisting principally of a 15” replacement main line and immediately adjacent 15” auxiliary line. The main line would be used year round and can convey summer flows while meeting minimum velocity requirements. The auxiliary line provides additional capacity for high flows in the winter to prevent sewer overflows and manhole surcharging.
- **Complex manhole configurations:** Just upstream of the Painter Street manhole, there are two pipelines that merge. To make a smooth transition between the old and the new systems, a junction box was designed, which included evaluation of placement, angles, flows, and structural calculations.
- **Pipeline to Headworks routing:** The existing 12” pipeline to the headworks was too close to existing structures to be replaced with an 18” pipe at the same location without compromising the structures. Multiple routes and installation methods for the last section of pipe were evaluated. Trenchless methods including microtunneling and HDD were considered but were not deemed practicable due to cost and technical concerns. Open cut trench was determined to be the most cost-effective method that also ensured adequate slope.

## Budget Update

The City was awarded \$1,490,550 in funding in December 2025 for planning, design, bid period services, construction management and implementation of the Painter Street Sewer Line Replacement Project based on cost estimates from 2022.

Funds from the Sanitary Sewer Evaluation Study (SSES) were used to progress the design forward with approval from the SWRCB. Approximately \$111,100 from the SSES design budget was used to keep the Painter Street Sewer Line Replacement Project moving forward in the absence of other approved design funding.

The project was put out to bid, and a bid opening held on January 7, 2026. The project low bidder was Mercer Fraser Company for a construction amount of \$1,570,283.50. With secured bids, the overall funding request was revisited and a Final Budget approval submitted. The FBA budget includes the full construction bid amount, a 20% contingency, unreimbursed design and bid period costs, updated construction management costs, and updated project management costs for GHD and the City of Rio Dell. Table 1 below shows a summary of the original grant funding request incorporated into the funding agreement and the Final Budget Amendment (FBA) submitted after the bids were opened. The budget for the attached GHD Contract Amendment No. 1 was accounted for in the FBA soft costs and thus are reimbursable under the funding agreement with the SWRCB.

Table 1 SWRCB Final Budget Approval Budget Summary

Category	Executed Grant Agreement Budget	FBA Submitted Budget	Difference
Construction	\$865,440.00	\$1,570,283.50	\$704,843.50
Change Order Contingency	\$298,110.00	\$314,056.70	\$15,946.70
Allowances (Soft Costs)	\$327,000.00	\$354,138.00	\$27,138.00
Design and Bid Period Services		\$93,138.00	
Unreimbursed Design and Bid Period Costs		\$90,000.00	
Balance of Survey Costs (City)		\$3,138.00	
Construction Management		\$211,000.00	
Administration		\$50,000.00	
GHD		\$30,000.00	
City		\$20,000.00	
<b>TOTAL</b>	<b>\$1,490,550.00</b>	<b>\$2,238,478.20</b>	<b>\$747,928.20</b>

As the City is aware the construction costs increased significantly from the original Clean Water State Revolving Fund (CWSRF) grant application estimate, which was based on preliminary designs for a single 18" pipeline to replace the existing 12" line to the final design that was approved for bid, including the 15" replacement main line and immediately adjacent 15" auxiliary line. In addition, the costs for design and CM increased with the complexity of the project.

**Next Steps**

The City is moving forward to construct the preferred Painter Street Sewer Upgrade Project. The Project has been awarded and the notice to proceed has been issued to the contractor. To continue GHD's support of the project the amendment attached to this update must be signed. The amendment includes funds for the additional design work that was completed and the estimated budget for construction management and project administration including grant and funding support.

Regards



**Rebecca Crow**  
Project Manager

rebecca.crow@ghd.com

Copy to: Steven Pearl, GHD Project Engineer  
Casey Raines, GHD Business Group Leader



# Q1403 Amendment/Change Form

This Amendment/Change is effective this enter day day of enter month, 2026, (the "Effective Date") between GHD Inc. (hereinafter "GHD") and City of Rio Dell (hereinafter "Client"). In consideration of the mutual promises set forth herein, GHD and Client agree to modify the project details for the Original Agreement between GHD and Client referenced herein.

Project details			
<b>Project name:</b>	Painter Street Sewer Line Replacement Project	<b>Project number:</b>	12640567
<b>Effective date of original agreement:</b>	4/17/2024	<b>Project Manager:</b>	Rebecca Crow
<b>Description of proposed change:</b>			
See Exhibit A			
<b>Current budgeted effort:</b>	\$ 210,839	<b>Current completion date:</b>	8/15/2024
<b>This change (variation):</b>	\$ 229,951		
<b>Revised budgeted effort total:</b>	\$ 442,087	<b>Revised completion date:</b>	7/30/2027

**In witness whereof**, GHD and Client have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

**GHD**

GHD Inc.

Insert signature

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Casey Raines

Business Group Leader

Enter date

**Client**

Insert signature

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Kyle Knopp

City Manager

Enter date

## **Exhibit A**

### **Painter Street Sewer Line Replacement**

#### **Amendment 1**

GHD completed a preliminary evaluation of a project in 2018 to upsize the Painter Street sewer line from a 12” pipeline to an 18” line from the end of Painter Street to the Wastewater Treatment Plant (WWTP). The preliminary evaluation was used to apply for State Water Resources Control Board (SWRCB) Clean Water State Revolving Fund (CWSRF) grant funding for final design and construction.

Over the course of the design development, a number of obstacles were encountered for implementing a simple pipe upsizing to resolve sanitary sewer overflows at the Painter Street manhole. The issues encountered included the following:

- Conflicting survey data
- Minimum pipe cover requirements not met
- Easement conflicts
- Minimum pipe slope/velocity requirement not met
- Complex manhole configurations
- Pipeline to Headworks routing

The issues encountered required additional design effort to address. GHD evaluated multiple options including rerouting the entire Painter Street Sewer Line, multiple pipe sizing evaluations, multiple manhole configurations on Painter Street, pump station considerations, and multiple routing and construction methods for the final pipeline segment through the wastewater plant site.

The final project was more extensive and complicated than the originally scoped project. However, through coordinated communication with the City, focus on the goals of the project within the limits of the site, and landowner coordination, a robust solution for upgrading the Painter Street sewer was developed. The improvements have been designed to handle up to the 10-year storm event, while maintaining minimum flow velocities in the summer to prevent clogging.

# COMPENSATION

This amendment increases the design budget and adds budget for construction management to see the project through to completion. Table 1 below shows a summary of the original contract budget and the proposed amendment, which would be funded through the SWRCB grant agreement.

Table 1 SWRCB Funding Budget Summary

Category	Original Contract Amount	Amendment 1	Total Contract Amount
Task 1 Project Management	\$17,331	\$30,000	\$47,331
Task 2 Final Design	\$108,305	\$54,797	\$163,102
Task 3 Bid Services	\$20,654	\$-	\$20,654
Task 4 Construction Management	\$64,549	\$146,451	\$211,000
<b>TOTAL</b>	<b>\$210,839</b>	<b>\$229,951</b>	<b>\$442,087</b>

GHD will use the approved rates in the current master services agreement, including annual increases. GHD reserves the right to move budget between tasks up to 5% of the total contract, unless prior approval is obtained by the City. Payment to GHD is not contingent upon the City receiving funds from outside sources. Invoices are due and payable within 30 days of the date of the invoice.