



City Council Meeting Staff Report

Meeting Date: June 23, 2026

SUBJECT: Consideration and Adoption of Resolution Authorizing Execution of a Grant Agreement with the California State Water Resources Control Board for a Regional Wastewater Transmission Project

PREPARED BY: Bill Zenoni, City Manager

RECOMMENDATION:

Staff recommends that the Wheatland City Council consider adoption of a resolution authorizing execution of a grant agreement with the California State Water Resources Control Board for funding a portion of the South Yuba County Regional Wastewater Project.

DISCUSSION:

The City of Wheatland and Olivehurst Public Utility District, along with Yuba County and Yuba Water Agency have, for the past six years, been working together to develop a regional solution to wastewater treatment needs in South Yuba County. The City of Wheatland's wastewater treatment plant is aging, has limited treatment capacity to accommodate infill growth and does not meet current environmental standards for disposal of municipal wastewater. A portion of the City's wastewater treatment plant is located on the river side of the Bear River Levee, which leaves the plant at risk for potential flooding.

The South Yuba County Regional Wastewater Project will result in construction of a wastewater conveyance system from Wheatland to the OPUD wastewater treatment plant. The project has been separated into two segments. The first segment is Wheatland's responsibility and will transport wastewater from Wheatland up Spenceville Road, Jasper Lane and South Beale Road to Pump Station No. 3 on Rancho Road. The second segment will be managed by OPUD and will continue the pipeline from Pump Station No. 3 to the OPUD wastewater treatment plant. Both Wheatland and OPUD have received bids for their portions of the project and are ready to award contracts once the project financing has been finalized.

The estimated construction cost of this project is approximately \$115.6 million. This regional solution has been endorsed by the State Water Resources Control Board, which has approved a \$75 million grant to fund a major portion of the project. The Board of Directors of the Yuba Water Agency had previously agreed to loan Wheatland and OPUD the remaining funds required to complete construction of the project. However, as a result of the catastrophic failure of the penstock at the New Colgate Powerhouse, Yuba Water Agency withdrew its financial support for the construction phase of this project.

Although the grant was issued in the name of the City of Wheatland, it was based upon an application for a joint project for both Wheatland and OPUD. The State grant funding will be allocated to both

Wheatland and OPUD based upon each agency's proportionate share of the project cost, with Wheatland anticipated to receive approximately 75 percent of the grant funds.

In order to secure the grant funding, the grant agreement must be executed. It is requested that the City Council authorize the City Manager to execute the grant agreement (copy attached) in substantially the form presented, subject to final review and revision by the City Attorney.

FISCAL IMPACT:

This grant will provide \$75 million in funding to Wheatland and OPUD for the South Yuba County Regional Wastewater Project.

ATTACHMENTS:

- A. Resolution w/Exhibit