



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: September 22, 2026

SUBJECT: Consideration and Adoption of Resolution for Purchase of Environmental Mitigation Credits for Construction of the Wheatland Regional Sewer Pipeline Project

PREPARED BY: Sean Grayson, City Manager
Dane Schilling, City Engineer

RECOMMENDATION:

Staff recommends that the Wheatland City Council consider adoption of a resolution approving the "Agreement for Sale of Mitigation Credits" with AKT Investments, Inc. for the Wheatland Regional Sewer Pipeline Project and authorizing staff to execute the agreement and purchase environmental mitigation credits for construction of the project.

DISCUSSION:

The Wheatland Regional Sewer Pipeline Project ("Project") is a portion of the larger South Yuba County Wastewater Infrastructure Project (a coordinated effort between Yuba Water Agency (YWA), Olivehurst Public Utilities District (OPUD), Yuba County and the City of Wheatland). The Wheatland Regional Sewer Project consists of the first 7.72-miles of a conveyance pipeline and pump stations that are capable of transporting 1.5-million gallons of sewage daily from the Malone Avenue Pump Station in Wheatland to the southerly limits of the OPUD service area on Rancho Road in south Yuba County. OPUD will construct a pipeline from the terminus of this Project to the OPUD wastewater treatment plant.

The following is a partial list of City Council actions taken to advance the environmental work for the Project:

- On July 28, 2020, the City Council adopted Resolution No. 35-20 approving the \$2.6M grant/loan agreement to fund environmental and design efforts for the Wheatland Regional Sewer Pipeline Project (Project) and authorizing the City Manager to sign the agreement.
- On November 10, 2020, the City Council adopted Resolution No. 43-20 amending the FY 2020-21 Budget and authorizing the City Manager to proceed with environmental review and engineering design for the Project.
- The City conducted an environmental review and prepared an Environmental Impact Report (EIR) for the Project (SCH No. 2021110022). Based on the EIR, a Notice of Determination was made by the City Council on February 28, 2023, and was filed by the County Recorder on March 2, 2023.
- On July 14, 2026, the City Council adopted Resolution No. 26-38, approving contract documents and authorizing a call for bids for construction of the Wheatland Regional Sewer Pipeline Project.

City staff received bids for construction of the Project on August 25, 2026, and anticipates awarding the construction contracts on September 22, 2026. Prior to commencing construction, the City is required to purchase mitigation credits to satisfy the requirements of the environmental permits issued by the California Department Fish and Wildlife (CDFW) and United States Army Corps of Engineers (USACE) for the purpose of offsetting loss of environmental habitat associated with the project. In consultation with CDFW and USACE, the City's environmental consultant for the Project, has identified the Antonio Mountain Ranch Mitigation Bank, owned by AKT Investments, Inc., as a suitable mitigation bank for meeting the requirements of the permits.

An "Agreement for Sale of Mitigation Credits" from AKT Investments, Inc. (**Attachment 'B'**), has been provided to the City for purchase of the required mitigation credits. The City Attorney's office has reviewed the agreement and has approved it as to form.

FISCAL IMPACT:

The total purchase price of the mitigation credits is \$81,000. This cost was anticipated and included in the project budget. The purchase of environmental mitigation credits is a grant reimbursable expense. No General Fund resources will be utilized to fund this action.

ATTACHMENTS:

- A. Resolution
- B. Agreement for Sale of Mitigation Credits