



# City Council Meeting Staff Report

Meeting Date: January 28, 2025

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**Subject:** South County Infrastructure Project Update

**Prepared By:** Bill Zenoni, City Manager

**Recommendation:** Staff recommends that the Wheatland City Council receive information presented regarding the status of the South County Infrastructure Project.

**Discussion:** 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 City explored various alternatives, including building a new wastewater treatment facility, and determined that the best and most cost-effective solution would be to move forward with a regional wastewater transmission and treatment project. For the past four years, the City Council Regional Sewer Ad-Hoc Committee (former Mayor West and Councilmember Coe) along with City staff have been working closely with staff and elected officials from Yuba Water Agency, Olivehurst Public Utility District (OPUD) and Yuba County to develop the South County Infrastructure Project - a regional solution to wastewater treatment needs in south Yuba County.

The total project will be divided into three phases. The first phase of the project will provide a wastewater conveyance system, including transmission pipelines and new pump stations between the City of Wheatland and the OPUD wastewater treatment plant. The estimated cost of this first phase of the project is \$129.1 million. The potential funding sources for this phase of the project include a grant from the State Water Resources Control Board (\$30 million), wastewater development impact fees previously collected by the City of Wheatland (\$3.5 million), EDA grant funding, developer participation and a loan from the Yuba Water Agency. The potential sources for repayment of the Yuba Water Agency loan include future development impact fees, revenue bond financing, Mello-Roos financing and developer contributions.

The City Council received a project update on June 25, 2024. At that meeting, the Council also approved a non-binding memorandum of understanding between the City of Wheatland, OPUD and Yuba Water Agency to demonstrate to the State Water Resources Control Board the good faith efforts of the three public agencies to work together to pursue a financing plan for this project.

City staff and staff from Yuba Water Agency will provide the City Council with an overview of the current project status, including funding status, project timeline and next steps, at the January 28, 2025 City Council meeting.

**Fiscal Impact:** This is an information item only. There is no fiscal impact

**Attachments:**

None