



City Council Meeting Staff Report

Meeting Date: June 10, 2025

Subject: Consideration and Adoption of Resolution Authorizing the City Manager to Execute a Grant Agreement with the Yuba Water Agency, Authorizing the City Manager and Finance Director to Amend the Fiscal Year 2025-26 Budget, and Authorizing the City Manager to Execute Agreements for Services Required to Complete Environmental, Engineering Design, Right-of-Way Acquisition and Utility Relocation for the Wheatland Regional Sewer Pipeline Project

Prepared By: Bill Zenoni, City Manager

Recommendation: Staff recommends that the Wheatland City Council consider adoption of a resolution authorizing the City Manager to execute a grant agreement with the Yuba Water Agency, authorizing the City Manager and Finance Director to amend the Fiscal Year 2025-26 budget, and authorizing the City Manager to execute agreements for services required to complete environmental, engineering design, right-of way acquisition and utility relocation for the Wheatland Regional Sewer Pipeline Project.

Discussion: For the past five years, the City has been working closely with staff and elected officials from the Yuba Water Agency, Olivehurst Public Utility District (OPUD) and Yuba County 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.

On July 28, 2020, the Wheatland City Council adopted Resolution No. 35-20 accepting a \$1.3 million loan and a \$1.3 million grant from the Yuba Water Agency to fund environmental and design efforts for the conveyance pipeline and pump stations needed to deliver 1.5 million gallons per day of sewage from Wheatland to the planned terminus of Olivehurst Public Utility District's sewer project- at Highway 65 and Rancho Road.

On October 11, 2022, the Wheatland City Council adopted Resolution No. 34-22 accepting an additional \$2 million in loan funds from the Yuba Water Agency for costs associated with environmental, engineering design and right-of-way acquisition costs associated with this project.

The City's grant application to the State Water Resources Control Board for partial funding of this project is in the final review phase. We were recently notified that our grant amount had been increased from \$30 million to \$75 million. We are currently in the final phase of engineering design, environmental review and right-of-way acquisition/utility relocation required to get the project ready to go to bid later this year.

The Board of Directors of the Yuba Water Agency, on April 29, 2025, agreed to provide up to an additional \$3.5 million in grant funding to the City of Wheatland to accomplish the remaining tasks to get the project bid-ready, which includes accomplishing major utility relocations, environmental permitting and obtaining access rights in advance of construction of the Project. The attached resolution, if approved, will authorize the City Manager to execute a grant agreement with the Yuba Water Agency in an amount up to \$3.5

million and in a form to be approved by the City Attorney. The resolution also authorizes the City Manager and Finance Director to amend the Fiscal Year 2025-26 budget to reflect the receipt and expenditure of the grant funds. Finally, similar to the previous two resolutions referenced above, the proposed resolution authorizes the City Manager to approve project expenditures not to exceed the amount of grant funds received.

Fiscal Impact: The grant funding to be provided by the Yuba Water Agency will provide sufficient funds to complete environmental, engineering design and right-of-way acquisition to prepare the Wheatland Regional Sewer Pipeline Project for the bidding process anticipated for later this year. The maximum grant amount is \$3.5 million. As these are grant funds, repayment is not required.

Attachment:

Resolution