



CITY COUNCIL MEETING

STAFF REPORT

June 10, 2025

SUBJECT: Council discussion and consideration to adopt Resolution No. 22-25 authorizing the City Manager to execute agreements with PG&E, AT&T and Union Pacific Railroad related to the South County Infrastructure Project.

PREPARED BY: Dane H. Schilling – City Engineer
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Recommendation

Staff recommends adoption of Resolution No. 22-25 authorizing the City Manager to execute agreements with PG&E, AT&T and Union Pacific Railroad related to the Wheatland Regional Sewer Pipeline Project which is part of the South County Infrastructure Project.

Background

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 Wheatland Regional Sewer Pipeline Project (“Project”).

On April 27, 2021, the Basis of Design Report for the Project was presented to the Wheatland City Council and adopted by Resolution No.16-21.

On October 11, 2022, the City Council adopted Resolution No. 34-22, which, among other actions, authorized acceptance of an additional \$2 million loan from the Yuba Water Agency for work associated with the environmental, engineering design, right-of-way acquisition and grant funding work for the Project.

On May 21, 2024, the Yuba Water Agency Board of Directors met to receive an update on the South County Infrastructure Project. At that meeting, the Yuba Water Agency Board re-affirmed their commitment to funding the shortfall for construction of the project and approved an additional \$5 million for the three agencies (Wheatland, OPUD and Yuba Water Agency) to complete final engineering designs, obtain permits, obtain rights-of-way, provide additional project management and financial services to get the project ready for bidding.

On October 21, 2024, the City’s Regional Sewer AdHoc Committee met to discuss the status of the Project and the final steps toward constructing the Project. The Committee recommended that the additional funding needed from Yuba Water Agency be secured and the City Manager take any necessary actions including amending professional services contracts to bring the Project to construction.

Discussion

Since the last City Council action on this project, City staff, OPUD, Yuba Water Agency and their respective consultant teams have continued toward the original goal of being shovel ready in the event that construction funding from the State Water Resources Control Board is made available to the Project. That goal was realized in August 2024 when the State approved \$30 million in grant funding for the Project.

The City's engineering design and bid documents are substantially complete, environmental review is complete, and environmental permitting and right-of-way acquisition are well underway. In addition, new funding applications have been prepared and submitted in hopes of obtaining additional grant funding.

In order to construct the Project, certain large scale utility relocations and access agreements are needed. The most notable are:

Pacific Gas and Electric (PG&E) at Pump Station 1 – The relocation of certain PG&E overhead electric lines must be accomplished to allow for expansion of Pump Station 1 at Malone Avenue. PG&E has completed the design of the relocation work which is estimated at \$1.3M. The City will also need to install an underground conduit on the pump station property in advance of other City construction work to allow the PG&E relocation work to take place.

Due to the scale and cost of the overhead electric relocation work, a utility relocation agreement (UT Agreement) must be made between PG&E and the City. The UT Agreement includes language summarizing the work to be done, identifying cost liability for the work, performance of the work and payment for work. The agreement will be prepared by the City Engineer, reviewed by the City Attorney and signed by the City Manager.

AT&T Relocation on Jasper Lane – AT&T will relocate existing overhead AT&T facilities on the east side of Jasper Lane so that the City's horizontal directional drilling crews can accomplish their pipeline installation under Dry Creek. The cost of the AT&T relocation work is estimated to cost \$78,000.00.

Union Pacific Railroad (UPRR) Access at S. Beale Road Wye - UPRR has agreed to grant the City of Wheatland the right to construct, maintain and operate the Regional Sewer Pipeline across the two wye-tracks just south of S. Beale Road and Bradshaw Road. This agreement is estimated to cost \$77,000.00.

Staff is requesting that the City Council authorize the City Manager to execute agreements with PG&E, AT&T and UPRR for these pre-construction activities and authorize the City Manager to pay for work identified in these agreements. In addition, Staff is requesting that the City Manager be authorized to informally bid the installation of a conduit at Pump Station 1 to facilitate PG&E's relocation work the cost of which is included in the PG&E line item below.

Alternatives

Alternatively, the City Council may choose not to accept the one or more of the agreements. Each of these agreements have been several years in the making and each is critical to the progress of the Project.

If the City does not eventually obtain these agreements the Project will not move forward in these areas of the Project.

Fiscal Impact

The current estimate of the above-mentioned utility relocations and UPRR access agreement are given in the table below.

Regional Sewer – Large Utility Relocation and UPRR Encroachment Costs

| | Costs |
|---|--------------------|
| Pacific Gas & Electric (PG&E) | \$1,300,000 |
| AT&T Aerial Relocation | \$78,000 |
| UPRR Proposed Crossing and Encroachment | \$77,000 |
| Total | \$1,455,000 |

The above-mentioned costs will be paid for from supplemental project funding provided by the Yuba Water Agency per Resolution 21-25.

Attachments

1. Resolution 22-25
2. Regional Sewer Location Plan
3. Utility Agreement between City of Wheatland and PG&E (draft)
4. AT&T Letter of Agreement for Custom Work (draft)
5. UPRR Longitudinal and Crossing Pipeline Agreement (draft)