



City of San Juan Bautista

The "City of History"

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AGENDA

CITY COUNCIL TOWN HALL MEETING

TUESDAY ~ NOVEMBER 30, 2021 ~ 6:00 P.M.

LUCK LIBRARY

801 Second Street, San Juan Bautista, CA



TOWN HALL MEETING
CITY WATER AND SEWER RATES
6:00 P.M. TUESDAY NOVEMBER 30TH, 2021



**Update on the Transformation of
the Water & Sewer Treatment
Systems**

Capital Costs

Regulatory Update

Proposed Rate Increases

Public Hearing December 14, 2021

11.30.21 @ 6:00 PM, IN PERSON AT THE LIBRARY OR BY ZOOM:

VIRTUAL MEETING ACCESS HERE:

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the link below to join the webinar:

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**PUBLIC HEARING
SEWER RATES
6:00 P.M. DECEMBER 14TH, 2021**



**Update on the Transformation of
the Water & Sewer Treatment
Systems**

Capital Costs

Consider adopting new rates

12.14.21 @ 6:00 PM, BY ZOOM:

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TOWN HALL MEETING

11.30.21 6:00 PM at the Library and on Zoom

AGENDA-

1. Status of Water and Wastewater (Sewer) Compliance projects
2. Cost Estimates
3. Funding Sources
4. Potential rate Increases
5. Public Meeting Schedule
6. Potential Project Schedule

TOWN HALL MEETING

Introduction

Background

- Staff's Report from 10.07.21, and 10.19.21 meeting

- Two-Year Effort to study and resolve violations

 - Master Plan adopted one year ago

 - Preliminary Engineer's Report (PER)

- EPA Compliance Projects – completed by 12.21.23

 - Water- import water from West Hills Treatment Plant

 - Sewer- Export wastewater to Hollister

- MOU's - signed with SBCWD (water) and Hollister

TOWN HALL MEETING

Water Project Status

MOU requires a feasibility study after 30% design is done

30% design was completed in October; ROW complete

Env. Studies not complete

Received rough cost estimates

Reviewing and Refining Costs

Capital to build the 6 mile pipeline project and

The annual overhead, operations and maintenance

City will need to borrow and incur debt

Annual Debt payment will require a rate study and rate increase

TOWN HALL MEETING

Sewer Force Main to Hollister

MOU requires feasibility study at 30% of design

30% of Design completed in October

65% has now been completed

Env. Studies completed by December 14, 2021

No ROW required

Cost estimates based on the PER

TOWN HALL MEETING

Sewer Force Main to Hollister

Industrial Users are required to participate

Discussion last week and this week are on going

Clear that the pay for their connection to the City

Rate Increases apply to them too

Waterboard fines as well

Equitable solution seem to the best solution

Talking with Hollister tomorrow about the status of things

TOWN HALL MEETING

Sewer Project Design, Costs and Rates

Introducing

Stantec's Gabe Aronow, (Project Engineer)

Tony Akel, (Master Plans, tech. advisor)

Dmitry Semenov (Financial Advisor) and

Bartle Well's Erik Helgeson (rate study)

2 aspects- Force Main and Pump Station



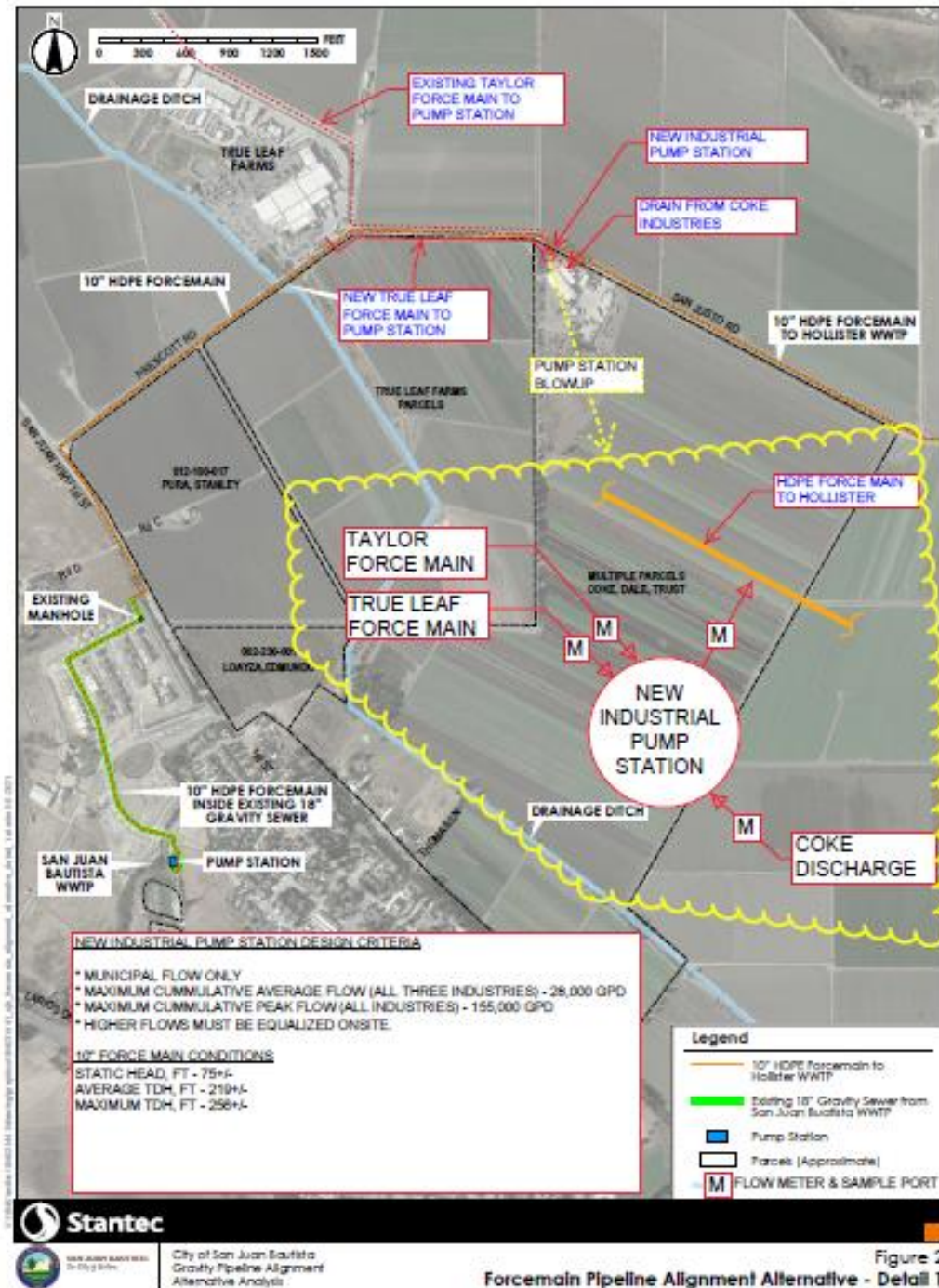
Design at Hollister Treatment Plant

Avoids impacting Hollister Collection System

City plans to send 160,000 gallon per day

City's new Waste Water Master Plan used to project future growth at 1.9% per year

A small fraction of current use and total capacity



Avoids ROW acquisition

Simplifies Env. Review by using Existing streets

Passes by Commercial users

Avoids sending commercial domestic waste water to the City

Provides free access to system for repair and maint.

Partnership with County RMA underway

Figure 2

Forcemain Pipeline Alignment Alternative - Detail 1

TOWN HALL MEETING

Sewer Project Highlights

- Ends the NPDES Permit

- Decommission existing WTTP

- Retain WTTP Ponds, but dry- for emergency back-up use

- Ends Commercial sewage in the City

- Simplifies City's regulatory and operational responsibilities

- Permanent long term solution

- Supported by partners Hollister, County RMA and SBCWD

TOWN HALL MEETING

Preliminary Project Cost Estimates

PER #1- Waste Water Master Plan, November 2021

(PER Designed for the USDA Funding Application)

\$6.9 million project engineering, design, ROW acq., Env. Studies, Connection to Hollister

\$6.270 million construction cost

6.5 ENGINEER'S OPINION OF PROBABLE COSTS

The total capital cost for this project is estimated to be \$13,134,000 and is detailed in Table 24.

Table 24 Total Project Cost Estimate

ITEM	Subtotal	Total
Property Purchase / Lease Agreements		--
Easement Acquisition / Right of Way / Water Rights		\$15,000
Bond Counsel		--
Legal Counsel		--
Interest/Refinancing Expense		--
Other		
Other (connection fee)		\$4,670,000
Environmental Services		
- CEQA Environmental Report	\$40,000	
- NEPA Environmental Report	\$10,000	
- Environmental Mitigation Contract Services	\$10,000	
Total - Environmental Services:		\$60,000
Engineering Services		
Basic Services:		
- Preliminary Engineering Report (PER)	\$112,000	
- Preliminary and Final Design Phase Services	\$401,000	
- Bidding/Contract Award Phase Services	\$40,000	
- Construction and Post-Construction Phase Services (w/o inspection)	\$300,000	
- Resident Project Representative Services (resident inspector)	\$504,000	
Additional Services:		
- Permitting	\$40,000	
- Regulatory Compliance Reports	\$5,000	
- Environmental Mitigation Services (Construction Phase)	\$10,000	
- Easement Acquisition/ROW's Services (Construction Phase)	--	
- Surveying Services (Construction Phase)	\$10,000	
- Operation & Maintenance Manual(s)	\$25,000	
- Geotechnical Services	\$20,000	
- Hydrogeologist Services	--	
- Materials Testing Services (Construction Phase)	\$25,000	
- Other Services (describe)	---	
Total - Engineering Services:		\$ 1,492,000
Equipment/Materials (Direct purchase using approved methods, separate from construction bid/cost)		--
Construction Cost Estimate (escalated to mid-point of construction)		\$ 6,270,000
Contingency (10% of construction cost estimate)		\$ 627,000
TOTAL PROJECT COST ESTIMATE:		\$ 13,134,000

Impetus No.	Type of Improvement or	Alignment	Location	Improvement Details	Infrastructure Costs ²				Resilience Construction Cost		Estimated Construction Cost ³		Capital Improvement Cost ⁴		Construction Trigger	Suggested Cost Allocation		Cost Allocation	
					Unit Cost		Ind. Cost									Existing Users	Future Users	Existing Users	Future Users
					(\$)	(\$)	(\$)	(\$)											
Pipeline Improvements																			
				Existing Diameter (in)	New/ Replace	Diameter (in)	Length (ft)												
P-1	Gravity Main	San Juan Canyon Rd	From 1,200 to 1,800 Mission Vineyard Rd to Mission Vineyard Rd	-	New	10	1,200	273	327,600	327,600	425,900	555,700	With Development	0%	100%	0	555,700		
P-2	Gravity Main	Monterey and Alameda Streets	From Mission Vineyard Rd to Old San Juan Vineyard Rd	-	New	10	1,350	273	368,550	368,600	479,200	623,000	With Development	0%	100%	0	623,000		
P-3	Gravity Main	RdW	From Lang Ct. Cul-de-sac to Lang Ct.	-	New	6	720	183	132,088	132,120	171,800	223,400	Existing Deficiency	100%	0%	223,400	0		
Subtotal - Pipeline Improvements								828,238	828,300	1,076,900	1,400,100						223,400	1,176,700	
Lift Station Improvements																			
				Existing Capacity (gpm)	New/ Replace	Capacity (gpm)													
PLS-1	Lift Station Replacement	Lift Station 1 (Old WWTP)		3 @ 22 gpm	Replace	3 @ 22 gpm		413,253	413,300	537,800	695,500	Existing Deficiency	91%	8%	676,539	18,961			
PLS-2	Lift Station Replacement	Lift Station 2 (Old San Juan Wastewater Rd & Mission Vineyard Rd)		2 @ 100 gpm	Replace	2 @ 100 gpm		727,850	728,000	946,400	1,150,400	With Development	0%	100%	0	1,150,400			
Subtotal - Lift Station Improvements								1,141,203	1,141,300	1,483,700	1,924,900						676,539	1,256,361	
Regional Connection Alternative ²																			
				Existing (ft) (gpm)	New/ Replace	Diameter (ft) (gpm)	Length (ft)												
P-4 ^{1A}	Force Main	Along San Justo Road north of Hwy 126	From San Juan Wastewater WWTP to Boulder WWTP	-	New	8	39,000	-	-	-	-	-	Existing Deficiency	31%	69%	-	-		
P-4 ²	Casing	RdW	Crossing under Hwy 126	-	New	28	160	-	-	-	-	-	Existing Deficiency	31%	69%	-	-		
PLS-4 ^{1A}	New Lift Station	Old Wastewater Treatment Plant		-	New	3 @ 150 gpm		-	-	-	-	-	Existing Deficiency	31%	69%	-	-		
Subtotal - Lift Station Improvements ²								6,846,840	6,846,900	6,846,900	8,558,625			31%	69%	3,148,720	5,409,905		
Total Wastewater System Improvements																			
Subtotal Pipeline Improvements								828,238	828,300	1,076,900	1,400,100						223,400	1,176,700	
Subtotal Lift Station Improvements								1,141,203	1,141,300	1,483,700	1,924,900						676,539	1,256,361	
Subtotal Regional Connection Alternative								6,846,840	6,846,900	6,846,900	8,558,625						1,148,720	4,049,905	
Total Improvement Costs								8,816,281	8,816,500	9,407,500	11,887,625						4,050,659	7,836,966	

Subtotal Pipeline Improvements	828,238	828,300	1,076,900	1,400,100
Subtotal Lift Station improvements	1,141,203	1,141,300	1,483,700	1,928,900
Subtotal Regional Connection Alternative	6,846,840	6,846,900	6,846,900	8,558,625
Total Improvement Costs	8,816,281	8,816,500	9,407,500	11,887,625

TOWN HALL MEETING

COST ESTIMATES- PER #2- February 2021

Responding USDA Review of PER #1

Added bridge loan interest cost

Added USDA 14% Contingency

Increased PER Cost Estimate from \$13 million to \$15 million

TOWN HALL MEETING

COST ESTIMATES AFTER 30% DRAWINGS- PER #3

1. Removed \$1 million for ROW Acq.
2. Reduced Hollister Connection fee by \$2 million
3. Doubled Project Costs from \$6 to \$12
4. Total Project increases from \$15 million to \$20 million

TOWN HALL MEETING

Why Did Project Cost double?

- Added a mile of pipeline

- Increased traffic control, asphalt and related costs

- Added Pigging Maintenance access

- Completely demolish and rebuild existing WTP pumping station

- Supply shortages

- 40% cost of living increase (ENR- applied to PWs projects)

TOWN HALL MEETING

Cost estimates PER #3

City is still reviewing Cost Estimates

New Per #4 = total project of \$18 million

Redundant Contingencies-

Absorbed USDA 15\$ contingency into project costs

Still reviewing ENRA cost of living increase at 40%

Still reviewing the need for 30% Contractor Mark-Up

Still reviewing 35% project Contingency

New PER #4 November 23, 2021

\$18,166,200 – total project cost

Removed USDA Contingency- \$1.9 million

New PER still under review

6.5 ENGINEER'S OPINION OF PROBABLE COSTS

The total capital cost for this project is estimated to be \$18,166,200 and is detailed in Table 25. This table differs from the alternative analysis estimates, in that it includes refined costs for engineering and environmental services based on actual scopes of work developed during detailed design (which is less than assumed for comparative analysis). Further, the table includes costs of counsel and refinancing expenses, that are considered equivalent for all options previously considered.

Table 25 Total Project Capital Cost Estimate

ITEM	Subtotal	Total
Property Purchase / Lease Agreements		\$0
Easement Acquisition / Right of Way / Water Rights		\$0
Bond Counsel		\$40,000
Legal Counsel		\$30,000
Interest/Refinancing Expense		\$500,000
Other (connection fee)		\$2,547,200
Environmental Services		
- CEQA Environmental Report	\$70,000	
- NEPA Environmental Report	\$30,000	
- Environmental Mitigation Contract Services	\$60,000	
Total - Environmental Services:		\$160,000
Engineering Services		
Basic Services:		
- Preliminary Engineering Report (PER)	\$112,000	
- Other Services (describe)	---	\$ 1,989,000
Total – Engineering Services:		--
Equipment/Materials (Direct purchase using approved methods, separate from construction bid/cost)		\$ 11,217,000
Construction Cost Estimate (ENRCCI 12,650)		\$ 1,683,000
Contingency (15% of construction cost estimate)		\$ 18,166,200
TOTAL PROJECT COST ESTIMATE:		

Based on a total Project Cost of \$18,166,200 (as shown in Table 25) and an estimated \$6,300,000 in grants from various funding sources (USDA, State Revolving Fund, and/or Community Development Block Grants), the City will need to borrow \$11,866,200 to pay for the project. Based on an assumed interest rate of 1.2% (potential SRF interest rate) and a 30-year term loan, the annual debt service is projected to be \$477,000.



TOWN HALL MEETING

Review of the preliminary finance plan-

- City to receive \$6 million in Grants

- City to borrow \$12 million

- Annual debt service of \$477,000

But additional cost estimates may still be able to help

Continue to work with grant writers to find new opportunities

TOWN HALL MEETING

Rate Study

As described 10.19- Council report

Rates determined by projected future costs

City Has not increased rates for capital improvements in more than 20-years

CIP Impact On rates

TOWN HALL MEETING

Proposed rate Increase

Proposed Rates	Existing	Proposed (Initial)	Effective 7/1/2022	Effective 7/1/2023	Effective 7/1/2024	Effective 7/1/2025
<i>Residential Sewer Rates</i>						
Monthly Fixed Rate	\$83.61	\$95.62	\$109.01	\$124.27	\$141.67	\$148.75
<i>Commercial Sewer Rates</i>						
Min. Monthly Rate	¹	\$95.62	\$109.01	\$124.27	\$141.67	\$148.75
Volumetric Rates (\$/1,000 Gal)	¹	\$14.51	\$16.54	\$18.86	\$21.50	\$22.57

TOWN HALL MEETING

Project Cost estimates and Current Rate Study

November 24 analysis by Bartle Wells

Rates will still support the current cost estimates

TOWN HALL MEETING

Rate Study Schedule

Notices Sent October 29, 2021

Notices Have to be Circulated for at least 45-days

Public Hearing to consider/adopt new Rates December 14, 2021

Introduce Ordinance with new rates December 21, 2021

Second Reading January 19, 2022

Rates become effective February 19, 2022, and

Implemented in the March 2022 billing

TOWN HALL MEETING

Table 23 Preliminary Project Schedule

Task	Completion Data
Implement Pre-Treatment Program	October 2020
Design & Project Management Consultant Selection	February 2021
Collect Samples at Industrial Discharge	April 2021
Begin Design	May 2021
Update Preliminary Engineering Report	November 2021
Submit Updated Construction Funding Application	December 2021
Finalize NEPA and CEQA permitting process	February 2022
Final Design (Drawings and Specifications)	March 2022
Bidding Process	May 2022
Construction NTP	June 2022
Construction Substantially Complete	July 2023
Final Startup, Testing, and Operations	November 2023

If sewer rate
increases are
approved

TOWN HALL MEETING

DISCUSSION AND QUESTIONS