

City of Oak Harbor  
City Council Agenda Bill

Bill No. 5.a.i  
Date: February 16, 2016  
Subject: Clean Water Facility Project  
Update by City Staff

**FROM: Joe Stowell, City Engineer**

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

- Bob Severns, Mayor
- Doug Merriman, City Administrator/Finance Director
- Nikki Esparza, City Attorney, as to form

**RECOMMENDED ACTION**

Review Update on the Clean Water Facility.

**BACKGROUND / SUMMARY INFORMATION**

**LEGAL AUTHORITY**

Requested by City Council.

**FISCAL IMPACT**

**PREVIOUS COUNCIL / BOARD / CITIZEN INPUT**

**ATTACHMENTS**

1. [Report for 2/16/2016](#)

City of Oak Harbor  
**Clean Water  
 Facility Project**



**CITY COUNCIL PROJECT UPDATE – February 16, 2016**

*The following is a snapshot of project activities and milestones, as well as anticipated upcoming activities and risks being monitored for the Oak Harbor Clean Water Facility Project. These updates are provided to City Council on a bi-weekly basis.*

**RECENT ACTIVITIES AND MILESTONES (PREVIOUS TWO WEEKS)**

- Site Preparation Package B (Deep Excavation)
  - Digester, digester building, CMU wall and footings demolished
  - Pre-drilling for sheet piles began
- Windjammer Park Integration Plan - Citizen Advisory Group second meeting and public open house conducted February 4, 2016.
- Concrete package design completed

**ANTICIPATED/UPCOMING ACTIVITIES AND MILESTONES (NEXT SIX WEEKS)**

- Site Preparation Package B
  - Demolition to continue
  - Pre-drilling for sheet piles to continue
- Proceed with development of the Windjammer Park Integration Plan
  - Preparing for CAG meeting #3

**CLEAN WATER FACILITY DESIGN STATUS**

Item	Description	Progress %
Facility Design – Process Structures	Carollo Engineers is completing the 90% design drawings for the process structures associated with the treatment plant.	90%
Facility Design – Biosolids Building	Design of the Biosolids building is at approximately 30%.	30%
Facility Design – Admin/Maintenance	Design of the Admin, Maintenance and Community room are at approximately 30%.	30%

**CONSTRUCTION PACKAGE STATUS**

Item	Description	Progress %
Site Preparation Package B	The design for the deep excavation package is complete. Construction has begun.	Completed
Site Preparation Package C	Preliminary work has begun on Site Preparation Package C. Work will include micro-piles in the bottom of the deep excavation and installation of a tower crane	Completed
Concrete Package	Design of the concrete structures for the Membrane Bioreactors and Aeration Basins has been completed. Hoffman is currently preparing a cost estimate for the proposed work. KBA is providing cost validation.	90%

**PERMIT ACQUISITIONS STATUS**

Pending Permits	Description
<ul style="list-style-type: none"> <li>Boundary Line Adjustment</li> <li>Foundation permit</li> <li>Site Plan Amendment</li> </ul>	<ul style="list-style-type: none"> <li>The Boundary Line Adjustment complete.</li> <li>Site Prep C – Micropiles – The design team has applied for a foundation permit.</li> <li>The design team is revising the site plan submittal to reflect Concept B and the community room.</li> </ul>

**CONSTRUCTION STATUS**

Item	Description	Estimated Completion
GMP #2 (Outfall Construction)	The subcontractor has completed their work. We are currently finalizing the paperwork for this phase of work.	Final Closeout
GMP #3 (Site Preparation A)	The subcontractor has completed their work and the contract is being closed out.	Completed
GMP #4 (Site Preparation B)	Construction activities have begun	May 2016
GMP #6 (Site Preparation C)	Construction activities have begun	July 2016

**COST AND FUNDING STATUS**

Major Cost Item	Cost Estimate	Description
GMP #1 (MBR/UV)	\$2,775,455.58 (includes sales tax)	Awarded by City Council on 12/2/2014 Includes Membrane Bioreactor and Ultra Violet Disinfection equipment procurement and design support. Does not include installation costs.
GMP #2 (Outfall)	\$2,164,488 (includes sales tax)	Awarded by City Council on 4/21/15 Construction of a new outfall from approximately the waterfront trail out into Oak Harbor Bay.
GMP #3 (Site Prep A)	\$908,872 (includes sales tax)	Approved by City Council 6/16/15. Preliminary site excavation and archaeological investigation. Preliminary results indicate this work will come in under budget or be delayed until Site Preparation Package B.
GMP #4 (Site Prep B)	\$5,109,549 (includes sales tax)	Site Preparation Package B will include utility relocates, minor demolition at the existing RBC Plant, stone column installation, sheet pile installation and deep excavation. City Council approved GMP #4 on October 20. .
Overall Project	TBD	60% design documents have been received by the City. Carollo and Hoffman completed cost estimates. Staff presented the updated cost estimate to City Council at a workshop on September 30th with options regarding biosolids handling and including a community/training room. 90% Design is expected to begin in October.
GMP #5 (Biosolids Dryer)	\$2,028,222	Bio-solids handling options were presented to City Council at a Special Workshop held on September 30 <sup>th</sup> . A Resolution and GMP #5 regarding a biosolids dryer were approved at the October 20 <sup>th</sup> City Council Meeting.

GMP #6 (Site Prep C)	\$4,311,589	Site Preparation Package C will includes installation of micro-piles, preparation for a tower crane and extension of the outfall to the site.
Community Room	TBD	City Council elected to remove the Community Room from the project at the February 10, 2016 Special Council Meeting.

Funding: Pending	Description
2016 CWSRF – WWTP Construction	The City has been allocated \$15,631,311 at a reduced interest rate of 1.9% for 20 years and an additional \$463,154 forgivable principal for hardship and green project reserve. An additional \$4,586,846 in Centennial Grant was also offered. The 2016 CWSRF agreement has been drafted and is being reviewed.
2017 CWSRF - WWTP Construction	On January 21, 2016 we received news that the CWF is on the 2017 proposed funding list for an additional \$42,632,742 in SRF Loans at an interest rate of 1.6%. The final approved list comes from the state legislature and typically occurs around July.
Bonds	The City's financial advisor for the project, PFM, presented options for issuing bonds for the new Clean Water Facility at the September 30 <sup>th</sup> City Council Special Workshop. The City is reviewing our funding options with regards to CWSRF vs. Bonds to develop the most advantageous funding program for the project. The goal is to reduce the overall burden on the rate payers. City staff initiated preparation of POS statement necessary to issue revenue bonds.
Rates	HDR presented potential rate impacts of the new Clean Water Facility to City Council at a Special Workshop held September 30 <sup>th</sup> . Staff is currently reviewing the impacts of the funding sources listed above, current bond rates and the estimated cost of the project to determine how the project rates might be impacted by the construction cost increases and lower financing rates. Staff is proceeding with a bond sale in early this year.
Funding: In hand	Description
2015 CWSRF – Outfall Design and Construction	The City has received \$3,200,000 in low interest loans from DOE for design and construction of the new outfall for the wastewater treatment plant. The loan is for 20 years at 2.7% interest.
2015 CWSRF – WWTP Design	The City has received \$8,260,000 in low interest loans for design of the new wastewater treatment plant. The loan is for 20 years at 2.7% interest.
Department of Commerce Grant	The City has received a \$2,500,000 grant from the Governors Capital Improvement Program.
Bond Anticipation Note	Staff has secured interim financing through US Bank to bridge the gap between CWSRF reimbursements and the issuance of revenue bonds. We are anticipating a \$10,000,000 short term loan (6 months) at 0.64% interest.
Reserves	The sewer fund has been accumulating reserves that have been earmarked for this project.

## COMMUNICATIONS AND OUTREACH STATUS

Upcoming activities or In-Progress activities	Description
Project communications plan	With initiation of the Site Prep B portion of the project, the project team has implemented the Good Neighbor Plan. A project brochure was sent to all addresses in the city. New project signs have been posted at the site.
Windjammer Park Integration Plan	A workshop with City Council was held on December 16 <sup>th</sup> highlighting City Council priorities. A Citizen Advisory Group is currently being established to develop a plan for the area surrounding the Clean Water Facility. Meetings of the Citizen Advisory Group were held on January 20 <sup>th</sup> and February 4 <sup>th</sup> .

## PROJECT SCHEDULE



## PROJECT CONTACT INFORMATION

### Web

[www.oakharborcleanwater.org](http://www.oakharborcleanwater.org)

### Email

[treatmentplant@oakharbor.org](mailto:treatmentplant@oakharbor.org)

### General phone (24-hour)

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### Project team contact information

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