

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



CITY COUNCIL PROJECT UPDATE – March 17, 2014:

PERMIT ACQUISITIONS:

Wastewater Outfall – Only three permits remain before construction can begin on the new wastewater outfall.

- **DNR Lease** – Currently under review by DNR. Final version expected in early April.
- **Floodplain Permit** – Will be issued by Development Services before the end of the month.
- **Grading Permit** – Largely completed, but contractor is required to pull the permit once the project has been awarded.

Wastewater Treatment Plant – Some permits are well under way while others need more specific information on the site layout before they can proceed.

- **Site Plan Permit** – City Staff and Carollo are working on a way to issue appropriate permits given the unique delivery method of this project.
- **Section 106** – Staff is currently coordinating the implementation of a Memorandum of Agreement with the EPA, DOE, DAHP and local tribes. The MOA has been reviewed by all parties and is nearing completion. We expect to have a final version to City Council in May.

COST ESTIMATES:

Wastewater Outfall – Hoffman Construction is currently bidding the outfall with a bid opening date of March 31, 2015. An amendment to their contract called Guaranteed Maximum Price (GMP) No. 2 will be negotiated based on the bid results. Staff expects to present GMP#2 to City Council on April 21 assuming the DNR lease meets everyone's satisfaction. It will also be discussed at next week's City Council Workshop.

Wastewater Treatment Plant – 30% design drawings were received from Carollo Engineering on November 21, 2014. Hoffman and Carollo have both been tasked with developing a cost estimate for the work proposed in the 30% design. The results of the cost estimating effort will be discussed at the April 7, 2015 City Council Workshop.

DESIGN:

Wastewater Outfall – Design of the Outfall is complete and out for bid. The work will consist of installing approximately 1400 feet 24-inch pipe from the waterfront trail outward into the harbor. The work will be a mix of land based and barge based work. Construction is expected to start in June and be completed by October. Construction will not begin until the lease with DNR is executed. The bid specifications include work stoppages during the 4th of July, Race Week and the Hydroplane Races.

Wastewater Treatment Plant – Carollo Engineers submitted 30% construction documents to the City on November 21, 2014. They are currently working on certain portions of the 60% design where there is certainty. Pending feedback from the City, Carollo will complete the 60% drawings in May 2015. 90% drawings are scheduled to be delivered in September with final drawings being available before the end of the year.

Site Preparation Package – Carollo Engineers is splitting off a portion of the design for early site preparation. This work will include relocating utilities, deep excavation and archaeological work. The work will be bid separately and appear before City Council as a separate contract amendment (GPM#3). This bid package will not be released until the City is satisfied with the design, funding, cost estimate and rates for treatment plant project. It will likely be issued well ahead of final design because the building sizes will be well known.

FUNDING:

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.

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.

CWSRF – WWTP Construction – The City has submitted an application for construction of the treatment plant and has been tentatively awarded \$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. Final award will not occur until state legislature has passed the state budget in July. Staff intends to apply for additional funding next year to cover the remaining construction costs.

Bonds – 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.

Reserves – The sewer fund has been accumulating reserves that have been earmarked for this project.

Rates – 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.