



DATE: August 21, 2023

TO: President and Members of the Estero Municipal Improvement District (EMID) Board of Directors

VIA: Stefan Chatwin, District Manager  
Marlene Subhashini, Assistant District Manager

FROM: Andrew Brozyna, Public Works Director

DEPARTMENT: Public Works

SUBJECT: WASTEWATER TREATMENT PLANT MASTER PLAN  
IMPROVEMENTS PROJECT (CIP 455-652) - CLEAN WATER  
PROGRAM - UPDATE FOR QUARTER 2 – APRIL THROUGH  
JUNE 2023

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## RECOMMENDATION

It is recommended that the Board of Directors of the Estero Municipal Improvement District (EMID) by Minute Order, receive and accept this Q2 progress update on the Wastewater Treatment Plant (WWTP) Master Plan Improvements Project (CIP 455-652) – Clean Water Program (CWP). No further action is required by the EMID Board of Directors.

## EXECUTIVE SUMMARY

This report summarizes the progress-to-date of the WWTP Master Plan Improvements Project (CIP 455-652) - Clean Water Program (CWP) for the City of San Mateo/EMID WWTP for the months of April 2023 through June 2023. The report includes summary information about construction and other project activities over the second quarter of the calendar year.

## BACKGROUND

The CWP is a comprehensive Capital Improvement Program to rehabilitate the

sanitary sewer collection system in the City of San Mateo and the treatment systems at the San Mateo WWTP. EMID has 24.12% ownership of the WWTP. In October 2014, the City of San Mateo retained Jacobs to serve as the Program Manager responsible for overseeing the management of the approximately \$1 billion-dollar combined program, including the coordination of the design, construction, and start-up activities of this multi-year project.

To remain apprised of the progress of the portion of the CWP for which EMID is responsible (i.e., WWTP Nutrient Removal and Wet Weather Flow Management Upgrade and Expansion Project (WWTP Expansion Project)), the EMID Board of Directors requested that staff provide updates on a regular basis. The WWTP Expansion Project is being performed using a Construction Manager at Risk (CMAR) delivery method, whereby the contractor is involved in the project early in the design process and the City benefits from the contractor providing constructability input and insight to inform the design development.

The Program Manager and Construction Manager is Jacobs. The WWTP Expansion Project Design Engineer is HDR. The team for the disinfection improvements portion of the WWTP Expansion Project is Trussell Technologies. HDR is also providing Engineering Services During Construction (ESDC). The CMAR is Sundt Construction Inc. (Sundt).

## ANALYSIS

Construction is progressing well overall. Construction Packages 1 & 2 – Site Preparation (Original Agreement with Sundt - \$33,098,178) and Foundation Piles (Amendment No. 1 to the Agreement with Sundt - \$17,716,049) are complete and currently in the closeout phase. Both projects finished under their original budgets and final balancing change orders have been completed.

Construction Package 3 – WWTP Facilities (Amendment No. 2 to the Agreement with Sundt – \$379,880,746) is progressing well overall. Efforts by the Contractor to mitigate schedule impacts due to weather delays are ongoing. Major ongoing items of work include installation of yard piping, process mechanical, plumbing, HVAC, and electrical work for the new facilities in all areas of the treatment structure. Construction of the new treatment facilities is anticipated to be complete in fall 2023, to be followed by commissioning and startup activities. Plant seeding and process startup is expected to occur in the February to March timeframe. The new liquid treatment processes are anticipated to be in service by April 1, 2024.

Construction of the Administration Building is nearing completion. Startup and commissioning (including LEED commissioning) activities are ongoing and will continue through August 2023. The Administration Building associated sitework (for example, site lighting, irrigation, landscaping, signage, parking lot, etc.), will continue

through early fall. The Administration Building is expected to be “ready for occupancy” in October 2023. However, the City/WWTP Operations staff is planning to occupy the building in early 2024 at the time of process startup and operations of the new WWTP. Despite weather related issues, the overall work under Package 3 is anticipated to be complete by January 2025.

## **QUARTERLY CONSTRUCTION REPORT**

Attachment 1 consists of selected portions of the Quarterly Progress Report for April through June 2023, summarizing the budget, schedule, and project activities that have occurred during the second quarter of 2023 and activities that are anticipated to occur in the third quarter of 2023 for the following projects:

- WWTP Expansion Project (comprised of GMP-1, GMP-2, and GMP-3),
- Immediate Action Projects (IAPs), and
- Annual Major Component Projects (AMCs).

Attachment 2 consists of a site plan showing the locations of the various process units being constructed as part of the projects.

Attachment 3 includes photographs of construction activities at the site over the past 3 months.

More detailed information including additional photographs and architectural renderings of the completed WWTP Expansion Project as well as real time video of the active construction, are available on the Clean Water Program Project site: <https://cleanwaterprogramsanmateo.org/wwtp/>.

## **FINANCING**

In addition to cash from the District’s and City of San Mateo’s wastewater enterprises, financing for the project consists of the following funding sources:

Revenue Bonds – The San Mateo-Foster City Public Financing Authority (“PFA”) sold \$270 million in revenue bonds in 2019 for Clean Water Program costs. The District’s share of the proceeds from that bond issue was \$40,131,000. The WWTP 2019 bond funds were fully expended in July 2021.

The Program through the San Mateo-Foster City PFA is obtaining additional financing through the two programs as described below:

Water Infrastructure Finance and Innovation Act (WIFIA) - The PFA approved the close of the WIFIA loan in November 2020 in the total amount of \$277.2 million (San Mateo

share is \$210.4 million and EMID share is \$67.8 million). The WIFIA loan has excellent rates (1.32% for San Mateo and 1.14% for EMID). We have until 8/1/25 to start drawing on the WIFIA loan.

#### 2021 Wastewater Revenue Notes, Series A (Estero Municipal Improvement District) -

On July 1, 2021, the San Mateo-Foster City PFA issued \$62.76 million of 2021 Wastewater Revenue Notes, Series A (EMID) to attain a cost savings (from lower interest rates than the WIFIA loan) of approximately \$1.1 million for the financing of EMID's share of WWTP project costs. These notes have a maturity date of 8/1/25 when the City will draw on the WIFIA Loan to pay off the notes.

State Revolving Fund (SRF) –The SRF loan package, for a maximum loan amount of \$137,000,000, was approved by the State with an interest rate not to exceed 1.6% (EMID's share of the loan is \$33,044,400). These funds are now available as part of the financial strategy for the project.

#### CALIFORNIA ENVIRONMENTAL QUALITY ACT

A Programmatic Environmental Impact Report (EIR) was prepared for the WWTP Master Plan Improvements Project (State Clearinghouse No. 2015032006).

#### FISCAL IMPACT

There is no fiscal impact associated with receiving this update.

As described in the Quarterly Report provided as Attachment 1, the total forecast Estimate At Completion (EAC) for the WWTP Expansion Project is approximately \$551.14 million, which is a decrease of approximately \$1 million (EMID share: approximately \$240,000) from the last quarterly update.

#### CITY COUNCIL VISION, MISSION, AND VALUE/PRIORITY AREA

Facilities and Infrastructure

#### ATTACHMENTS:

Attachment 1 – Selected Portions of Quarterly Progress Report – 2nd Quarter Report, April 1, 2023 to June 30, 2023

Attachment 2 – Wastewater Treatment Plant Site Plan

Attachment 3 – Construction Photographs