

City of Piedmont
COUNCIL AGENDA REPORT

DATE: March 16, 2026

TO: Mayor and Council

FROM: Rosanna Bayon Moore, City Administrator

SUBJECT: Public Hearing: Consideration of Adoption of an Ordinance and Resolutions related to State of California Revolving Fund Loan Application for the Phase 6 Sanitary Sewer Rehabilitation Project

RECOMMENDATION:

Hold a public hearing and by separate motions:

1. Approve the Introduction and First Reading of Ordinance Approving the Borrowing of Funds Through Agreements with the State Water Resources Control Board;
2. Approve the Reimbursement Resolution Regarding the City's Intent to Finance Project C and Expectation of reimbursement for Project Costs from the State of California; and
3. Approve the Resolution Dedicating a Source of Revenue for Repayment of the State Revolving Fund Loan in Accordance with the State Water Resources Control Board's Requirements.

BACKGROUND:

At the City Council meeting of March 6, 2023, Council approved an agreement with Bennett Engineering for design services for Phase 6 of the City's Sanitary Sewer Rehabilitation project. Phase 6 is anticipated to replace or rehabilitate approximately 17,000 feet of aging city sewers, or approximately 12% of the total sanitary sewer system. Upon completion of Phase 6, approximately 92% of the sewer system will have been rehabilitated. A city-wide map showing the proposed replacement pipe locations is attached as Exhibit A.

Future Phase 7, currently in the design phase, will complete the remaining rehabilitation of the system. The remaining sewer rehabilitation is a key component of the work required of the City of Piedmont under the Consent Decree with the United States Environmental Protection Agency entered in September of 2014.

At this time, the 100% design documents have been completed and the initial loan application was submitted to the State Water Resources Control Board on December 23, 2024. The approval of the proposed ordinance and resolutions are a requirement of the loan application. The environmental study is complete and was brought to Council on December 2, 2024, for review and approval. In bringing the project to its present status, staff and Coastland Civil Engineering have adhered to the guidelines as set forth in the Project Risk Management Policy for projects in excess of \$300,000. This will continue as the project moves into final construction documents, bidding, award and construction.

SCHEDULE OF REMAINING ACTIVITIES

The following are the key remaining steps for the project and tentative timing. A bar chart timeline summarizing this information is attached as Exhibit B.

- Complete Final Design and Documents for Construction Bidding: early April 2026
- Authorization of Construction contract/final funding by State of SRF Loan: June 2026
- Advertise project for public bid and council award of construction contract: July - October 2026
- Construction Notice to Proceed: November 2026
- Complete Construction: October 2027

FISCAL IMPACT

There are no additional financial considerations for this item that have not been previously discussed and approved. The project is currently estimated to cost approximately \$8,041,925, which is the amount of the requested financing from the State. The total cost includes planning, design, construction, construction management and inspection.

CITY ATTORNEY REVIEW

The City Attorney has reviewed and approved the proposed Ordinance and Resolutions

Attachments:

Exhibit A: Citywide Map of Proposed Sewer Pipeline Replacement

Exhibit B: Sewer Rehabilitation Project Timeline

By: Daniel Gonzales, Public Works Director

Kiran Bawa, Finance Director

ORDINANCE 790

AN ORDINANCE APPROVING THE BORROWING OF FUNDS THROUGH AGREEMENTS WITH THE STATE WATER RESOURCES CONTROL BOARD

SECTION 1.

By adopting this ordinance, the Piedmont City Council intends to authorize the borrowing of funds as required by Section 2.11 (5) of the City Charter, particularly relating to entering into a loan or grant contract with the State Water Resources Control Board for improvements to the sanitary sewer collection system.

SECTION 2.

The Piedmont City Council authorizes the City to borrow funds pursuant to agreement(s) with the State Water Resources Control Board for improvements to the City's sanitary sewer collection system, including but not limited to all of the specific matters set forth in Resolution No. _____, and particularly including funds available through the State Revolving Fund, and further providing authorization for all prior and continuing obligations to and through the State Water Resources Control Board, including those pursuant to CSWRF Application No. 32944.

SECTION 3.

The City Administrator is hereby authorized and directed to sign and file, for and on behalf of the City of Piedmont, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of Sanitary Sewer Rehabilitation - Phase 6 (the "Project").

SECTION 4.

The City Administrator is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

SECTION 5.

The City Administrator, or his/her designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

SECTION 6.

This ordinance shall be posted at City Hall and after its second reading by the City Council for at least thirty (30) days and shall become effective thirty (30) days after such second reading.

Resolution _____

REIMBURSEMENT RESOLUTION REGARDING THE CITY'S INTENT TO FINANCE
PROJECT COSTS AND EXPECTATION OF PROJECT REIMBURSEMENT FROM THE
STATE OF CALIFORNIA

WHEREAS, the City of Piedmont desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water and wastewater system, including certain treatment facilities, pipelines and other infrastructure (the "Project"); and

WHEREAS, the City of Piedmont intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board); and

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"), and

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the City of Piedmont desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the City of Piedmont; and

WHEREAS, the City of Piedmont has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the City of Piedmont for the Expenditures from the proceeds of the Obligations.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Piedmont does hereby declare, determine, and order as follows:

SECTION 1. The City of Piedmont hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$8,041,925.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the City of Piedmont will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. Each Expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

SECTION 5. To the best of our knowledge, the City of Piedmont is not aware of the previous adoption of official intents that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 6. This resolution is adopted as official intent of the City of Piedmont in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

[END OF DOCUMENT]

RESOLUTION _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PIEDMONT
 DEDICATING A SOURCE OF REVENUE
 FOR REPAYMENT OF THE STATE REVOLVING FUND LOAN
 IN ACCORDANCE WITH THE STATE WATER RESOURCES CONTROL
 BOARD'S REQUIREMENTS

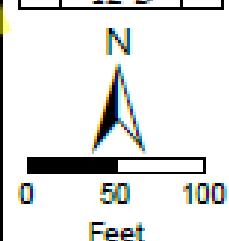
WHEREAS, before the State Water Resource Control Board, Division of Clean Water Programs, can issue a loan contract to the City under the State Revolving Fund Program, a dedicated source of revenue for repayment must be adopted and approved

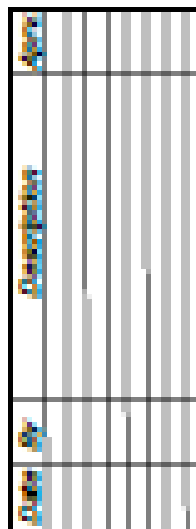
NOW THEREFORE BE IT RESOLVED that the City Council of the City of Piedmont does hereby declare, determine, and order as follows:

SECTION 1. The City of Piedmont hereby dedicated and pledges revenues from The Sewer Fund to payment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for Sanitary Sewer Rehabilitation - Phase 6 CWSRF Project No. 8844-110 (the "Project").

SECTION 2. The City of Piedmont commits to collecting such revenues and maintaining such fund(s) throughout the term of such financing and until the Entity has satisfied its repayment obligation thereunder unless modification or change is approved in writing by the State Water Resources Control Board. So long as the financing agreement(s) are outstanding, the Entity's pledge hereunder shall constitute a lien in favor of the State Water Resources Control Board on the foregoing fund(s) and revenue(s) without any further action necessary. So long as the financing agreement(s) are outstanding, the Entity commits to maintaining the fund(s) and revenue(s) at levels sufficient to meet its obligations under the financing agreement(s).

[END OF DOCUMENT]





For more information, contact the National Center for Human Resources Development at 1000 North 17th Street, Suite 100, Arlington, VA 22209. Tel: 703/261-6000. Fax: 703/261-6001. E-mail: hrd@hrd.org. Web: www.hrd.org.



	10-E	
11-D	11-E	
	12-E	

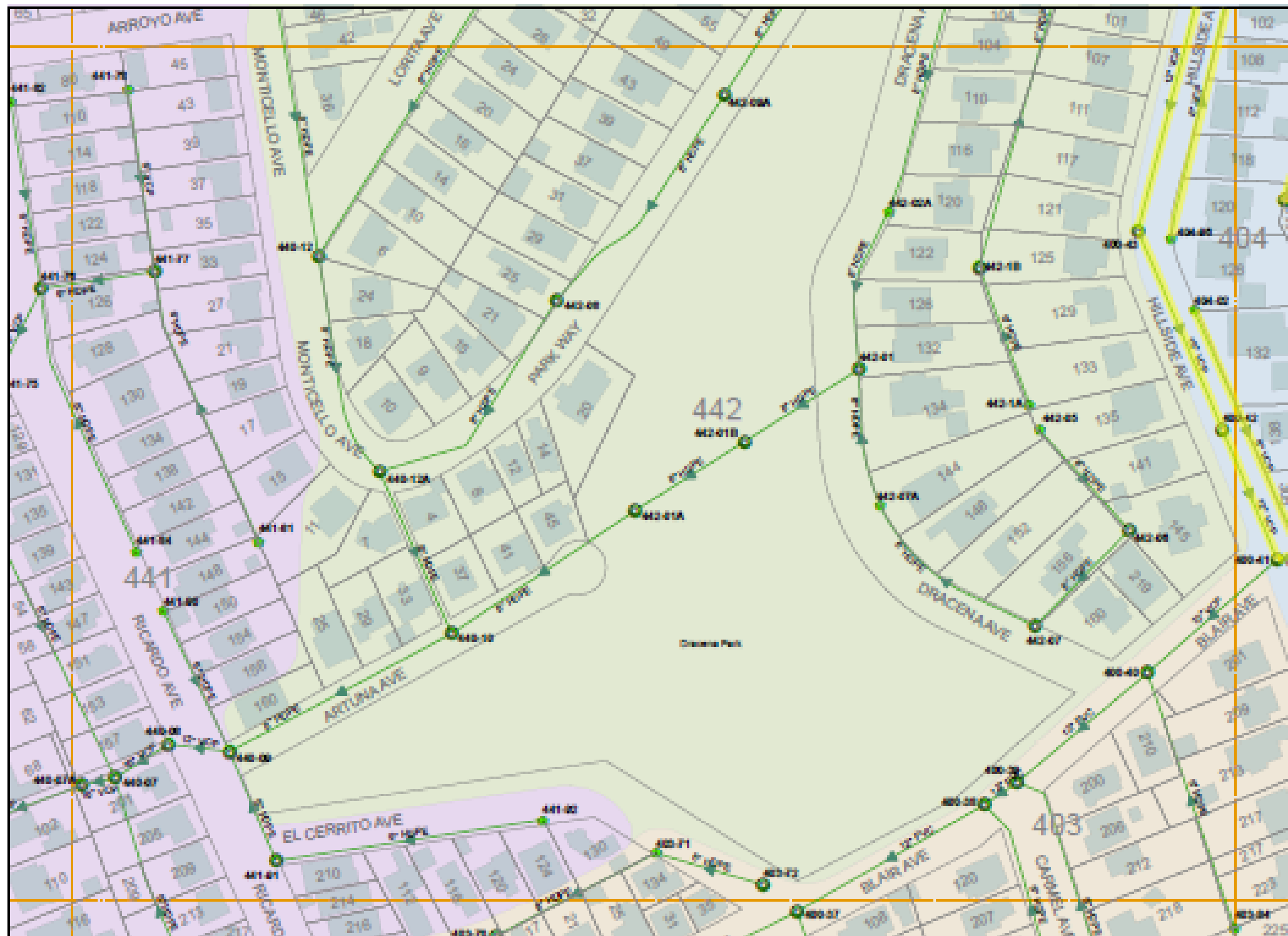


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1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.



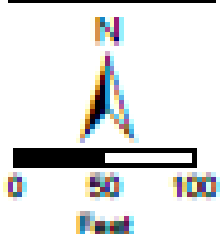
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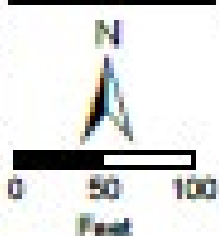
CONSTRUCTION PROJECTS: AHEAD OF THE CURVE
 The construction industry has been hit by the recession, with the industry's GDP in 2009 estimated to be 1.5% of the previous year. The industry is expected to grow by 1.5% in 2010, but the industry is still expected to be in a recession in 2011. The industry is expected to be in a recession in 2011, but the industry is expected to be in a recession in 2011.

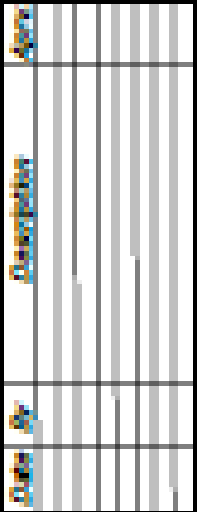
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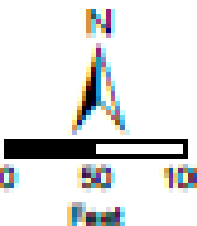
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12-Q	12-E	12-Y
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The following information is provided for the purpose of providing information to the public regarding the results of the audit. The information is provided for informational purposes only and should not be used for any other purpose.

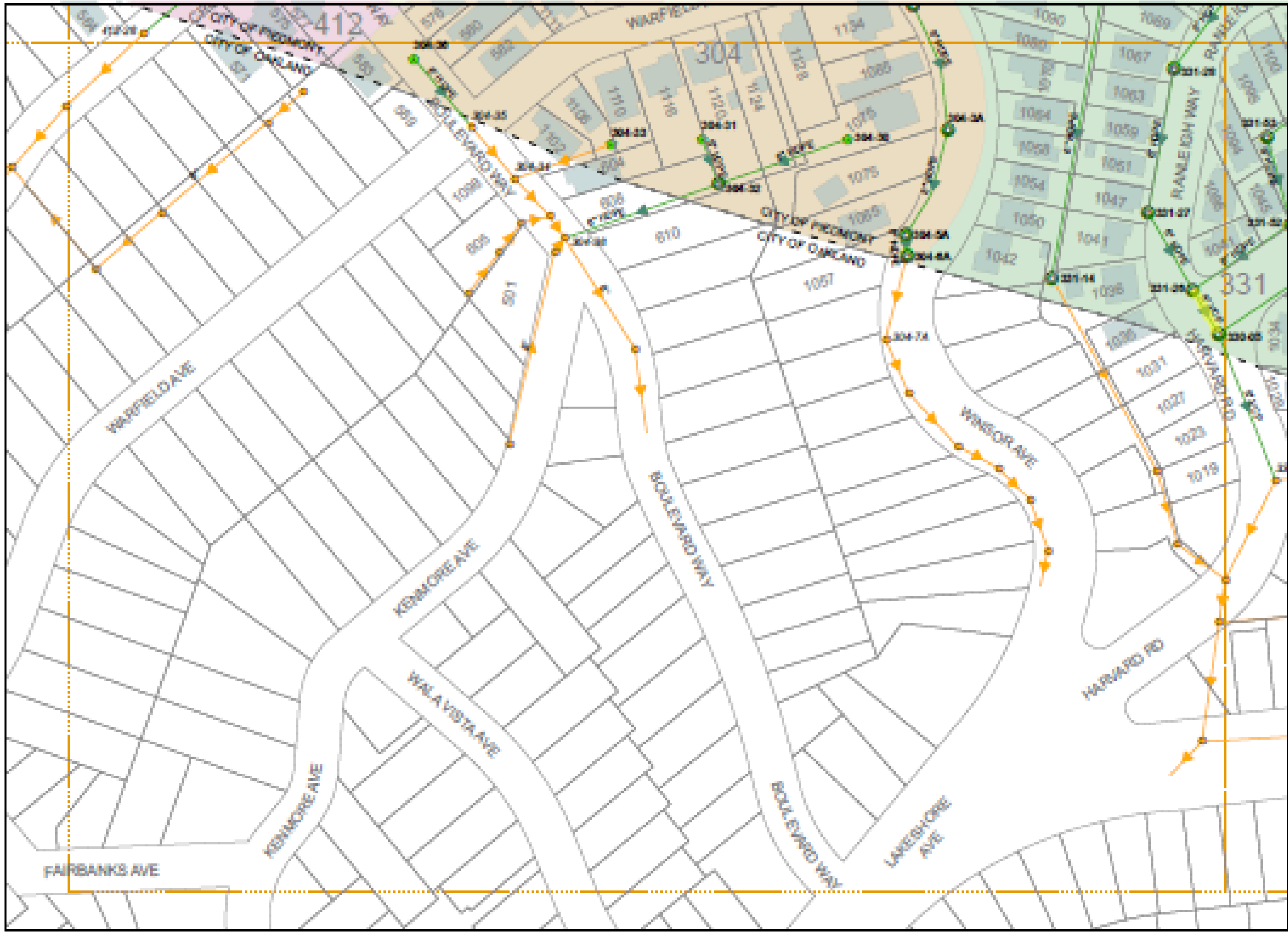
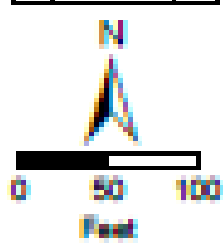
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15-D	15-D	15-D
	16-D	

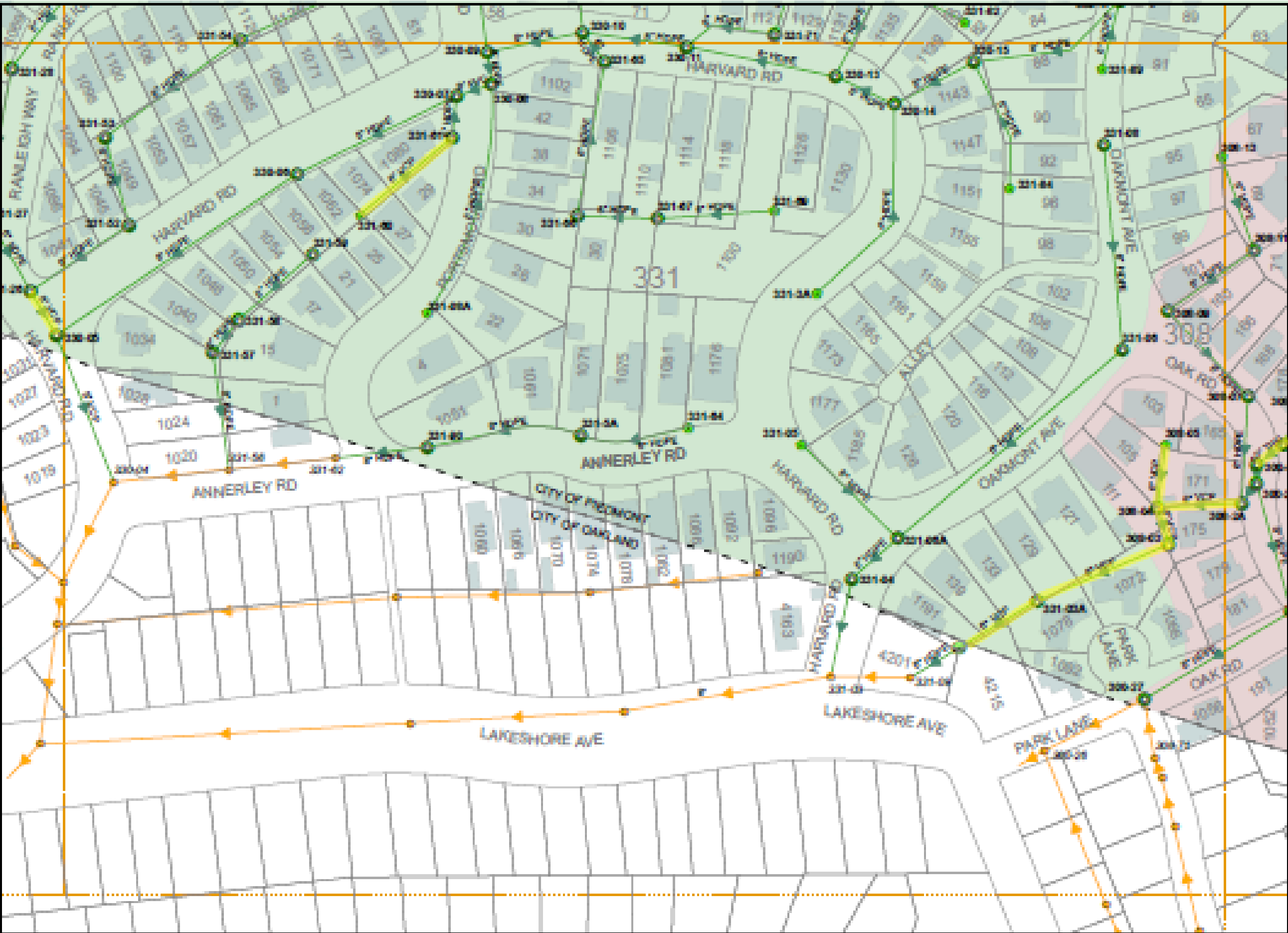
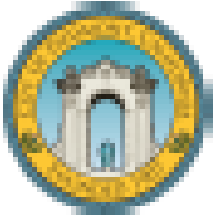


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1. Background of the case (What is the case about?)
 2. Issues (What are the legal issues in the case?)
 3. Held (What is the court's decision?)
 4. Reasons (Why did the court decide this way?)
 5. Comments (Any additional notes or observations?)

	15-C	
	16-C	Q 167

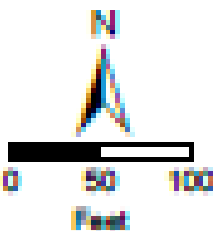




Item	Description	Start
15-D		
16-D		
16-E		

Information is provided for informational purposes only. The City of Oakland and the City of Piedmont are not responsible for the accuracy of the information provided. The City of Oakland and the City of Piedmont are not responsible for the accuracy of the information provided. The City of Oakland and the City of Piedmont are not responsible for the accuracy of the information provided.

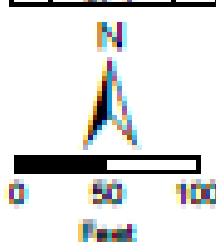
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16-D	16-D	16-D
16-E	16-E	16-E

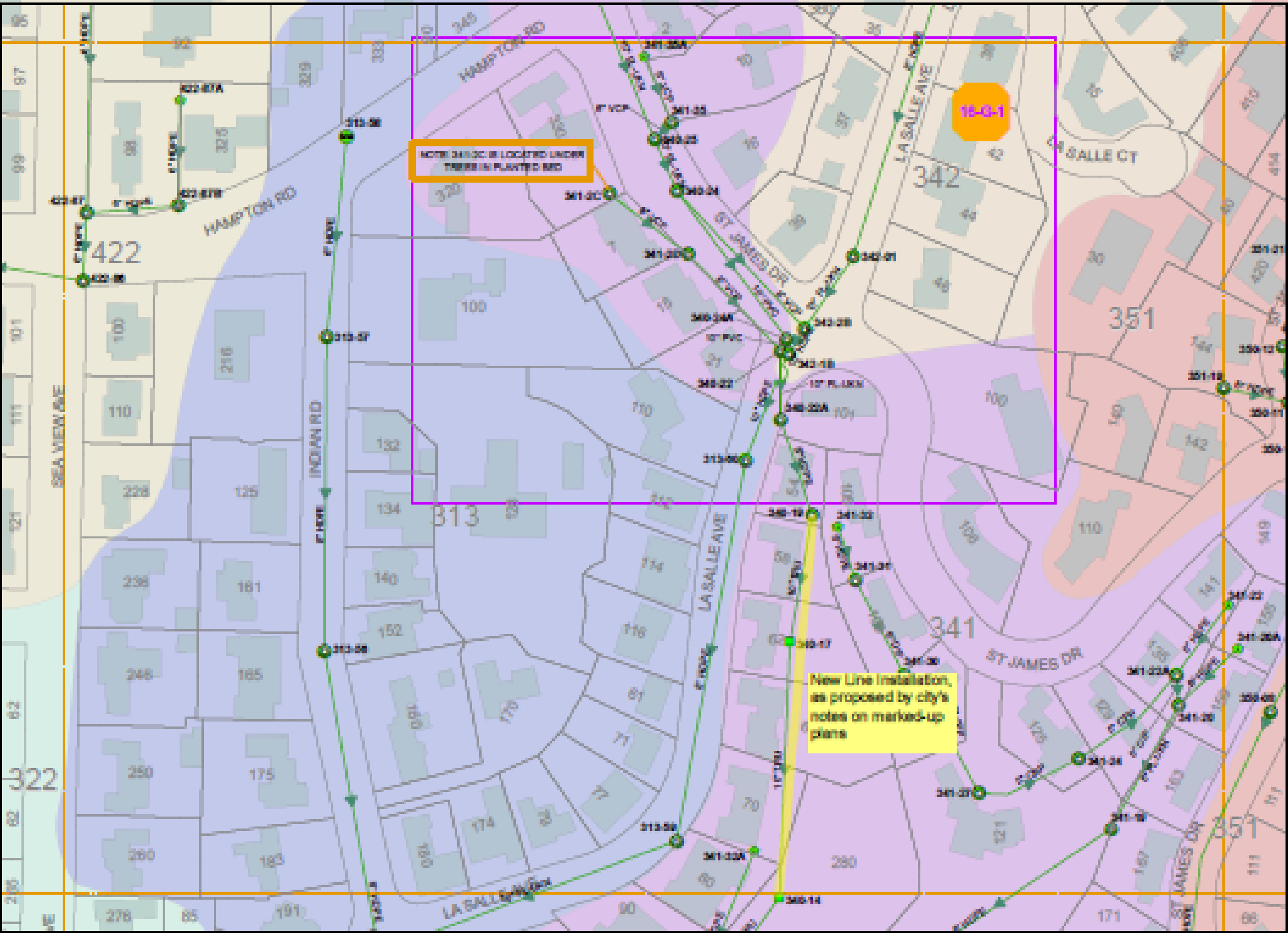


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16-F	16-F	Q 20
	17-F	

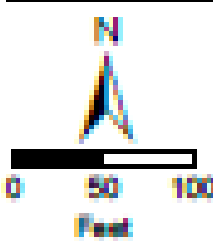




Apn	Description	Date	By

Collection of hydrant records on file in the City of Portland. The City of Portland is not responsible for the accuracy of the information shown on this map. The City of Portland and the City of Portland Water Bureau are not responsible for the accuracy of the information shown on this map. The City of Portland and the City of Portland Water Bureau are not responsible for the accuracy of the information shown on this map.

15-G	16-G	17-G
16-G	16-G	16-G



ID	Task Name	Duration	Start	Finish	Predecessors
1	Executed Agreement	1 day	Tue 6/30/26	Tue 6/30/26	
2	Advertising for Bid	2 wks	Wed 7/1/26	Tue 7/14/26	1
3	Bid Period	6 wks	Wed 7/15/26	Tue 8/25/26	2
4	Bid Review & Recommendation for Award	2 wks	Wed 8/26/26	Tue 9/8/26	3
5	FBA Submission	2 wks	Wed 9/9/26	Tue 9/22/26	4
6	City Council Approval of Construction Contract	1 day	Mon 10/5/26	Mon 10/5/26	
7	NOA, Bonding, & Insurance	11 days	Tue 10/6/26	Tue 10/20/26	6
8	Pre-Construction Mtg	1 wk	Wed 10/21/26	Tue 10/27/26	7
9	Notice to Proceed	1 day	Tue 11/10/26	Tue 11/10/26	
10	Mobilization	2 wks	Wed 11/11/26	Tue 11/24/26	9
11	Construction	231 days	Wed 11/25/26	Wed 10/13/27	10

The Gantt chart visualizes the project timeline. Task 1 is a single-day event at the start. Task 2 follows for two weeks. Task 3 is a six-week period starting after Task 2. Task 4 follows for two weeks. Task 5 follows for two weeks. Task 6 is a one-day event. Task 7 follows for eleven days. Task 8 follows for one week. Task 9 is a one-day event. Task 10 follows for two weeks. Task 11 is a long-term construction phase lasting over two years, starting after Task 10.