



Jennifer Burns <jburns@amadorgov.org>

Fwd: Request for a short term loan from the Water Supply Fund

1 message

Chuck Iley <ciley@amadorgov.org>
To: Jennifer Burns <jburns@amadorgov.org>

Thu, Jun 25, 2015 at 5:42 PM

----- Forwarded message -----

From: "Gene Mancebo" <gmancebo@amadorwater.org>
Date: Jun 25, 2015 5:41 PM
Subject: Request for a short term loan from the Water Supply Fund
To: "Chuck Iley" <ciley@amadorgov.org>
Cc:

Dear Chuck:

The Amador Water Agency is requesting a loan of \$500,000 from the Water Supply Fund for a term of 5 years with an interest rate based on LAIF plus 15 basis points. The purpose of this loan is to fund a shortfall for the construction of a backwash recycle system at the lone Water Treatment Plant.

Once the backwash recycle system is operational 90-95% of the backwash water will go back to the headworks of the water plant instead of going into the City sewer system and will be treated as potable water. The reject water (5-10% of the backwash water) would go in the sewer. The reduced loading on the sewer eliminates some of the overflowing concerns that resulted in the past (such as sewer backups at the elementary school) and provides the City with sewer capacity. About 20-25% of the City sewer capacity (volume basis) is currently being utilized by the backwash water. In the past we considered using the backwash water for irrigation on the park & school, but the City felt the regulatory permitting was too much of an issue. The backwash recycle system will greatly reduce sewer charges to the Water Agency and conserve approximately 18.25 million gallons of water annually.

This project was originally bid on March 24, 2015, with the three (3) bids ranging from \$1,182,583 to \$1,448,700. This project received a grant from Proposition 84 Drought Grants program, administered by Department of Water Resources for \$614,676.00 intended to cover 75% of project costs. Agency staff worked with the design engineer to revise the plans in order to reduce the overall project costs. Unfortunately, the bidding climate has significantly changed in California with contractors being more selective in their bidding and their bids being less aggressive. The project, with the new plans and specifications, was re-bid June 9, 2015. The low bidder is Auburn Constructors with a bid of \$1,066,300.00. Given other project costs, there is a funding shortfall in excess of \$500,000. The Water Agency directed me to request funding through the County Water

Supply Fund (previously known as the Water Development Fund) in order to be able to proceed with construction.

I appreciate the opportunity to address the Board of Supervisors on this item at your Special meeting next week.

Sincerely

Gene

Gene Mancebo

General Manager

Amador Water Agency

(209) 257-5245

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Thank You,

Amador Water Agency 12800 Ridge Road, Sutter Creek, California 95685 www.amadorwater.org