

## ~ State Revolving Fund (SRF) Projects Update

Meeting Date: 11/12/2024 Prepared by Rae Bell Arbogast GM

### **1. Ram Spring Improvement Project (RSIP) Project ID 4600012-008C**

This is a continuation of Planning Project ID 4600012-0008P started in 2015 and completed 12/31/2020.

**Funding Agreement dated 10/12/2023 ~ Estimated completion date: 2/28/2026 ~**

**Budget: Up to \$1.5 Million**

**Primary objective:** To reconfigure the Ram Spring Pumphouse and facilities to accommodate and protect the driven pipes that were installed in May of 2017 as part of the planning project.

**Other objectives:** To build a 12' x16' building at the Ram Spring that can be used as a "sample lab" and to store district tools and records. To upgrade all residential water meters under a special program for that purpose. To update the stand-by generator and pumps that are over 30 years old.

#### **Progress since the last ACWD Board meeting:**

- Status of Bridge Loan: Current balance \$23,791.50 (before interest) for Invoice #4392 from Coleman Engineering Dated 8/1/2024. (Coleman was paid with Bridge Loan Funds) Payment to ACWD on that invoice was approved by the State with the 4th disbursement request. The money will be paid to RCAC (the lender) once it is received. Interest is accruing and the interest amount will be included in the next disbursement request.
- The 4<sup>th</sup> disbursement request was submitted on October 10, 2024 in the amount of \$118,146 and it was approved for payment by the State on October 22<sup>nd</sup>. As of this writing, the check has not arrived.
- The 3rd Quarter 2024 Quarterly Progress Report was also submitted to the State on 10/10/2024.
- Coleman (Now Sanbell Engineering) expects to have the bid documents ready by January. They will be overseeing the entire bidding process as part of their contract. They are still working on the plans and specs. ACWD is answering questions as they come up.

### **2. Water Tank Repair Project:**

This project is to repair the water tank that was put in service in November of 2018 and that was still under warranty when it failed. This project has two main parts: 1. The warranty repair work, to be completed by the original contractor Thompson Tank (not funded by SRF) 2. The Technical Assistance Request was awarded to Coleman Engineering to oversee the repair work. (Funded by SRF)

#### **Status since last ACWD Board meeting:**

- The tank is holding water below the 25 foot level (keeping it at 23 feet)
- Thomspson tank wants the final leak test to be done after the CP equipment is installed which makes sense.
- On 11/4/2024 I sent a follow-up email asking about the bolt holes above 23 feet, suggesting that they should look at those while the CP equipment is being installed.
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**Tank failure timeline** Tank put in service Dec. 2018. 1-year warranty inspection done in Jan. 2020 found problem with rusting bolts in floor, bolts repaired in June of 2020. Tank started leaking and failure discovered: 10/30/2021 Tank drained and inspected mid-November 2021. First Technical Assistance (TA) request submitted to State Dec. 2021 and approved in Jan. of 2022 with RCAC as the TA provider. TA report provided in Dec of 2022 concluded electrolysis (dissimilar metals in contact) was the main cause of corrosion but was inconclusive as to cause of sealant failure. Warranty claim letter prepared by ACWD attorney Marsh Burch and submitted to BRCO contractors 3/17/2023. Second TA request approved May 13, 2023 with Coleman Engineering as the TA provider to oversee the repair work. Repair work scheduled for late April 2024 to avoid winter weather, started on 4/30 tank partially filled at end of July, leaks noted and report made to attorney and BRCO contractors, tank being kept partially full as long as leaks don't worsen until fire danger subsides. Water leaks below 23 feet mark stopped. Bolt holes above that level for the ladder are a problem.

**3. Cathodic Protection Project (CP)** This project is to add cathodic protection to the water tank that was not included in the original design (other than the coating which was supposed to provide protection). A grant for up to \$125,000 has been applied for under an “Urgent Needs” program also funded by the State Revolving Fund (SRF) and approval has been granted for the first \$110,000. ACWD is responsible for administering this grant but cannot bill the project for doing so.

**Progress since the last ACWD Board meeting.**

- Sanbell engineering determined that more money is needed for the installation than previously thought. They estimated that they needed another \$20,000 in early October.
- Last March, ACWD put in a deviation request form (request for more \$) for the Bridge Loan fees and interest. That request was signed by the State, but then all the staff changed and they seem to have lost track of it. That request was for \$15,000. I reminded them about this in Oct. and they locate the signed form.
- In October I explained to the new urgent water needs staff that I had been told repeatedly that ACWD could not include \$ in the budget to pay our own staff. I was told that this is a “sunk cost”. I explained to them that I was willing to donate my admin. time but that ACWD has to pay the water operators. Karen our new rep. talked to her supervisor and came back and said that we COULD include time for ACWD staff! This is really good news. I am requesting \$5,000 for ACWD Staff and this can be retroactive to Nov. of 2023 when the project was preliminarily approved.
- We were instructed to submit a new deviation request form and budget to include the additional money needed for the install plus the previously requested money for the bridge loan and money for ACWD staff. A new form was submitted on October 17<sup>th</sup> asking for an additional \$40,000 (\$20,000 Sanbell, \$15,000 Bridge Loan \$5,000 ACWD staff) but as of this writing, Scott Woodland and I are still hashing out the details of the budget. It is looking like Sanbell should request more than an additional \$20,000 as it is better to aim high than low, so that we don’t get stuck in the process of asking for more money again.
- The 1<sup>st</sup> disbursement request in the amount of \$60,686.75 was submitted on October 11<sup>th</sup> and the entire amount was approved by the State on October 15<sup>th</sup>. As of this writing we are waiting for the check.
- Status of Bridge Loan: To-date a total of just under \$50,000 has been borrowed and used to pay Sanbell engineering. That entire principle was included in the 1<sup>st</sup> disbursement request and will be paid back to RCAC as soon as we get the check from the State. Interest is accruing and the interest amount will be included in the next disbursement request.

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