



Office of the City Engineer

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March 3, 2022

Michael Clevenger
3963 Garden Highway
Sacramento, CA 95834

Re: Release of Recycled Water Storage Ponds

Dear Mr. Michael Clevenger,

The City currently operates the Lathrop Consolidated Treatment Facility (LCTF). The City and developers within the community desired to modify the LCTF and to construct a pipeline to dispose of highly treated effluent ("Recycled Water") from the LCTF via a surface water discharge to the San Joaquin River (the "River"). This will require acquisition of a National Pollutant Discharge Elimination System ("NPDES") permit from the Central Valley Regional Water Quality Control Board ("CVRWQCB") plus permits from several other State of California and Federal agencies to construct the pipeline.

The City currently possesses discharge permits with CVRWQCB for the LCTF that requires recycled water to be disposed of on land for agricultural purposes ("Sprayfields") or as irrigation of urban landscaping (medians and street landscaping).

The Surface Water Discharge Project is designed to deliver recycled water to the River and includes design, construction and permitting of improvements at the LCTF to de-chlorinate the recycled water, a pipeline from the LCTF to and over the River levee, and an outfall structure to be built within the River, all included as CIP WW 20-17, and to modify the waste discharge permit to allow specific ponds and spray fields to be released and used for development purposes (the "Project").

As a condition of receiving the NPDES permit, the CVRWQCB will require the City to maximize use of recycled water for urban irrigation, including parks and street landscaping. Therefore, the Project requires the use of some permanent storage ponds to allow the recycled water system to operate when the City is built-out.

On September 9, 2021, Lathrop City Council awarded contracts for construction of a recycled water outfall to the San Joaquin River, plus construction of modifications to the Combined Treatment Facility to remove the chlorine added to all recycled water before it is pumped into the river. Council also approved Funding Agreements with three developers. The Funding Agreements explain that the City will return the developer's land once:

- The developer pays their share of Project Costs
- The City receives all required permits to construct the Project
- The Project is constructed
- City has been given approval to operate the Project by CVRWQCB, and
- CVRWQCB waste discharge permit has been amended to remove the need for storage ponds and spray fields, allowing the ponds and spray fields to be used for development purposes.

Due to the time constraint for funding this project, we focused our efforts on River Islands, Saybrook and Richland, since they had the most land to return. Costs funded by each developer were:

• River Islands	\$11,865,770	
• Saybrook	\$1,78,2774	
• Richland	\$1,376,966	
• <u>City</u>	<u>\$3,157,633</u>	<u>(balance)</u>
Total	\$18,183,143	

Unfunded amounts were temporarily funded by the City. We now have time to discuss the four additional storage ponds that have a right of reverter.

Each developer who has a right of reverter over a recycled water storage pond has a choice:

1. The developer can pay their share of the Surface Water Discharge Project, which replaces the need for recycled water storage for the units your storage served. If this is done, the City will stop using your pond/property and return the land to you. The City will then use other ponds to store the recycled water needed for irrigation of urban landscaping, or
2. The developer can pay nothing toward the Surface Water Discharge Project, and the City will continue to use the recycled water storage pond on your property.

So far, River Islands, Saybrook and Richland Crossroads have funded their share of the Surface Water Discharge Project. I am now offering the two choices above to property owners who hold a right of reverter for the three ponds in Mossdale Village and the remaining pond on McKinley.

Non-contributing developers will continue to be responsible to provide storage provided by their ponds, and the land holding these ponds will be retained by the City until such time as their share of Project Costs are paid in full. The share of project costs for each of the four ponds is as follows:

Owner	Pond #	Storage Mil Gal	GPD Disp Equivalent	Cost/GPD River Dis	Payment to return land
LMI	Pond S1	41	250,000	\$4.17	\$1,042,500
LMI	Pond S2	15	91,463	\$4.17	\$381,402
Clevenger	Pond S3	12	73,171	\$4.17	\$305,122
Clevenger	Pond S6	34	207,317	\$4.17	\$864,512
Totals		102	621,951	\$4.17	\$1,809,444

The million gallons of storage was converted to an equivalent volume of recycled water disposal at 164 mg per 1 mgd of disposal. This volume times the cost of river disposal per gallon per day (\$4.17) results in the Payment required to return your Pond land to you.

Should you have any questions or concerns, please contact Glenn Gebhardt, City Engineer, the staff member assigned to this project, by phone (209) 941-7430 or by email: ggebhardt@ci.lathrop.ca.us.

Thank you,



Glenn Gebhardt,
City Engineer

Cc: Stephen Salvatore, City Manager
Michael King, Public Works Director
Brad Taylor, Land Development Manager
Salvador Navarrete, City Attorney