



Town of Paradise
Council Agenda Summary
Date: July 24, 2025

Agenda Item: 3(a)

ORIGINATED BY: Colin Nelson, Capital Projects Manager
REVIEWED BY: Jim Goodwin, Town Manager
SUBJECT: Paradise Sewer Project Local Alternatives Analysis
LONG TERM RECOVERY PLAN: Yes – Tier 1, Sewer

COUNCIL ACTION REQUESTED:

1. Hear an informational update for the Paradise Sewer Project including:
 - a. Review of a short list of sewer system alternatives
 - b. Presentation of preliminary evaluation results
 - c. Opportunity for public input and feedback

Background:

Since its incorporation in 1979, the Town has sought a formal wastewater treatment solution for the community, with service for commercial and densely populated residential areas being a priority. Failed and failing septic systems create public health and environmental concerns and have limited economic growth. The Town has prepared numerous studies to address its need for a centralized wastewater treatment solution – focusing on areas of highest risk to environmental degradation associated with commercial and multi-family housing. The most recent proposed sewer service area included about 1,500 parcels, mostly along the Town's commercial and evacuation corridors, shown in dark orange (right).



Since the 2018 Camp Fire, which destroyed nearly 19,000 structures and displaced most of the Town's population, Paradise has faced the monumental task of rebuilding a safer, more resilient community. A key barrier to recovery has been the lack of a centralized sewer system, limiting the return of businesses and multi-family housing in key areas. The Paradise Sewer Project is now seen as essential infrastructure—not only to meet modern environmental standards and protect groundwater—but also to unlock long-term housing and economic recovery for the entire community.

To this end in 2022, the Town of Paradise secured \$30 million for pre-construction phases of work (environmental, design, right of way, and permitting) through Community Development Block Grant Disaster Recovery Planning funds to facilitate the design phase of the Paradise Sewer Project. To augment staff capacity and bring necessary technical expertise, the Town of Paradise

hired HDR to serve as their Owner's Agent in the pursuit of a full project delivery team for design and construction. The intent of this work was to continue delivery of the regional approach to the project, constructing a full collection system for 1,500 parcels in Paradise and exporting the wastewater to the City of Chico's Water Pollution Control Plant.

On October 30, 2023, staff issued a formal Request for Qualifications (RFQ 2023-005) utilizing formal selection procedures in compliance with Paradise Municipal Code, State and Federal requirements including regulations for typical federally funded projects as well as specific requirements utilizing CDBG-DR funds. The RFQ stated the scope of work for the Progressive Design Build Services and requested proposers provide their qualifications and experience and included price as a component.

As a result of that procurement, Paradise Town Council hired Mountain Cascade (contractor) and Carollo Engineers (design team) as the Progressive Design Build Team for the Paradise Sewer Project. The first step towards final project design is to establish a Basis of Design Report (BODR) which will inform the additional design phases of the project in a well thought out and consistent manner. During the BODR, the team studied all the previous Technical Memorandums, created a hydraulic model to analyze dry weather and wet weather flow rates, analyzed land uses and impacts to the system, specify pipe sizing, among other design considerations. The PDB also evaluated design alternatives within the collection system, made progress on environmental permitting and selected export pipeline alignments which minimize environmental impacts.

Concurrent to the preparation of the BODR, staff continued funding pursuits with the State Water Board Division of Financial Assistance as well as other state and federal advocacy efforts. As part of the development of the Basis of Design Report, staff learned the cost of completion of the regional project (design through system commissioning) would exceed \$400M. Following critical project workshops with the State Water Board Division of Financial Assistance and Regional Water Quality Control Board, staff reached the conclusion that the project, as currently visioned, was financially infeasible.

On December 10, 2024, staff provided an update to the Town Council which shared a brief project and project cost history. Due to the complexities associated with building a ground-up utility in the lens of a recovering population base amongst historical cost increases, a revised project approach needed to be taken. Council and community feedback informed staff that the project remained critical to our recovery from the 2018 Camp Fire and that many businesses and residents are relying on its imminent completion.

On January 21, 2025, Paradise Town Council provided staff direction on project next steps to commence efforts to modify the Project Description for the Paradise Sewer Project from a regional connection to the City of Chico to a potential local treatment plant option. Further direction was provided to analyze potential alternatives for a phased project approach to reach the full intended Sewer Service Area.

Further, Council selected two Councilmembers (Mayor Steve Crowder and Councilmember Hiedi Lange) to serve on an Ad Hoc Committee, replacing the previously established Sewer Regionalization Project Advisory Committee between the Town of Paradise, City of Chico and Central Valley Regional Water Quality Control Board.

All work originally visioned under the Progressive Design-Build contract with Mountain Cascade and Carollo Engineers has been paused with the local alternatives analysis effort to be led by the Ad Hoc Committee, HDR (Town's Owner's Agent) and staff.

Analysis:

The Paradise Sewer Project Ad Hoc Committee was immediately established following Council direction on January 21, 2025. The first Sewer Project Ad Hoc Advisory Committee Meeting was held on January 30, 2025. The Purpose Statement of the Committee was set as follows:

Increase project momentum while keeping the public apprised of project progress to find a fundable, permittable, scalable wastewater collection and treatment solution.

Action items of this meeting were to increase public engagement opportunities with a specific community meeting and invitation for private stakeholders to present industry ideas on next steps. The Committee set a goal of achieving a revised project description in less than four months so that work can continue appropriate environmental considerations and funding pursuits.

As part of the development of the Ad Hoc Committee's work, Paradise Irrigation District representatives joined the Ad Hoc Committee to lend their expertise and partnership towards the project. Their representatives primarily included District Board Members Bob Mathews and Marc Sulik as well as District Manager, Kevin Phillips.

On March 5, 2025, the Town of Paradise held a Community Meeting specifically for the Paradise Sewer Project. This meeting included a broad update to the project as well as gathering further input from the public.

In addition, staff issued a call to private sector stakeholders to provide input on potential alternatives for the project's wastewater treatment and dispersal process. This call to action reached all approved Town of Paradise onsite septic operators as well as other community members and vendors who have expressed interest in participating.

Below is a listing of meetings which took place as a result of this special invitation:

Community Members:

- Jeff Gillingham
- Cliff Jacobsen
- Bill Kellog
- Kelly Konzelman
- Dana Ripley

Equipment Vendors:

- AeroMod
- BioFiltro
- Cloacina
- Fluidyne
- Green Toilet
- Innovatreat

The Ad Hoc Committee also placed a special emphasis on having a better understanding of neighboring communities who are already operating an array of collection, treatment and dispersal options for wastewater management. As a result, the following tours and meetings took place:

Public Agency In-Person Tours:

- City of Biggs WWTP
- City of Mt. Shasta WWTP
- Nevada County Lake of the Pines WWTP
- Placer County – North Auburn Sewer Maintenance District 1
- Rio Alto Water District WWTP

Public Agency Virtual Tours/Meetings:

- Amador County
- Butte College
- City of Eureka
- City of St. Helena
- Community of Robbins

Additional accomplishments of the project team and Ad Hoc Committee are summarized below:

- Launched an updated website for the project <https://paradisese sewer.com/> with updated project status and options for additional community feedback.
- Continued to engage with funding agencies to timing and availability of construction funding, and how they can support the change to a local treatment option
- Regularly engaged with the Central Valley Regional Water Quality Control Board regarding effluent discharge permitting requirements and process
- Conducted a community poll regarding level of service and wastewater treatment facility locations
- Analyzed the collection system hydraulic model under gravity and low-pressure scenarios
- Analyzed comparative capital costs for each collection, treatment, and disposal alternative
- Analyzed comparative operation and maintenance costs for each collection, treatment, and disposal alternative
- Held Alternative Analysis Workshops with the Ad Hoc Committee to review cost and impact findings for the
 - Collection system alternatives,
 - Wastewater treatment process alternatives,
 - Treated effluent discharge alternatives,
- Confirmed whole-project capital and implementation cost estimates for the three project alternatives recommended by the Ad Hoc Committee

The Ad Hoc Committee is now prepared to report on the work of the Committee and staff with a plan to present findings and gather additional input for potential future Council action.

Two Special Town Council Meetings have been scheduled – the first on July 24, 2025 where the Committee and Project Team will be presenting a short list of sewer system alternatives with preliminary evaluation results.

A complete presentation with additional details on the Committee's work since creation will be provided at this Special Meeting. Materials and recordings of the meeting will be available on the Town's project website at www.paradisese sewer.com.

Three alternatives which will be further explored at the Council Meeting are briefly described below:

Alternative recommended by the Ad Hoc Committee

Alternative 1: Hybrid gravity/low-pressure collection system, aerated lagoon wastewater treatment, and percolation/evaporation pond effluent discharge.

- A hybrid gravity and low-pressure (STEP) sewer collections system would include gravity trunk mains following primary conveyance corridors and low-elevation areas or properties connected to the primary gravity trunk mains via low-pressure service
- Wastewater treatment using a series of aerated lagoons followed by a nitrification/denitrification process unit
- Treated effluent discharged to percolation/evaporation pond(s) for land discharge, regulated by a Waste Discharge Regulation (WDR) permit

Alternative 2: Hybrid gravity/low-pressure collection system, membrane bioreactor wastewater treatment facility, and percolation/evaporation pond effluent discharge.

- A hybrid gravity and low-pressure (STEP) sewer collections system would include gravity trunk mains following primary conveyance corridors and low-elevation areas or properties connected to the primary gravity trunk mains via low-pressure service
- Wastewater treatment using a pre-engineered, pre-manufactured membrane bioreactor treatment facility
- Treated effluent discharged to percolation/evaporation pond(s) for land discharge, regulated by a Waste Discharge Regulation (WDR) permit

Alternative 3: Hybrid gravity/low-pressure collection system, membrane bioreactor wastewater treatment facility, and surface water discharge.

- A hybrid gravity and low-pressure (STEP) sewer collections system would include gravity trunk mains following primary conveyance corridors and low-elevation areas or properties connected to the primary gravity trunk mains via low-pressure service
- Wastewater treatment using a pre-engineered, pre-manufactured membrane bioreactor treatment facility
- Discharge treated effluent to a local creek, regulated by a National Pollutant Discharge Elimination System (NDPES) permit.

A second Special Town Council Meeting is scheduled for August 14, 2025. This Special Town Council meeting plans to hear additional updates resulting from the public input gathered from the July 24 Meeting as well as additional input gathered in the time elapsed with other individual community member meetings and coordination. It is the intent of the August 14, 2025 Meeting for Council to provide formal direction to commence efforts on a revised project description including resuming funding pursuits coupled with environmental and design efforts.

Financial Impact:

The Town of Paradise is currently utilizing a \$30M planning grant through State of California Housing and Community Development via the CDBG-DR program. A breakdown of overall project funding and pursuits is provided on the next page:

Secured Funding

- | | |
|-----------------------------|--|
| (1) CDBG-DR APA-2 Design | \$30,000,000 (active for pre-construction) |
| (2) CDBG-DR Town Allocation | \$35,000,000 (secured for construction) |
| (3) EPA Community Grant | \$1,750,000 (pending) |

Clean Water SRF Funding Opportunities

- | | |
|-----------------------------|--------------|
| (4) Clean Water SRF (Grant) | \$28,097,669 |
| (5) Clean Water SRF (Grant) | \$TBD Future |

Additional Funding Pursuits (Future Project Phases)

- | | |
|---|--------------|
| (6) USACE 219 - Initial Request | \$2,000,000 |
| (7) USACE 219 - Remaining Butte County Allocation | \$48,000,000 |

**Secured & Probable Funding available for the whole project “Cost to Complete”
Budget \$84,847,669 (Sum of 1-4 minus \$10M expended to date)**

Additional information relating to project costs, including an example startup Sewer Service Area to achieve fundamental project goals will be presented during the Special Meeting.

For the first time in the last 30+ years, the Paradise Sewer Project has a path to construction with funding secured, probable and available. While \$94.85 may not be adequate to fully fund the Project's first phase, the Town Council has options available which could supplement the current funding by redirecting away from scoped and planned roadway projects amongst the Town's CDBG-DR Infrastructure allocation.

Further, in review of the Water Board's most recent Intended Use Plan, communities are being encouraged to apply for project needs, even if the same needs exceed previously described community “caps” at \$30M – meaning in the event the revised Sewer Project's first phase, the Town should expect to apply for the \$28M noted above and additional funds needed to reach completion.

Lastly, the Town will continue to monitor the US Army Corps of Engineers Environmental Infrastructure 219 Program to be utilized for a second phase of the sewer project, likely for collection system expansion.