



LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT

PALERMO WASTEWATER CONSOLIDATION PROJECT PLANNING GRANT APPLICATION

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Sauers Engineering, Inc

Palermo Wastewater Consolidation Project

Lake Oroville Area Public Utility District

Sewer collection service provider

Located in unincorporated Butte County south and east of City of Oroville

13.2 square miles serving 5,600 customers

Member of SC-OR JPA which operates a regional WWTP

Palermo Wastewater Consolidation Project

Community of Palermo

Located in unincorporated Butte County about 4 miles south of SC-OR WWTP and 2 miles south of LOAPUD

Approximately 2 square miles, population of approximately 1,900 on 650 parcels

MHI \$42,227 (2021) – Severely Disadvantaged Community

Served exclusively by individual septic-leachfield systems (OWTS)

Palermo Wastewater Consolidation Project

Study Area



Reasons for Project

Shallow groundwater, poor soils, lack of stormwater drainage lead to OWTS failures during winter months

Sewage backups in homes, SSOs from tanks and leachfields, elevated nitrate levels

Domestic wells adversely affected by failures

Butte County Grand Jury Report 2025 –
“Ditches, Disease, and Delay: Palermo’s
Flooding Failures”

Palermo Wastewater Consolidation Project

Planning Grant Application

July 2021-LOAPUD was contacted by RWQCB to gauge interest in submitting an application

BOD authorized moving forward with preparation of application package

Included the Plan of Study

- Project Summary
- LOAPUD, SC-OR System Information
- Previous Efforts to Address Sewage Issues
- Project Alternatives Considered
- Planning Scope, Cost Estimates, and Schedule

Palermo Wastewater Consolidation Project

Planning Grant Scope

Task	Estimated Cost
Project Administration and Legal Services	\$ 25,000
Plan of Study/Planning Grant Application	\$ 10,000
Project Report Update	\$ 25,000
Survey and Mapping	\$ 67,000
30%, 60%, 90% Plans and Specifications	\$ 790,000
Annexation	\$ 21,500
Land Acquisition, Rights-of-Way, Easements	\$ 1,170,000
Permits	\$ 15,000
Environmental Documentation	\$ 200,000
Rate of Services Study	\$ 15,000
Public Engagement	\$ 100,000
SC-OR Capacity Impact Study and Pre-Annexation Agreement	\$ 5,000
Construction Grant Application	\$ 10,000
Total	\$ 2,453,500

Palermo Wastewater Consolidation Project

Planning Grant Application Status

Because of previous efforts, LOAPUD was able to skip Technical Assistance and move directly to Planning Grant

November 2021-LOAPUD submitted completed application package to SWRCB, DFA

Some back and forth with DFA staff, additional information, clarifications requested

LOAPUD informed that the Palermo Consolidation Planning Grant has made it to the 2025-2026 Fundable List

But....

Planning Grant Application Challenges

Plan of Study identified need for 650 individual easements for construction of pipelines

Historically, roadways were either not dedicated or Offers of Dedication not accepted by the County-fee interest stayed with parcel owner

Cost only includes surveying and preparing legal descriptions, plats, and grant deeds

Not just cost, but the level of effort and time required to actually acquire 650 easements

Planning Grant - Next Steps

DFA instructed LOAPUD to work with County on alternatives to individual easements

Multiple County departments currently looking into ways to provide secure ROWs

Could consider reducing initial size of the service area, utilize phased approach

Design major components (lift station or treatment plant) to be expandable, add to collection system over time