

Equalization Tank Replacement Project

Project need and benefits:

The existing equalization (EQ) tank, installed in 1973, has reached the end of its useful life and is now so deteriorated that it can only operate at half of the wastewater volume it was originally designed for, making replacement necessary to maintain reliable service.

This tank plays a critical role in protecting the community and environment by temporarily storing wastewater during heavy rainstorm events, allowing the treatment plant to operate efficiently and preventing overflows. In recent years, large storms in the Boulder Creek CSA 7 watershed have increased wastewater flows, putting additional strain on this aging infrastructure. If the EQ tank were to fail, untreated wastewater could spill into the environment, threatening groundwater, ecosystems, drinking water supplies, and the overall health of the San Lorenzo River Watershed.



Figure 1: Deterioration at the top of the equalization tank.

Replacing the failing 50,000-gallon tank with a new 100,000-gallon-plus tank with upgraded mixing system will restore safe and efficient operations and ensure the wastewater system remains reliable and resilient during future storm events. Operations costs associated with removing sludge from the EQ tank and hauling and disposing of the sludge will be reduced.

Project Budget

Funding Breakdown of \$1,749,274 Project

Grant Funding	\$ 405,312
Bond (avg. annual payment \$59,782 for 30 years)	\$ 800,000
Funding from CSA #7 Budget (collected in prior fiscal years)	\$ 477,601
Total Funded	\$ 1,682,913
Shortfall Needed in FY27 budget	\$ 66,361



Project Timeline

- September 2025: Board approved project for bidding

- November 2025: 4 bids received (lowest by \$68k rejected due to contractor lacking qualifying experience with tanks)
- December 2025: Board awarded contract
- January 2026: Procurement of materials begins
- April 2026: Active construction start
- December 2026: Estimated construction completion

Figure 2: Interior top area of the equalization tank with visible sediment buildup and structural deterioration.



Proposed Budgets

Item Description	Actual FY 25-26	Proposed Budget FY 26-27*	Proposed Budget FY 27-28**
Beginning Fund Balance	\$ 289,898.00	\$ -	\$ -
Revenue			
CSA Service Charges	\$ 662,367.00	\$ 764,071.74	\$ 786,993.89
Other Revenue - Grant	\$ 405,312.00	\$ -	
Bond Proceeds	\$ 800,000.00	\$ -	
Other Revenue - Interest	\$ 6,505.71	\$ 5,000.00	\$ 5,150.00
Total Revenue	\$ 1,874,184.71	\$ 769,071.74	\$ 792,143.89
Maintenance and Improvements			
Maintenance and Operation	\$ 403,480.50	\$ 374,800.00	\$ 386,044.00
Spill Response	\$ 1,450.00	\$ 2,979.74	\$ 3,068.90
Generator Repair	\$ -	\$ -	\$ 900.00
Pump & Motor Replacement	\$ 8,182.71	\$ 8,800.00	\$ 9,000.00
Engineering	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Sludge Disposal	\$ 6,200.00	\$ 17,500.00	\$ 17,500.00
Lab Testing	\$ 3,400.00	\$ 6,000.00	\$ 6,150.00
Cathodic Protection	\$ 1,700.00	\$ 1,750.00	\$ 1,800.00
EQ Tank Replacement	\$ 1,582,913.00	\$ 166,361.03	\$ -
Inflow & Infiltration (I&I) Reduction	\$ 2,000.00	\$ -	\$ 60,000.00
Capital Reserves	\$ -	\$ 28,000.00	\$ 135,055.99
Subtotal	\$ 2,010,326.21	\$ 607,190.77	\$ 620,518.89
Admin/Oper Expenses/Debt Payments			
Principal on Bond	\$ 15,000.00	\$ 25,000.00	\$ 25,000.00
Interest on Bond	\$ 24,292.50	\$ 24,880.97	\$ 33,550.00
Utilities	\$ 75,000.00	\$ 66,000.00	\$ 67,000.00
Permits	\$ 34,000.00	\$ 40,000.00	\$ 40,000.00
Sanitation Admin/CSA/Public Hearing	\$ 1,700.00	\$ 2,200.00	\$ 2,200.00
IRWM Coordination	\$ 1,764.00	\$ 1,800.00	\$ 1,825.00
Acct & Audit Fees	\$ 2,000.00	\$ 2,000.00	\$ 2,050.00
Subtotal	\$ 153,756.50	\$ 161,880.97	\$ 171,625.00
Total Expenditure	\$ 2,164,082.71	\$ 769,071.74	\$ 792,143.89
Ending Fund Balance	\$ -	\$ -	\$ -

* 14.2% Proposed Rate Increase

** Assumes 3% CPI increase

Proposed Rate Increase

User Class	Number of Units	FY 25-26 Current Rate	FY 26-27* Proposed Rate	FY 26-27 Revenue	FY 27-28** Estimated Rate	FY 27-28 Revenue
Condominium	163	\$2,536.55	\$2,896.74	\$472,168.62	\$2,983.64	\$486,333.68
Single Family	88	\$2,813.45	\$3,212.96	\$282,740.48	\$3,309.35	\$291,222.69
Commercial Rate	3	\$1,941.17	\$2,216.81	\$6,650.43	\$2,283.31	\$6,849.94
Commercial per HCF	1010.88	\$8.86	\$10.12	\$10,230.11	\$10.42	\$10,537.01
TOTAL (less 1% Auditor's Fee)				\$764,071.74		\$786,993.89

*14.2% Proposed rate increase

*Assumes 3% CPI increase