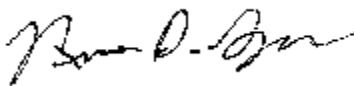


City of Calistoga

Staff Report

TO: Honorable Mayor and City Council
FROM: Dan Takasugi, Public Works Director/City Engineer
DATE: January 17, 2012
SUBJECT: Consideration of a Resolution Approving Amendment No. 10 to the Funding Agreement with the Napa County Flood Protection and Watershed Improvement Authority to Re-Allocate Funding Years

APPROVAL FOR FORWARDING:



Richard D. Spitler, City Manager

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ISSUE:

Consideration of a Resolution approving Amendment No. 10 to the funding agreement with the Napa County Flood Protection and Watershed Improvement Authority (NCFPWIA Agreement No. 19; Calistoga Agreement No. 0042).

RECOMMENDATION:

Adopt Resolution.

BACKGROUND/DISCUSSION:

Measure A was passed by Napa County voters on March 3, 1998, establishing a half-cent sales tax to fund the local share of projects in Napa County. The Measure A ordinance is also known as the "Napa County Flood Protection Sales Tax Ordinance". The term of this sales tax extends for a maximum of 20-years. All the Napa County governments involved in Measure A signed a Joint Powers Agreement to spell out structure and responsibilities for the use of Measure A funding.

21 Aside from the County's Napa River Flood Protection Project, the Measure A enabling
22 ordinance states that for the rest of the County, projects should be designed to protect
23 against flooding, improve water quality, preserve the integrity of groundwater resources,
24 and/or stabilize the water supply reliability for the existing Napa County population.
25 None of the projects are intended or designed to expand water capacity for growth and
26 new development.

27
28 The enabling ordinance of Measure A identifies eligible projects in Calistoga as follows:
29 Stabilization and enhancement of Kimball Reservoir which shall be for the purpose of
30 flood protection and water supply reliability; and Flood protection and drainage
31 improvements in the Grant Street area and other critical areas to protect residents and
32 businesses from flooding. In engineering studies, staff has determined that dredging
33 Kimball Reservoir would not yield much benefit in terms of additional water storage and
34 would face significant environmental challenges.

35
36 On November 18, 2003, the City of Calistoga entered into an agreement with the Napa
37 County Flood Protection and Watershed Improvement Authority (NCFPWIA) to provide
38 Measure A funds to pay for the engineering expenses of the Kimball Reservoir
39 Maintenance Dredging Program.

40
41 On April 19, 2005, the Council approved an amendment to that agreement in the
42 amount of \$85,408 and an additional amendment on October 4, 2005 to fund the storm
43 drain improvements that were included in the Grant Street Reconstruction Project.

44
45 On July 5, 2006, the Council approved Amendment No. 4 to extend the agreement to
46 June 30, 2008. The Grant Street Reconstruction Project has been completed and
47 reimbursements have been received. The Kimball Maintenance Dredging Program
48 engineering study has been partially completed and all costs expended to date have
49 been reimbursed by Measure A.

50
51 On June 17, 2008, Council approved Amendment No. 5 to the agreement that extended
52 the agreement for two years and requested additional funds in the amount of \$16,000 to
53 replace a culvert that has collapsed at Fischer Street and Lake Street. The culvert has
54 been replaced, and reimbursement of costs has been received.

55
56 On June 2, 2009, Council approved Amendment No. 6 to the agreement that amended
57 the Agreement further through FY 2017/2018 to provide Measure A funds for a USDA
58 loan debt service payment for Phase I and II of the Kimball Reservoir Water Treatment
59 Plant reliability improvements and also a one time cost-share payment for construction
60 of a water storage tank for a new maximum amount of Measure A funding in the amount
61 of \$6,182,423.

62

63 On June 15, 2010, Council approved Amendment No. 7 to the agreement that extended
64 the portion of the Agreement related to the construction of the water storage tank to
65 allow the costs to be expended in FY 10/11 and 11/12.

66
67 On October 5, 2010, Council approved Amendment No. 8 to approve funds for drainage
68 improvements to reduce flooding in southeastern Calistoga for existing and future
69 developments. A bypass culvert was installed from Central Creek to the Main Ditch at a
70 point downstream of the Chateau Calistoga Mobile Home Park for the purpose of
71 handling increases in stormwater flows and reducing the probability of flooding in the
72 Mobile Home Park. The Main Ditch was widened to create a bottom of 15 feet and a
73 2:1 side slope on the east and north sides of the channel from the Chateau Calistoga
74 Mobile Home Park south and east to the existing 48-inch culverts. The project also
75 included the replacement of two 48-inch diameter culverts with a bridge designed with a
76 minimum width of 12 feet, concrete abutments and steel beams supporting a wood or
77 metal deck. These drainage improvements were constructed as part of the Palisades
78 Spa and Resort development off-site improvements. The Measure A funding for this
79 project is \$600,000, which does not cover the full cost of the drainage improvements.
80 The Palisades Spa and Resort Development Agreement allows for the developer to
81 seek cost recovery from benefited properties.

82
83 On August 9, 2011, Council Approved Amendment No. 9 to approve funds for the
84 Kimball Dam Intake Tower, Drain Valve, Bypass Structure, and Water Rights Protection.
85 This project supports water supply reliability for Kimball Reservoir. Measure A funding
86 for this project is \$1,100,000. Amendment No. 9 allocated the funding in three fiscal
87 years as follows:

88			
89	FY 11/12	-	\$700,000
90	FY 12/13	-	\$50,000
91	FY 13/14	-	\$350,000

92
93 Since some of the costs were actually expended in FY 10/11, the Napa County Flood
94 Protection and Watershed Authority has requested an amendment to the Agreement to
95 re-allocate the funding as follows:

96			
97	FY 10/11	-	\$447,329
98	FY 11/12	-	\$252,671
99	FY 12/13	-	\$ 50,000
100	FY 13/14	-	\$350,000

101
102 The total funding committed in the City's Measure A agreement is \$7,876,190, which
103 does not change with Amendment No. 10.

104

105 The City's projected balance of unencumbered Measure A funds, after encumbering the
106 \$1,100,000 of Amendment No. 10, would still be \$8,839. Measure A sales tax revenues
107 will cease in FY17/18.

108

109 **FISCAL IMPACT:**

110

111 Applying the City's Measure A funding toward the noted Kimball Reservoir water supply
112 reliability improvements of Amendment No. 10 will decrease Water Enterprise Fund
113 outlays and temper any City water user rate increases.

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115 **ATTACHMENTS**

116

117 1. Resolution

118 2. Amendment No. 10

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RESOLUTION NO. 2012-

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA,
COUNTY OF NAPA, STATE OF CALIFORNIA,
APPROVING AMENDMENT NO. 10 TO THE FUNDING AGREEMENT WITH
NAPA COUNTY FLOOD PROTECTION AND
WATERSHED IMPROVEMENT AUTHORITY**

WHEREAS, the City of Calistoga entered into an agreement with the Napa County flood Protection and Watershed Improvement Authority (NCFPWIA Agreement No. 19; Calistoga Agreement No. 0042) on November 18, 2003 pursuant to which the NCFPWIA will allocate to the City of Calistoga a portion of the funds available in the City sub-account; and

WHEREAS, Amendment No. 1 to said agreement was approved on June 15, 2004; and

WHEREAS, Amendment No. 2 to said agreement was approved on April 19, 2005; and

WHEREAS, Amendment No. 3 to said agreement was approved on October 4, 2005; and

WHEREAS, Amendment No. 4 to said agreement was approved on July 5, 2006; and

WHEREAS, Amendment No. 5 to said agreement was approved on June 17, 2008; and

WHEREAS, Amendment No. 6 to said agreement was approved on June 2, 2009; and

WHEREAS, Amendment No. 7 to said agreement was approved on June 15, 2010; and

WHEREAS, Amendment No. 8 to said agreement was approved on October 5, 2010;

WHEREAS, Amendment No. 9 to said agreement was approved on August 9, 2011; and

WHEREAS, NCFPWIA and the City of Calistoga desire to amend said agreement to re-allocate funding years for Project #7 – Kimball Dam Intake Tower, Drain Valve, Bypass Structure, and Water Rights Protection in the amount of \$1,100,000 as follows: FY 10/11 - \$447,329; FY 11/12 - \$252,671; FY 12/13 - \$50,000; and FY 13/14 - \$350,000.

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NOW, THEREFORE BE IT RESOLVED that the City of Calistoga hereby approves Amendment No. 10 to the funding agreement (attached) with NCFPWIA re-allocating funding years for Project #7 – Kimball Dam Intake Tower, Drain Valve, Bypass Structure, and Water Rights Protection in the amount of \$1,100,000 as follows: FY 10/11 - \$447,329; FY 11/12 - \$252,671; FY 12/13 - \$50,000; and FY 13/14 - \$350,000.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute said amendment contingent upon approval by the City Attorney and NCFPWIA.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Calistoga at a regular meeting held this **17th day of January, 2012**, by the following vote:

AYES:

NOES:

ABSTAIN/ABSENT:

JACK GINGLES, Mayor

ATTEST:

AMANDA DAVIS, Deputy City Clerk

**AMENDMENT NO. 10 OF
NAPA COUNTY FLOOD PROTECTION AND WATERSHED
IMPROVEMENT AUTHORITY AGREEMENT NO. 19
and
CITY OF CALISTOGA AGREEMENT NO. 0042
MEASURE A FUNDING AGREEMENT**

THIS AMENDMENT NO. 10 OF NAPA COUNTY FLOOD PROTECTION AND WATERSHED IMPROVEMENT AUTHORITY AGREEMENT NO. 19 and CITY OF CALISTOGA AGREEMENT NO. 0042 (“Agreement”) is made and entered into as of this _____ of _____, 2012, by and between the NAPA COUNTY FLOOD PROTECTION AND WATERSHED IMPROVEMENT AUTHORITY, a public authority established pursuant to section 7285.5 of the Revenue and Taxation Code (“NCFPWIA”) and the CITY OF CALISTOGA (“CITY”);

RECITALS

WHEREAS, on or about November 18, 2003, NCFPWIA and CITY entered into the Agreement for funding by NCFPWIA to CITY of proceeds from the Flood Protection Sales Tax, a voter-approved special tax authorized by Measure A, for the purpose of providing One Hundred Eighty Five Thousand Dollars (\$185,000) for the Kimball Reservoir Treatment Plant Maintenance Dredging Project; and

WHEREAS, on or about July 13, 2004, NCFPWIA and CITY amended the Agreement to extend the term of the Agreement (“Amendment No. 1”); and

WHEREAS, on or about April 19, 2005, NCFPWIA and CITY amended the Agreement to extend the term of the Agreement and add \$85,408 in Measure A funding for the purpose of funding the Grant Street Drainage Improvements (“Amendment No. 2”); and

WHEREAS, on or about October 4, 2005, NCFPWIA and CITY amended the Agreement to add \$34,315 in additional Measure A funding for the Grant Street Drainage Improvements, for a new maximum amount of Measure A funding of CITY’s projects in the amount of \$304,723 (“Amendment No. 3”); and

WHEREAS, on or about July 5, 2006, NCFPWIA and CITY amended the Agreement to extend the term of the Agreement (“Amendment No. 4”); and

WHEREAS, on June 24th, 2008, NCFPWIA and CITY amended the Agreement to extend the term and to add \$16,000 in additional Measure A funding for culvert repair at Fischer and Lake Streets for a new maximum amount of Measure A funding in the amount of \$320,723 (“Amendment No. 5”); and

WHEREAS, on June 23, 2009, NCFPWIA and CITY amended the Agreement further extending the term through FY 2017/2018 to provide \$3,161,700 Measure A funds for a USDA loan debt service payment for Phase I and II of the Kimball Reservoir Water Treatment Plant reliability

improvements and a onetime cost-share payment of \$2,700,000 for construction of a water storage tank for a new maximum amount of \$6,182,423 (“Amendment No. 6”); and

WHEREAS, on June 29, 2010, NCFPWIA and CITY amended the Agreement because only \$405,000 of the \$2,700,000 cost share disbursement for the 1.5 million gallon water tank was expended in FY 2009/10. The Agreement as amended allowed the remaining balance of \$2,295,000 be paid out in future Fiscal Years (“Amendment No. 7”); and

WHEREAS, on October 5, 2010, NCFPWIA and CITY amended the Agreement adding \$600,000 in additional Measure A funds for FY 2010/11 to provide for a drainage improvement project to reduce flooding in Southeastern Calistoga for existing and future developments. New maximum amount under the Agreement as amended is \$6,782,423 (“Amendment No. 8”); and

WHEREAS, on August 9, 2011, NCFPWIA and CITY amended the Agreement to add \$1,100,000 in additional Measure A funds for the Kimball Dam Intake Tower, Drain Valve, Bypass Structure, and Water Rights Protection project. The amendment also adjusted the maximum allowances for completed projects 1 and 2 as referenced in Exhibit A-5 to reflect actual project costs. New maximum amount under the Agreement as amended is \$7,876,190 (“Amendment No. 9”);

WHEREAS, NCFPWIA AND CITY wish to amend the Agreement to adjust the yearly allocations of the \$1,100,000 Kimball Dam Intake Tower, Drain Valve, Bypass Structure, and Water Rights previously approved by this Board with Amendment 9, to reflect expenditures in FY 10/11 and to request approval to pay invoices for this project which are over one year old. Additional funds are not being requested and the maximum under this agreement remains at \$7,876,190,

TERMS

NOW, THEREFORE, NCFPWIA and CITY hereby amend the Agreement as follows:

1. Sections 2 of the Agreement are hereby amended to read in full as follows:
 2. **Funding.** NCFPWIA hereby agrees to transfer to CITY the amounts of Measure A funds corresponding to the Project Costs for each of the Projects described in Exhibit A-6 (for Projects 1 through 7), attached and incorporated into the Agreement by such reference, replacing in full the previous exhibits denoted as Exhibits A and A-1 through A-5, all inclusive. The total amount of such disbursements for all of the described Projects shall not exceed a maximum of Seven Million Eight Hundred Seventy Six Thousand One Hundred Ninety Dollars (\$7,876,190). The amounts of the Project Costs shall be disbursed for the Fiscal Years noted in Exhibit A-6 in accordance with Section 3 (Disbursal of Funds) of the Agreement, as reimbursement to CITY for expenditures CITY has made or is legally committed to make in connection with the described Projects. On and after the effective date of Amendment No. 10, all references in the Agreement to Exhibits A or A-1 through A-5 (all inclusive) shall mean Exhibit A-6.

Notwithstanding the foregoing, the maximum amounts noted in Exhibit A-6 are not guaranteed sums, and such amounts shall be disbursed only as set forth in Section 3 (Disbursal of Funds) as reimbursement to CITY for expenditures it has made or is legally committed to make.

2. This Amendment No. 10 shall be effective as of the date first above written.
3. Except as provided in (1) and (2), above, the terms and provisions of the Agreement shall remain in full force and effect as last amended.

IN WITNESS WHEREOF, the duly authorized representatives of the parties to this Agreement have executed this Amendment No. 10 as of the date first above written.

NAPA COUNTY FLOOD PROTECTION AND
WATERSHED IMPROVEMENT AUTHORITY

By _____

KEITH CALDWELL, Chair of the
NCFPWIA

“NCFPWIA”

ATTEST: GLADYS I. COIL,
Secretary of the NCFPWIA

By: _____

APPROVED BY THE GOVERNING
BOARD OF THE NCFPWIA

Date: _____

Processed By: _____

Deputy Clerk

<p>APPROVED AS TO FORM NCFPWIA Legal Counsel</p> <p>By: <i>Robert Paul</i> (e-signature)</p> <p>Date: 12-12-2011</p>

CITY OF CALISTOGA

By _____

RICHARD D. SPITLER, City Manager

“CITY”

ATTEST:
Calistoga City Clerk

By _____

APPROVED AS TO FORM:
MICHELE KENYON
Calistoga City Attorney

By _____

EXHIBIT A-6

PROJECT DESCRIPTIONS

Project #1 - Stabilization and Enhancement of Kimball Reservoir

This Project is for the purpose of flood protection and water supply reliability.

The Kimball Canyon Dam was constructed for flood control and to provide a water supply for the community of Calistoga. The original storage capacity was estimated to be 409 acre-feet. Since its construction, Kimball Reservoir has accumulated sediment and debris, especially during periods of high runoff. Reservoir soundings taken in 1991 indicated sedimentation had reduced the reservoir capacity to about 312 acre-feet. This sedimentation accumulation has reached a level that is affecting the operation of the intake facilities for the water treatment plant and degrading water quality.

Measure A funds will be utilized to hire a contractor to complete CEQA documents, secure permits, secure grant funding applications and deliver a bid package including plans, specifications and estimates to complete the dredging of Kimball Reservoir by the end of Fiscal year 2005-2006. The Measure A funding for this Project granted under this Agreement is **\$185,000.00.**

FY 03/04	-	\$104,500.61
FY 04/05	-	\$ 17,713.53
FY 05/06	-	\$ 3,524.17

Total Expended as
of 6/30/2011 \$125,738.31

Maintenance Dredging for this project will be completed in future years.

Project #2 - Flood Protection and Drainage Improvements in the Grant Street Area

The purpose of this Project is to protect residents from flooding.

The primary route for students walking and bicycling to Calistoga Junior-Senior High School and Palisades High School is along Grant Street from Stevenson Street to Lake Street. Currently, the drainage improvements in this area consist of an open swale that carries water to the drainage system. Installation of approximately 670' of 12" storm drain improvements will direct water to an underground piping system and will help prevent street flooding in this area.

Original amount approved for this Project under this Measure A Agreement \$119,723.00.

This project is complete.

FY 06/07	-	\$117,470.04
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Total Approved under this contract \$117,470.04.

Project #3 – 24” Culvert Repair - Fischer Street at Lake Street

The purpose of this Project is to protect residents from flooding.

The culvert at Fischer Street and Lake Street is collapsing and slowing the flow of water through the drainage ditch. The project would repair/replace the 24” culvert therefore preventing the drainage ditch from overflowing.

Original amount approved for this Project under this Measure A Agreement \$16,000.

This project is complete.

FY 08/09 - \$12,020

Total Approved under this contract \$12,020.

Project #4 – 1.5 Million Gallon Water Storage Tank

The purpose of this Project is in accordance with CDPH Compliance Order 02-03-96CO-003 and to provide enhanced water supply reliability. The 1.5 million gallon water storage tank shall be used to store water from Kimball Reservoir and other sources and enhance water supply reliability from Kimball Reservoir While the total cost of water storage tank construction exceeds \$6 million, the City will use Measure A funds to cover a one-time cost share.

The Measure A funding for this Project granted under this Agreement is **\$2,700,000.**

The costs of this project are spread over several fiscal years. It is expected that this project will be completed in FY 12/13.

FY 09/10	-	\$ 405,000
FY 10/11	-	\$ 90,941
FY 11/12	-	\$1,709,059
FY 12/13	-	\$ 495,000

Total Expended as of 6/30/2011	\$ 495,941
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Contract Balance	\$2,204,059
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Project #5 - Schedule of Debt Payments on \$2.5M USDA Loan for Phase I and II of the Kimball Water Facilities Improvement Project

FY 2008/09	\$ 125,600.00
FY 2009/10	\$ 379,850.00
FY 2010/11	\$ 368,993.75
FY 2011/12	\$ 359,093.75
FY 2012/13	\$ 348,106.25

FY 2013/14	\$ 337,075.00
FY 2014/15	\$ 326,000.00
FY 2015/16	\$ 315,881.25
FY 2016/17	\$ 304,675.00
FY 2017/18	\$ 296,425.00

Total Measure A funding under this Agreement **\$3,161,700.00**

Total Expended as of 6/30/2011 \$ 874,503.00

Contract Balance \$2,287,197.00

Project #6 – Drainage Improvements in Southeastern Calistoga

The purpose of this project is to reduce flooding in southeastern Calistoga.

A bypass culvert will be installed from Central Creek to the Main Ditch at a point downstream of the Chateau Calistoga Mobile Home Park for the purpose of handling increases in flows. Main Ditch will be widened to create a bottom of 15 feet and a 2:1 side slope on the east & north sides of the channel from the Chateau Calistoga Mobile Home Park south and east to the existing 48-inch culverts. Additionally, the Main Ditch will be widened to a 33-foot bottom, with a 2:1 side slope, from the existing two 48-inch diameter culverts to its outlet at the Napa River. The project will also include the replacement of two 48-inch diameter culverts with a bridge designed with a minimum width of 12 feet, concrete abutments and steel beams supporting a wood or metal deck.

The Measure A funding for this Project granted under this Agreement is **\$600,000**.

FY 10/11 - \$600,000

Total Expended as of 6/30/2011 \$600,000

Contract Balance -0-

Project #7 – Kimball Dam Intake Tower, Drain Valve, Bypass Structure, and Water Rights Protection

This project will support water supply reliability for Kimball Reservoir. Certain dam structures are inadequate, and if not replaced, may result in catastrophic flooding from dam failure. City water rights for Kimball Reservoir have also been challenged, requiring hydrology studies, fishery biologist studies, and legal support costs. The City’s bypass structure and level sensor need to be upgraded to better support fish habitat.

The Measure A funding for this Project granted under this Agreement is **\$1,100,000**

FY 10/11	-	\$ 447,329
FY 11/12	-	\$ 252,671
FY 12/13	-	\$ 50,000
FY 13/14	-	\$ 350,000
Contract Balance		\$1,100,000