

# City of Calistoga

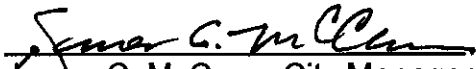
## Staff Report

**TO:** Honorable Mayor and City Council  
**FROM:** James M. Smith, Senior Civil Engineer  
**VIA:** Dan Takasugi, Public Works Director/City Engineer  
**DATE:** June 17, 2008  
**SUBJECT:** Consideration of a Resolution Approving the Plans and Specifications for the Mt. Washington Water Storage Tank Project and Authorizing City Staff to Begin the Public Bid Process

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**APPROVAL FOR FORWARDING:**

  
James C. McCann, City Manager

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1 **ISSUE:**

2  
3 Consideration of a Resolution approving the Plans and Specifications for the Mt.  
4 Washington Water Storage Tank Project and authorizing City Staff to begin the public  
5 bid process.

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7 **RECOMMENDATION:**

8  
9 Adopt the Resolution.

10  
11 **BACKGROUND/DISCUSSION:**

12  
13 The City is required to provide adequate water storage to meet the daily demands of  
14 existing customers, satisfy peak fire flow rates, and provide emergency reserve in the  
15 event of an interruption in supply or transmission of potable water. Although the City  
16 maintains a 1 million gallon storage tank at Fiege Canyon, this tank does not provide  
17 enough capacity to meet the City's storage requirements. Further, the existing Fiege  
18 Canyon water tank needs to be taken out of service for cleaning and rehabilitation  
19 without disrupting service, which requires an alternative location for potable water  
20 storage to accomplish this work.

21  
22 In recognition of these issues, the State Department of Health Services has required  
23 the City to design and construct a new water tank to address the City's water storage

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24 needs and to upgrade the Fiege Canyon tank. In response, the City Council directed  
25 staff to pursue development of a 1.5 million storage tank to accommodate both the  
26 current storage needs and provide additional storage capacity for future development  
27 consistent with the limited growth anticipated in the General Plan.

28  
29 In 2006, the City acquired the Mt. Washington parcel for the purpose of constructing  
30 this water tank. That same year, the City contracted with Tetra Tech, Inc. for  
31 engineering design services for the project. The design work is now essentially  
32 complete, say 99%. The current project drawings are marked as '90% - Not for  
33 Construction', as this drawing set was used as a means to complete the required  
34 project review by the Planning Commission on May 28, 2008. {Please refer to the  
35 Environmental Review section for additional information.}

36  
37 The remaining work necessary to get the project drawings to fully 'biddable' condition  
38 includes addressing several minor comments from staff that will clarify but not  
39 substantially change the scope of the project. Also, provided that the Council is in  
40 agreement with the proposed timing to start the project as recommended below, the  
41 drawings would be revised to remove the tree removal work from the main water tank  
42 project.

43  
44 Staff is requesting approval of the project plans and specifications by the Council and  
45 authorization to begin the public bid process. However, staff recommends that the  
46 actual bidding of the project occur during the upcoming winter period. There are four  
47 main reasons why staff is recommending this timing. First, staff is continuing to  
48 explore outside funding opportunities, and requests additional time to try to secure  
49 project funding on favorable terms (see Fiscal Impact, below). Second, this project  
50 will involve a very considerable amount of earthwork over the first third of the project  
51 timeline. If the project were to go to bid right away, the bid, award, and start-up  
52 process would take several months and likely mean that the contractor would have  
53 the majority of the earthwork opened up this fall and over the winter. The cost and  
54 potential negative impacts to doing this portion of the work over the winter period are  
55 considerable. On the other hand, if the project is bid over the upcoming winter, the  
56 initial phase of the construction project would occur over the spring and summer  
57 periods of 2009, minimizing the costs and impacts from potential unfavorable  
58 weather.

59  
60 A third reason for the recommended project timing is to take advantage of project  
61 bidding during a time of year when, typically, contractors are bidding projects most  
62 aggressively. Construction in this area is quite seasonal, and many contractors do  
63 much of their planning and project work on a construction season basis. In bidding  
64 the project in the winter, early in that following construction season, it typically results  
65 in a favorable bidding climate as contractors try to set up the upcoming season.

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66 Also, with the recommended project timing, contractors will not have to include  
67 substantial costs for early erosion control efforts and other winter work impacts in  
68 their bids.

69  
70 The fourth and last reason for the recommended timing relates to staff workload  
71 issues. In addition to many other duties and the Fire Station and Recreation  
72 Facilities projects which are under design, the Community Pool project is currently  
73 under construction, and the construction at Kimball Water Treatment Plant is  
74 scheduled to begin this fall. These two construction projects will be either completed  
75 (Pool) or nearly complete (Kimball) by next spring, which will allow staff resources to  
76 focus on the very large water tank construction project.

77  
78 If the Council agrees with the recommended timing, construction on the project would  
79 be expected to begin in spring 2009 for completion in spring/summer 2010. As  
80 alluded to above, the recommended timing does cause one conflict, which would be  
81 moving the start of the project into the raptor nesting season. In order to minimize  
82 the risk that protected birds build nests in trees that are to be removed as part of the  
83 project, staff proposes to contract for the tree removal work during this fall or winter,  
84 when protected birds are not nesting. This tree removal work would be removed  
85 from the water tank contract scope and performed under a separate contract.

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87 **GENERAL PLAN CONFORMANCE/ENVIRONMENTAL REVIEW:**

88  
89 This project conforms to the General Plan Section 7-I – Water Facilities Services,  
90 Objectives I-1.1 and I-1.2.

91  
92 This project has fully complied with CEQA. A Final Environmental Impact Report  
93 (EIR) was circulated for public review in May 2002 and the City Council took action to  
94 certify the Final EIR on June 18, 2002.

95  
96 The EIR identifies several mitigation measures to reduce potential project impacts to  
97 a less-than-significant level. In the area of aesthetics, Mitigation Measure 'VISUAL-1'  
98 specifically required Planning Commission review of the final design of the project to  
99 ensure that aesthetic impacts have been reduced to a less-than-significant level,  
100 which was defined as maintaining "... views of the project site (that) are as similar as  
101 possible to the current tree-covered landscape". The Planning Commission  
102 considered this mitigation measure, after taking public comments, at its May 28, 2008  
103 meeting. Following this review, the Planning Commission passed Resolution PC  
104 2008-22 finding that the proposed design of the Mt. Washington Water Tank project  
105 satisfies Mitigation Measure 'VISUAL-1' of the previously certified Environmental  
106 Impact Report for the Calistoga Water Tank Project.

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108 **FISCAL IMPACT:**

109  
110 The City has spent approximately \$446,500 for planning and design work in prior  
111 fiscal years, and expended approximately \$34,500 in fiscal year 07-08 for costs  
112 associated with the preliminary and final design of the project. In addition, the City  
113 spent approximately \$2,040,000, mostly in fiscal year 05-06, for the acquisition of the  
114 property and related costs. The remainder of the project costs are projected to occur  
115 during FY08-09 and FY09-10.

116  
117 The overall cost of the project is currently estimated to be \$7.981 million. The  
118 estimated funding sources and costs of the project are categorized as follows:  
119

**Sources of Funds**

Water Capital	897,108
USDA or Other Loan	5,455,000
State DWR Feasibility Study Grant	128,892
2005 CSCDA Loan	1,500,000
<b>Total Sources</b>	<b>7,981,000</b>

**Uses of Funds**

Administration/Inspection	450,000
Planning/Design/Environmental	541,000
Property Acquisition	2,040,000
Improvements	4,500,000
Contingency	450,000
<b>Total Uses</b>	<b>7,981,000</b>

120  
121 The funding for this project has always been designed as a combination of Water  
122 Capital funding from new development connection fees, long term financing repaid  
123 from connection fees and current water users and grants to offset costs to the current  
124 users. Unfortunately, staff has not been able to secure improvement grants for this  
125 type of project and will likely need to fund most of the project from long term  
126 financing.

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128 Staff has begun the pre-application process with the United States Department of  
129 Agriculture (USDA) for a long term loan, similar to other previous water and  
130 wastewater loans. We will likely be eligible for a loan at favorable terms and rates for  
131 all or most of the amount indicated above. We have been given indications that this  
132 project may be eligible for a partial grant that would reduce the amount needed to be  
133 borrowed. (In the Kimball pipeline and water treatment plant project 2002 Loan/grant  
134 award, the City met the USDA criteria for a \$1 million grant. Since that time, the

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135 USDA criteria have changed and the City's income levels exceed the minimums for  
136 grant funding).

137

138 In addition, staff has and will continue to review other potential sources of loan and  
139 grant funding for the project. The proposed project start date of spring 2009 will give  
140 more time to review other funding sources and to finalize the financing plan.

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142 **ATTACHMENTS**

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144 1. Resolution

145 2. Project Drawings (may be reviewed at the City Clerk's office)

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RESOLUTION 2008- \_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA,  
COUNTY OF NAPA, STATE OF CALIFORNIA,  
APPROVING PLANS AND SPECIFICATIONS FOR THE  
MT. WASHINGTON WATER STORAGE TANK PROJECT  
AND AUTHORIZING THE PUBLIC WORKS DEPARTMENT  
TO ADVERTISE FOR BIDS**

**WHEREAS**, the City is required to provide adequate water storage to meet the daily demands of existing customers, satisfy peak fire flow rates, and provide emergency reserve in the event of an interruption in supply or transmission of potable water; and

**WHEREAS**, the State Department of Health Services has required the City to design and construct a new water tank to address the City's water storage needs; and

**WHEREAS**, the City has developed and completed a Water Facilities Master Plan, which was formally adopted by the City Council in 2000, that found and determined that the City of Calistoga requires additional potable water storage capacity; and

**WHEREAS**, the City completed CEQA process for the Mt. Washington Water Storage Tank in June, 2002, by means of certifying an Environmental Impact Report; and

**WHEREAS**, the City acquired the Mt. Washington property in 2006 for the purpose of constructing a water storage tank; and

**WHEREAS**, the City Council entered into a Professional Services Agreement with Tetra Tech, Inc. in February 2006 for design of the water tank project; and

**WHEREAS**, the design of the project is essentially complete, and the City Engineer has approved said plans; and

**WHEREAS**, staff recommends that the start of the advertising and bidding period occur during the upcoming winter period to allow time to pursue outside funds for the project, to avoid performing earthwork in the fall/winter periods, and to allow other pressing City projects presently underway to progress.

**NOW, THEREFORE BE IT RESOLVED** that the City Council of the City of Calistoga approves the plans and specifications prepared by Tetra Tech, Inc. and authorizes the Public Works Department to advertise for bids, with such advertisement deferred until the winter 2008-2009 period.

**PASSED, APPROVED, AND ADOPTED** by the City Council of the City of Calistoga at its regular meeting held this 17<sup>th</sup> day of June, 2008 by the following vote:

**AYES:**

**NOES:**

**ABSTAIN/ABSENT:**

\_\_\_\_\_  
Michael Dunsford, Vice Mayor

**ATTEST:**

\_\_\_\_\_  
SUSAN SNEDDON, City Clerk