

**City of Calistoga**  
**Staff Report**

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**TO:** Honorable Mayor and City Council

**FROM:** Michael Kirn, Public Works Director

**DATE:** July 7, 2015

**SUBJECT:** Authorization to Submit Application for Funding to the Safe Drinking Water State Revolving Fund for the Dwyer Road Pump Station and Ratification of a Mitigated Negative Declaration Adopted by the City of Napa on June 2, 2015 for CEQA Compliance.

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APPROVAL FOR FORWARDING



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Richard D. Spitler, City Manager

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2 **ISSUE:** Adopt a Resolution authorizing the City Manager or Designee to submit a loan  
3 application to the Safe Drinking Water State Revolving Fund (SDWSRF) for  
4 construction of the Dwyer Road Pump Station (DRPS) on behalf of the Cities of Napa,  
5 Calistoga and St. Helena (the Cities), a Resolution of Intent to Reimburse Project  
6 Expenditures from Financing Proceeds, and a Resolution ratifying the Negative  
7 Declaration adopted by the City of Napa for the Dwyer Road Pump Station.

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9 **RECOMMENDATION:** That the City Council adopt resolutions that do the following:

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11 1. Authorizes the submittal of a funding application to the State through the DWSRF  
12 program for the Dwyer Road Pump Station and designates the City Manager or  
13 Designee as the City's authorized representative to sign any related documents  
14 as necessary to comply with the requirements of the Division of Drinking Water.  
15 2. Provides constructive notice of the City of Calistoga's intent to reimburse Project  
16 expenditures from the Safe Drinking Water State Revolving Fund.  
17 3. Ratifies and affirms the Negative Declaration adopted by the City of Napa on  
18 June 2, 2015.  
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20 **DISCUSSION:** The City of Calistoga, through the Napa County Flood Control and  
21 Water Conservation District, is a participating member of the State Water Project  
22 (SWP). Approximately half of our water supply is from the SWP delivered via the North  
23 Bay Aqueduct (NBA) and is "treated and wheeled" under a contract by the City of Napa.  
24 The DRPS is an integral part of the NBA delivery system.

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26 Due to the age of the DRPS system, reliability and adequate operating pressures have  
27 become a concern and the Cities started the process to upgrade or replace the DRPS.  
28 Under a previously adopted MOU/Agreement between the Cities, plans and  
29 specifications have been prepared and the DRPS project is ready to bid.

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31 The estimated cost for construction is \$6 million dollars and is proposed to be financed  
32 through a possible grant and/or low interest loan from the DWSRF. Currently we are  
33 attempting to secure grants as a disadvantaged or economically distressed community.  
34 If grant funding is not available it is anticipated that the cost to construct the DRPS  
35 would be split equally by the Cities, or \$2 million each and financed through the DWSRF  
36 with a 20-year loan at an interest rate of approximately 1.7%. The annual debt service  
37 is approximately \$120,000 and was included in the FY 2015/16 CIP Budget adopted by  
38 the Council on June 16, 2015.

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40 The recommended resolutions do the following:  
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42 • Authorizes the submittal of a funding application to the State through the DWSRF  
43 program for the Dwyer Road Pump Station and designates the City Manager or  
44 Designee as the City's authorized representative to sign any related documents  
45 as necessary to comply with the requirements of the Division of Drinking Water.  
46 • Provides constructive notice of the City of Calistoga's intent to reimburse Project  
47 expenditures from the Safe Drinking Water State Revolving Fund.  
48 • Ratifies and affirms the Negative Declaration adopted by the City of Napa.

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50 **FINANCIAL IMPACTS:** This project is listed in the City's Capital Improvement Project  
51 Budget (Account Number 12-5418-4905) with \$200,000 in appropriations. If grant  
52 funding is obtained, the amount of water funds needed for this project would be  
53 reduced.

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55 **CEQA:** The City of City of Napa as the Lead Agent for the Dwyer Road Pump Station  
56 Project had an Initial Study prepared to identify any environmental impacts the Project  
57 may have pursuant to CEQA and the CEQA Guidelines, Code of California Regulations,  
58 Title XIV, Section 15000 et seq., and the City of Napa CEQA Guidelines.  
59 Based on the Initial Study a Mitigated Negative Declaration (MND) was prepared which  
60 included mitigation measures for biological and cultural resources. On June 19, 2014  
61 the City of Napa posted a notice of Completion of the Negative Declaration from June  
62 18, 2013 to July 24, 2014, for review and comment by the public and public agencies  
63 having jurisdiction by law with respect to the project including filing the MND with the  
64 County Clerk and the State Clearing House.

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66 On June 2, 2015, after a properly posted public meeting and receiving any public  
67 comment the City Council of the City of Napa adopted the MND and commensurate

68 recommendations and mitigation measures. The recommended resolution ratifies and  
69 affirms the MND adopted by the City Napa for purposes of compliance with CEQA.

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71 **ATTACHMENTS:**

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1. Resolution authorizing the submittal of a funding application to the State through the DWSRF program for the Dwyer Road Pump Station and designates the City Manager or Designee as the City's authorized representative to sign any related documents as necessary to comply with the requirements of the Division of Drinking Water.
2. Resolution providing constructive notice of the City of Calistoga's intent to reimburse Project expenditures from the Safe Drinking Water State Revolving Fund.
3. Resolution ratifies and affirming the Mitigated Negative Declaration adopted by the City of Napa on June 2, 2015.