

City of Calistoga

Staff Report

TO: Honorable Mayor and City Council
FROM: Michael Kirn, Public Works Director/City Engineer
DATE: August 1, 2017
SUBJECT: Consideration of a Resolution Approving an Agreement with Richard Dwyer for Water Line Construction Related to the Francis House Restoration Project at 1403 Myrtle Street.

APPROVAL FOR FORWARDING:



Dylan Feik, City Manager

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ISSUE: Consideration of a Resolution approving an agreement with Richard Dwyer (Applicant) for water line construction related to the Francis House Restoration Project at 1403 Myrtle Street.

RECOMMENDATION: Adopt the Resolution.

BACKGROUND/DISCUSSION: During permit review for the Francis House Renovation project, it was determined that the existing 2” steel pipe water line on Myrtle Street between Lincoln Avenue and Berry Street would need to be replaced in order to supply sufficient water for domestic and fire flow needs of the project and surrounding areas. There are 6” dead-end water lines extending from Foothill to Myrtle on Berry Street and on Spring Street. The line on Spring Street does not have adequate fire flows.

The City’s Municipal Code (13.04.170 F.1) requires developers to construct utilities along their entire frontage and further states the frontage improvements are not subject to reimbursement or credit by the City. For the subject property the Myrtle frontage is approximately 120 feet.

A condition of approval for the project requires the Applicant to install approximately 440 lineal feet of 8” water line connecting the two dead-end 6” lines. The Applicant was also required to install appurtenances and “switch over” at least four water service laterals that are connected to the 2” steel line that will be replaced by the new 8” water main.

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24 The estimated cost to install the 8" water main, appurtenances and the connections is
25 approximately \$180,000 or \$409/ft. The value of the frontage improvement is \$49,080 (120
26 ft X \$409/ft) and is the responsibility of the Applicant.

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28 In addition to other impact fees, the Applicant was responsible for \$34,772.60 and
29 \$72,950.39 in water and wastewater capacity fees respectively and was required to pay
30 \$36,294.99 in wastewater capacity fees.

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32 Staff proposes that the Applicant be reimbursed/credited \$130,920 (\$180,000 - \$49,080)
33 towards the water line installation. The amount of credit would be \$34,772.60 from the
34 water connection fee and a credit of \$36,665.40 from the wastewater connection fee for a
35 total of \$71,438.

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37 At the completion of the water line construction a reconciling audit comparing actual costs
38 incurred will be conducted and the Applicant would be reimbursed for expenses incurred
39 less credits to date. The estimated balance to be reimbursed is \$59,482 (\$130,920 -
40 \$71,438).

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42 Installation of the 8" water line along the full block of Myrtle Street between Spring Street
43 and Berry Street will provide the following benefits to the Water Distribution System:

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- 45 • Replaces an old 2" steel line that is undersized, prone to water leaks, and beyond its
46 useful life
- 47 • "Loops" two dead-end water lines thereby improving water supply reliability
- 48 • Improves fire flows on Berry and Spring between Myrtle and Foothill
- 49 • Improves fire flows on Myrtle between Berry and Spring Streets

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51 **CONSISTENCY WITH CITY COUNCIL GOALS AND OBJECTIVES:** This project is
52 consistent with City Council Goal #3: Establish, improve and maintain City infrastructure.

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54 **FISCAL IMPACT:** At the time of permit issuance for the 1403 Myrtle Street project the City
55 would have received the Water and Sewer Connection fees and made available for Capital
56 Improvement Projects. However, given the 2" steel line is undersized and beyond its useful
57 life it is desirable to install a new water main in Myrtle Street between Spring Street and
58 Berry Street now, using capacity fees owed by the Applicant and fund balances. The net
59 fiscal impact to the Water Enterprise is the addition of an asset valued at \$180,000 for an
60 investment of \$130,920.

61

62 Funds are budgeted in the Water Capital Account No. 12-5490-4915 in the amount of
63 \$25,000 and in the Water Capital Account No. 12-5513-4915 in the amount of \$25,000
64 leaving an estimated balance unfunded of \$9,482. When the project has been completed
65 and the audit has been conducted, Staff will come back to the Council with a budget
66 adjustment request for the additional funds needed from unappropriated fund balances.

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68 **ATTACHMENTS:**

- 69 1. Resolution
- 70 2. Agreement

RESOLUTION NO. 2017 - XXX**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA, COUNTY OF NAPA, STATE OF CALIFORNIA, APPROVING AN AGREEMENT WITH RICHARD DWYER FOR INSTALLATION OF A WATER LINE RELATED TO THE FRANCIS HOUSE RENOVATION PROJECT AT 1403 MYRTLE STREET**

WHEREAS, Richard Dwyer (Applicant) is restoring the Francis House at 1403 Myrtle Street; and

WHEREAS, during permit review it was determined that the 2" steel water line in Myrtle Street between Spring Street and Berry Street needs to be replaced with an 8" water line to connect to the two six-inch dead-end water lines on Berry Street from Foothill Blvd. and Spring Street from Foothill Blvd. to provide better water service and fire flow to the project and surrounding areas; and

WHEREAS, pursuant to City of Calistoga Municipal Code Section 13.04.170.F.1, developers are required to construct utilities along their entire frontage and further states the frontage improvements are not subject to reimbursement or credit by the City; and

WHEREAS, the frontage of the subject property is approximately 120 feet; and

WHEREAS, a condition of approval for the project was for the Applicant to install approximately 440 lineal feet of 8" water line connecting the two dead-end 6" lines and install appurtenances and switch over at least four water service laterals that are connected to the 2" steel line to be replaced; and

WHEREAS, the estimated cost to install the 8" water main, appurtenances and the connections is approximately \$180,000 or \$409/ft; and

WHEREAS, the value of the frontage improvement for 1403 Myrtle Street is \$49,080 (120 ft. X \$409/ft) and is the responsibility of the Applicant; and

WHEREAS, the Applicant was required to pay \$34,772.60 for water connection fees and \$72,950.39 for wastewater connection fees for a total of \$107,722.99; and

WHEREAS, Staff proposes that the Applicant be credited \$71,438 towards installation of the water line that is not along the project frontage, \$34,772.60 from the water connection fee and \$36,665.40 from the wastewater connection fee; and

WHEREAS, Applicant was required to pay a wastewater connection fee in the amount of \$36,294.99 at the time of permit issuance; and

WHEREAS, at the completion of the water line construction a reconciling audit will be performed to determine the actual amount of reimbursement owed back to the applicant

1 estimated to be \$59,482 (\$130,920 - \$71,428); and
2

3 **WHEREAS**, funds are currently available in Water Capital Account No. 12-5490-
4 4915 in the amount of \$25,000 and Water Capital Account No. 12-5513-4915 in the
5 amount of \$25,000, leaving an estimated balance of \$9,482; and
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7 **WHEREAS**, once the audit has been completed and the actual balance is known,
8 Staff will come back to Council for a budget adjustment to complete the funding.
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10 **NOW, THEREFORE BE IT RESOLVED** as follows:
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12 1. The City Council of the City of Calistoga resolves that an Agreement be
13 approved with Richard Dwyer for installation of an 8" water line along Myrtle Street
14 between Spring Street and Berry Street related to the Francis House Renovation Project at
15 1403 Myrtle Street.

16 2. That a credit in the amount of \$34,772.60 from the Water Connection Fee
17 and \$36,665.40 from the Wastewater Connection fee be given to Richard Dwyer for
18 installation of the water line along Myrtle Street that does not front the subject property at
19 1403 Myrtle Street.

20 3. That a reconciling audit will be conducted after the installation of the water
21 line is complete to verify the actual cost of the construction and a reimbursement will be
22 issued to the Applicant for any cost that exceed the credits given, and the valuation of his
23 frontage obligation.

24 4. That upon completion of the project and the reconciling audit, a budget
25 adjustment will be brought back to Council for approval to complete the funding.
26

27 **PASSED, APPROVED, AND ADOPTED** by the City Council of the City of Calistoga
28 at a regular meeting held this **1st day of August 2017**, by the following vote:
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30 **AYES:**

31 **NOES:**

32 **ABSTAIN:**

33 **ABSENT:**
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36 _____
37 **CHRIS CANNING, MAYOR**

38 **ATTEST:**
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KATHY FLAMSON, City Clerk