

WATER RATE COMMITTEE QUESTIONS/ANSWERS (From the February 9, 2010 Meeting)

Q: Does Calistoga account for water that goes 'missing' from the water system due to leaks or other reasons? Does Calistoga have high levels of water loss?

A: All water systems have a certain level of water losses in their systems, and most water systems carefully account for all water produced and sold on a regular basis. Calistoga tracks and reports its total water production, and total water sales to customers, on a bi-monthly basis. Water system losses (which are usually referred to in the industry as 'Unaccounted for Water') occur due to numerous factors, the largest of which include fire hydrant flushing, leakage in water mains and services, inaccuracies in water metering, and theft. Calistoga's 'Unaccounted for Water' levels are rather small, and are well within industry norms for a City of our size and age. Over the last six years, Calistoga's water loss has averaged 6.5% per year. The City has improved the level of water losses over the years through periodic replacements of segments of our pipeline infrastructure.

Q: Why did the City of Calistoga make a payment for \$405,000 to the developers of the Solage Resort for a new waterline constructed within Silverado Trail?

A: The Solage Resort developers constructed a public water main in Silverado Trail, located between Brannan Street and the Briggs Winery driveway (about 2500-feet in length), as part of the construction of the resort itself in 2007. The pipeline's primary function, which will benefit all users of the City's water system, is to provide a large-diameter piping connection to the Mt. Washington Water Tank, which is currently scheduled to begin construction this summer. The Solage Resort did not require this water main for its own water service requirements. The Mt. Washington Water Tank project has always included an interconnection pipeline, which will tie the new storage tank into the existing pipeline network at two locations. City staff and the project developer agreed that there would be numerous benefits, to all parties, for the pipeline in Silverado Trail to be constructed concurrently with the resort. Now that the interconnection pipeline has been constructed, the work has been deleted for the scope of the water tank project itself. The City retained an independent engineering firm to evaluate the developer's costs to construct this pipeline, and the cost was found to be reasonable and comparable to the cost the City would have incurred had it contracted to perform the work itself. Upon the finding that the cost was reasonable and appropriate, the developer's costs were reimbursed. Since this Mt. Washington interconnection pipeline has been determined to be an essential element for the water supply reliability for our community, the City was able to arrange reimbursement of this cost through the Napa County Measure A program.

Q: Do water connection fees pay a capacity charge for new facilities?

A: Water connection fees pay a capacity charge as a “buy in” to facilities in existence and for both improvements to existing infrastructure and new facilities as a component of the connection fee calculation.