

Responses to questions asked at the January 26th Committee Meeting

1: The City Treatment Plant showed inefficiency by throwing away equipment, including hoses and a fairly new air compressor.

A: Old hoses that have exceeded their useful life are better disposed, than risk failure during critical operations. The small, inexpensive air compressor (less than \$100 in new cost) was flagged on a regulatory inspection as not being certified for use at the treatment plant and staff was directed by the regulator to dispose of the year-old compressor. If the uncertified compressor was sold at auction (likely for less than 50% of its value), it could have brought liability and legal expenses upon the City if it caused injury. Therefore, the compressor was promptly disposed.

2: The City's Treatment Plant Supervisor shows inefficiency for driving a City truck home and to work.

A: Our Water and Wastewater Treatment Supervisor has extensive responsibility over the regulatory compliance of both City treatment plants and reclaimed water system. He can be called at any time of nights or weekends to respond to problems at the treatment plants. In the event of an emergency treatment plant problem without the City truck, he may need to spend valuable time diverting to the plant office, getting keys for the City truck, and then proceeding to the problem site. Minutes could make the difference between a large fine and a solved problem.

3: The City's Treatment Plant operations should be contracted out to private vendors.

A: If directed by Council, staff would undertake a major services analysis and procurement effort to determine the cost of privatizing both the Water Treatment Plant and the Wastewater Treatment Plant. The magnitude of such an effort would displace other key Council priorities. There are many factors that need to be considered before undertaking such an effort, a few of which are noted here. Private vendors need to make a profit and pay Federal/State taxes which will greatly impact their cost, as compared to the City which is inherently a non-profit enterprise. The City has had a tough time hiring qualified and certified treatment plant operators in our somewhat remote location. Private contractors would have a similar challenge, unless they could match or exceed City wages and benefits. A private vendor would likely insist that major treatment plant equipment be promptly installed or brought up to industry standards with major City-funded capital investment. City staff understands the financial constraints and current deficiencies of our treatment systems and thus takes a "live-with-it and invest-when-reasonable" approach to system improvements.

4: The City Treatment Plant shows inefficiency by having a washer and dryer at the Wastewater Treatment Plant.

A: The washer and dryer exist to clean heavily soiled and unsanitary City-purchased work clothing. Other neighboring sewage treatment facilities often use a City-funded cleaning service, which comes at a higher cost. Staff estimates that only about 6-7 laundry loads are washed each week. Staff is aware that one former employee used to wash personal laundry, and that practice was terminated years ago.

5: The City should conduct an Audit of Treatment Plant Operations.

A: The City does conduct an annual audit of financial records and reports the results to the City Council. Wastewater treatment plant operations are highly regulated and inspected by the Regional Water Quality Control Board and the Environmental Protection Agency, amongst several regulatory agencies. The Water Treatment plant operations are highly regulated and inspected by the California Department of Public Health. Also, the City's insurance carrier, PARSAC, performs an annual risk management audit of both treatment facilities.

6: The City's Treatment Facilities do not have a Preventative Maintenance System (PMS).

A: The City does have a computerized Preventative Maintenance Management System. It is a requirement of our wastewater discharge permit. This computerized maintenance management system is a web-based database application called "Bigfoot CMMS". Formerly, the City had a standalone PC-based application called "Avantis", which was installed at the time of the wastewater plant upgrade in 2003. In January 2009, the PC upon which Avantis was installed, crashed and the data could not be restored without significant cost. This was about the time when the originator of this question departed City employment. In June 2009, the City started working with Bigfoot CMMS as its PMS. This web-based PMS is maintained, backed up, and updated remotely by the system vendor. Much of our equipment inventory and maintenance tasks have been entered into the system and the system has been generating work orders. But amongst the thousands of pieces of treatment plant equipment, there is much more data that still needs to be entered on the PMS.

7: Don't all capital improvement (construction) projects have huge cost over-runs, just like happened on the Dunaweal Wastewater Treatment Plant project in the early 2000s?

A: No. The Dunaweal WWTP project had numerous obstacles and challenges that were extreme, and have not been repeated since. Having a capital project with that level of construction cost increases is, thankfully, a very rare event. Please refer to the attached table showing the City's performance on capital construction projects since 2005. Note that the net increase in construction contract costs has increased an average of 2.5% over the last five years on a dozen projects. Change orders are typically due to a) increasing the scope of the project; b) 'differing site conditions', in which underground or existing conditions are found to be different than expected during the work; and c) errors and omissions during the design or construction process. Fortunately, there have been very few change orders due to this latter category in recent years.

PROJECT	YEAR COMPL.	ORIG CONTRACT AMOUNT	NET CHANGES		NOTES
			\$	%	
Kimball/Myrtdale/Grant Water Main	2005	\$1,691,040	\$11,075	0.7%	Substantial fencing was added at Council request.
Washington St. Bike Path	2005	\$324,014	\$37,408	11.5%	
Grant Street Improvement	2005	\$385,936	-\$13,177	-3.4%	Minor scope reduction occurred.
NBA Pipeline Emergency Repair	2006	\$45,000	-\$7,800	-17.3%	Original amount was the enr.'s estimate only.
Automated Meter Reading Project	2007	\$92,522	\$690	0.7%	

Logvy Houses Demo	2008	\$30,000	\$2,933	9.8%	Stabilized const. entrance part of original bid.
Pavement / Utility Project	2008	\$1,448,266	\$50,000	3.5%	Project not fully settled; % is estimated.
Busk Nuisance Abatement Project	2009	\$71,175	\$0	0.0%	
Monhoff Recreation Ctr Exterior Rehab.	2009	\$74,237	\$791	1.1%	
Calistoga Community Pool Project	2009	\$3,681,000	\$75,000	2.0%	Project not completed; % is estimated. Difficult underground and existing plant conditions.
Kimball WTP Improvements	2009	\$1,091,638	\$64,367	5.9%	
Automated Meter Reading Project	2009	\$91,777	\$1,109	1.2%	
Totals		\$9,026,605	\$222,396	2.5%	

8: Do an analysis of costs.

A: Based on significant presentations to and discussions with the Revenue Advisory Committee regarding operating costs they have indicated a level of comfortable with the current costs associates with the Water Utility.

9: What does Calistoga actually pay for NBA water?

A: The average is about \$1,200 per acre foot, treated, wheeled and conveyed to the City meter near Conn Creek. See table of costs below.

Fiscal Year	Acre-Foot Used	\$\$ To City of Napa	\$\$ For SWP (Napa County)	\$\$ Total	Dollars Per Acre-Foot
08/09	555	\$257,131	\$362,615	\$619,747	\$1,117
07/08	550	\$254,305	\$337,346	\$591,650	\$1,075
06/07	427	\$198,875	\$306,337	\$505,212	\$1,184
05/06	397	\$185,276	\$365,629	\$550,904	\$1,387

10: Is the City buying bottled water:

A: The City has discontinued the purchase of bottled water.

11: Why does Calistoga have high chlorine levels in its water, and why does the City re-chlorinate the fully-treated water it receives from Napa?

A: The maximum allowable chlorine level in potable water is 4 mg/L (or 4 parts per million), per State regulation. The minimum is 0.1 mg/L. The chlorine levels in the City system are measured at over a dozen points in the distribution system, and are typically between

0.5 and 1.5 mg/L. The City uses test methods and equipment that must comply with State regulations. Pool test kits are not very accurate and not approved for municipal potable water testing and reporting.

The water that Calistoga receives from Napa typically has a low level of chlorine residual after traveling all the way up to Calistoga, through many miles of pipelines, so the City supplements the chlorine to maintain an appropriate chlorine residual throughout the City's distribution system.

12: Please explain the contaminants that are listed on the Environmental Working Group (EWG) website for the City of Calistoga.

A: There are two main water quality test results that are reported on the EWG report; these are Total Trihalomethanes (THMs) and Total Haloacetic Acids (HAAs). Each of the other constituents listed on the EWG report are simply component parts of either the Total THM or Total HAA groups. These constituents are found in our drinking water because they are by-products of the water disinfection process. Chlorine reacts with other elements (organics) in drinking water to form these compounds. The City's drinking water complies with the applicable regulations for THMs and HAAs. The City acknowledges that three individual test results exceeded the limits in individual samples; however, the regulations are based on compliance with an annual average (this is footnoted on the EWG report). The City is in compliance with the actual water treatment regulations for THMs and HAAs. (individual test samples which exceed a standard do not constitute compliance deficiency)

13: Where is Markham rent going?

A: The rent received from Markham goes into the Water Utility Fund.

14: Does the City serve City water to wineries? Why?

A: There are a few wineries that are City water customers, but City water is only used for the commercial and landscape irrigation portions of winery businesses. It should be understood that the facilities the City serves include offices, warehouses, wine-tasting rooms, and wine-production functions, which are all allowed as either commercial or industrial uses. The City carefully monitors usage to ensure that the 'winery' accounts do not use City water for commercial irrigation of their vineyards, which would not be permitted under the State licenses. A recent review of actual winery account usage shows that all of the winery accounts use such a small amount of City water, that it would literally be impossible to irrigate commercial vineyard lands. Winery accounts use less than 1% of City water annually. Prior lease agreements with Markham Vineyards did include a provision for irrigating the leased City lands with City water. However, Markham was not connected as a water customer, and did not receive water pursuant to that agreement. The current lease agreement with Markham deletes all reference to providing City water to the leased parcel. Another, Markham-owned parcel on Evey Road contains a single-family residential house as well as a vineyard. City staff have carefully reviewed the water use for this account and confirmed that the small amount of water used on this parcel is entirely consistent with use by a single-family residence, only, and not by the vineyard portion of the property. Lastly, the City entered into an agreement in 2004 to provide City water to a Rombauer-leased vineyard on Bennett Lane, which would be implemented only if the State granted the water rights to allow that specific use. The State rejected the water rights in this instance, so water was never delivered to Rombauer pursuant to that agreement.

15: Does the State approve of all of the places the City delivers water to customers?

A: Yes. The City is required to maintain a "Place of Use" Map with the State, as one of the conditions of our State water licenses. The current Place of Use map, which is approved by the State, does conform with our actual service area. It is worth noting, however, that the City and the State determined around 2000 that the Place of Use map on file at that time was not correct; that map showed the service area to be generally coincident with the City limits. Since the City has had many existing customers along outer Foothill Blvd. and in the Bennett Lane area for many years, the City prepared an updated and corrected map to show the actual service areas, and that corrected map was approved by the State. The City is in full compliance with the Place of Use conditions of our water licenses.

16: Has the City installed additional stream gauges to estimate inflow into Kimball Reservoir?

A: Yes, a stream gauge was installed in 2009, using Napa County Flood Assessment funds, along Kimball Creek. This will aid in the City's management of Kimball Reservoir, and it will be fully functional once it is calibrated over one or two season's use. An additional stream gauge was installed at the Dunaweal Bridge along the Napa River, which will also provide valuable information to the City and the community.

17: Does the City or the North Bay Aqueduct system have water intake concerns at Gardner Slough in the Delta?

A: Neither the City nor the North Bay Aqueduct system has a water intake at Gardner Slough.

18: Has the City considered dredging Kimball Reservoir to increase use of Kimball water?

A: Yes, the City examined various dredging alternative programs at Kimball, but has not pursued any kind of substantial dredging project, as there were none examined that had favorable cost-benefit ratios. A substantial dredging project at Kimball would be extremely expensive, and the additional water that could be obtained from the Kimball source would not be substantially higher than presently available. The amount of water available is limited by the City's water licenses from the State, and the City already uses the majority of the water available under the licenses. In addition to the tremendous cost of dredging, the regulatory, environmental, and permitting challenges of such a project would be enormous.

19: Are single family resident users being subsidized by businesses?

A: No. The tier system used for single family residences is designed to recover of the water costs associated with that group of water customers.