



Staff Reports

File #: 20-2022, **Version:** 1

To: Honorable Mayor and Members of City Council

From: Phil Brun, Utilities Director

Prepared By: Doug De Master, Senior Civil Engineer

TITLE:

Milliken Raw Water Pipeline Project

RECOMMENDED ACTION:

Adopt a resolution 1) authorizing the Utilities Director to submit a revised application to the California Governor's Office of Emergency Services (Cal-OES) for Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program funding in an amount of up to \$3,457,575, with a City matching obligation of up to \$1,152,525 for the Bury Milliken Raw Water Pipeline Project DR4344-PJ0284; 2) approving a budget adjustment in the amount of \$3,457,575 and transfer in the amount of \$1,152,525 from water fund capital reserve account to water nonrecurring capital expenditure budget as documented in budget adjustment no. BE2202501; and 3) determining that the actions authorized by this resolution are exempt from CEQA.

DISCUSSION:

On October 8, 2017, the Atlas Fire began as one of fourteen large fires that burned simultaneously across eight Northern California counties. The Atlas Fire began near Atlas Peak Road and stretched from Lake Berryessa to the City of Napa (City), portions of which included the Milliken Reservoir Watershed, the City's service area in the Silverado Country Club and surrounding areas.

The Atlas Fire was widespread and caused extensive damage to private and public property, some of which included damage to the Milliken Raw Water Pipeline which conveys water from the diversion dam on Milliken Creek to the Milliken Water Treatment Plant.

The Milliken Raw Water Pipeline, located at 630 Chaparral Circle, consists of approximately 6,500 LF of 16" welded steel pipe, most of which is above ground and supported by redwood saddles. The pipeline runs parallel to Milliken Creek along a trail and access walkway with steep grades on either side for roughly half its length which is accessible by foot or all-terrain vehicles only. It is used to convey raw, untreated water to the Milliken Water Treatment Plant.

While the Milliken Water Treatment Plant was left relatively undamaged by the fire, only suffering damage to ancillary buildings, the raw water pipeline, saddles and access trail were heavily damaged leaving the treatment plant inoperable. Direct flame contact burned the exterior pipe coating and redwood support saddles; this caused the pipe to settle resulting in joint separation or cracks along the pipeline. Indirect damage caused by falling trees and rocks punctured the pipeline in numerous locations along the alignment.

In 2018, the City submitted an application to Cal-OES for FEMA Hazard Mitigation Grant Program (HMGP) funding for the design (Phase 1) and construction (Phase 2) of a project to harden, bury and /or replace the Milliken pipeline so the pipeline can withstand future disasters (Project). The application requested \$3M in HMGP funds based on a total estimated Project cost of \$4M with the remaining \$1M to be funded by the City.

In 2019, Cal-OES notified the City that FEMA approved \$161,250 in HMGP funding for Phase 1 of the Project based on an estimated Phase 1 total cost of \$215,000. However, implementation of Phase 1 of the Project was delayed.

In 2021, the City contracted with Mountain Cascade, Inc., (Agreement 2021-082) to repair the Milliken pipeline, enabling the City to use the pipeline during the drought in the fall of 2021. The repair project was funded by a FEMA Public Assistance grant..

The City now seeks to move forward with Phase 1 of the Project. However, due to rising costs and recent information regarding the expected expense of working on this difficult-to-access location, the total Project costs have increased from \$4M to \$4,610,100, with Phase 1 costs increasing from \$215,000 to \$825,100. Because the FEMA HMGP funding awarded to the City in 2019 for Phase 1 is only \$161,250, the City will need to apply to Cal-OES for an increase in HMGP funding for Phase 1 to \$618,825, with the remaining \$206,275 in Phase 1 costs to be paid for by the City.

Based on the revised application for funding, it is anticipated that the total Project costs will be shared as follows: 75% FEMA (\$3,457,575) and 25% City of Napa water fund (\$1,152,525). FEMA requires the City to provide verification that the City is able to meet the City's 25% matching obligation. The proposed Council action would authorize Staff to submit a revised application to Cal-OES for FEMA HMGP funding in the amount of \$3,457,575 and a Request for Budget Increase for Phase 1 and set aside \$1,152,525 in City funds to satisfy the City's local matching requirement for the Project.

Once the budget increase is approved by FEMA for Phase 1 of the Project, Staff will proceed to the design phase of the Project. Staff will return to Council to seek approval of a design consultant agreement at a future date. FEMA has not yet awarded the City funding for Phase 2 of the Project, as FEMA must first complete environmental review for the Phase 1 design before it can award funds for construction of the Project.

FINANCIAL IMPACTS:

Funds in the amount of \$1,152,525 are needed for the 25% proportionate share of the Project. Funds in the amount of \$5,503,142.90 are available in the Water Fund Capital Improvement Reserve account (53000-25002.) \$1,152,525 will be transferred from the Reserve account to the water transmission expenditure budget and Grant funds revenue in the amount of \$3,457,575 will be budgeted to reflect the expected payment from FEMA for their proportional share, as shown in the proposed Resolution and Budget Adjustment No. BE2202501.

CEQA:

City staff recommends that the City Council determine that the potential environmental effects of the Recommended Action described in this Agenda Report are exempt from CEQA pursuant to CEQA

Guidelines Sections 15301 (Categorical exemption Class 1 Existing Facilities), which exempts repair, maintenance, or minor alteration of existing facilities involving negligible or no expansion of use and 15302, which exempts the replacement or reconstruction of existing facilities; the Raw Water Pipeline Hazard Mitigation will be subject to environmental review by FEMA in accordance with the National Environmental Policy Act at the earliest feasible time during the design phase and prior to approval of the construction phase.

DOCUMENTS ATTACHED:

ATCH 1 - Resolution

EX A - Budget Adjustment No. BE2202501

NOTIFICATION:

None