

Visalia City Council Agenda



For the special meeting of: Monday, July 24, 2006

Location: City Hall Council Chambers

Mayor: Jesus J. Gamboa
Vice Mayor: Greg Kirkpatrick
Council Member: Greg Collins
Council Member: Donald K. Landers
Council Member: Bob Link

All items listed under the Consent Calendar are considered to be routine and will be enacted by one motion. If anyone desires discussion on any item on the Consent Calendar, please contact the City Clerk who will then request that Council make the item part of the regular agenda.

WORK SESSION AND ACTION ITEMS (as described)

4:30 p.m.

Public Comment

1. Discussion of the Essential Air Service proposals for the Visalia Airport and appropriate Council recommendations.

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

REPORT OF CLOSED SESSION MATTERS FINALIZED BETWEEN COUNCIL MEETINGS

Visalia City Council Agenda

For the Regular Adjourned meeting of: Monday, July 17, 2006 to
Monday, July 24, 2006

Location: City Hall Council Chambers

Mayor: Jesus J. Gamboa
Vice Mayor: Greg Kirkpatrick
Council Member: Greg Collins
Council Member: Donald K. Landers
Council Member: Bob Link

All items listed under the Consent Calendar are considered to be routine and will be enacted by one motion. If anyone desires discussion on any item on the Consent Calendar, please contact the City Clerk who will then request that Council make the item part of the regular agenda.

The regular meeting of Monday, July 17, 2006, was adjourned to Monday, July 24, 2006, at 5:00 p.m. for the following item(s):

REGULAR SESSION

5:00 P.M.

1. REGULAR ITEM - Award a contract for the lift station for the Ranch Basin Project, located at Linwood and Houston. Project #1221-00000-720000-0-9430-2006.
2. REGULAR ITEM - Award a contract to extend Oak Street one block to Tipton for two temporary corner parking lots. Project #1111-00000-720000-0-9682-2005.

WORK SESSION AND ACTION ITEMS (as described)

5:30 P.M.

3. Review and approve the revised Groundwater Recharge Fund Capital Improvement budget and future Capital Improvement Program (CIP) requests.

CLOSED SESSION

6:00 p.m. (Or, immediately following Regular Session)

4. Public Employee Performance Evaluation
Title: City Attorney, City Manager

Upcoming Council Meetings

Monday, August 7, 2006

Monday, August 21, 2006

Monday, August 28, 2006 - Special Meeting, Visalia Convention Center

Last printed 07/21/2006 2:53 PM

City Hall Council Chambers
707 West Acequia Avenue

In compliance with the American Disabilities Act, if you need special assistance to participate in meetings call (559) 713-4512 48-hours in advance of the meeting. For Hearing-Impaired - Call (559) 713-4900 (TDD) 48-hours in advance of the scheduled meeting time to request signing services.

**City of Visalia
Agenda Item Transmittal**

SPECIAL MEETING

Meeting Date: July 24, 2006

Agenda Item Number (Assigned by City Clerk): 1

Agenda Item Wording: Discussion of the Essential Air Service proposals for the Visalia Airport and appropriate Council recommendations.

Deadline for Action: July 31, 2006

Submitting Department: Administrative Services - Airport

Contact Name and Phone Number: Mario Cifuentez 713-4480

Department Recommendation:

Staff recommends that Council authorize the previously recognized Air Service Sub-Committee to submit comments to the Department of Transportation conveying the community's position on the proposals. The Air Service Sub-Committee was appointed by the Mayor and consists of Council members Link and Kirkpatrick with Mayor Gamboa as an alternate, the City Manager, Deputy City Manager and the Airport Manager.

Summary/background:

The purpose of this work session is to present Council with an update of the Essential Air Service process as it relates to Proposals for Air Service received for the Visalia Airport.

Effective June 13, 2006, the Department of Transportation (DOT) issued an Order Requesting Proposals from airlines interested in providing air service at the Visalia Municipal Airport. Under the guidelines established by the DOT, interested carriers were allowed to propose whatever service they felt would best serve the communities needs.

Pursuant to the Order and corresponding EAS regulations, the DOT will subsidize service at Visalia based on the prior year passenger totals. Calculating the prior year totals of 4,481 passengers, times the maximum allowable per seat subsidy of \$200 allows for a maximum subsidy to an airline of \$896,200. All three proposals fit within the allowable subsidy amount.

The DOT solicited proposals from all interested air carriers to provide service at Visalia, as well as at Merced, California, and Ely, Nevada. In response to that order, the DOT received proposals from three carriers: Mesa Air Group, Inc. d/b/a Air Midwest, Big Sky Airlines, and

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): 30

Review:

Dept. Head _____
(Initials & date required)

Finance _____
City Atty _____
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

Great Lakes Aviation. All three carriers have proposed service to Las Vegas' McCarran International Airport.

Attached to this Agenda Transmittal is a copy of all three (3) proposals as well as a spreadsheet detailing the key elements of each proposal. The major points of each proposal are outlined out below:

Big Sky Airlines

Big Sky Airlines has proposed service to Las Vegas McCarran International Airport with 19-passenger Beechcraft 1900D aircraft. Big Sky has code-share arrangements with Northwest Airlines, Alaska Airlines/Horizon Air, and US Airways. The proposal is an inseparable package to Merced, Visalia, and Ely, at an annual subsidy of \$2,521,424.

- The proposal for Visalia is for Two(2) nonstop round trips to Las Vegas each weekday, one nonstop flight from Visalia to Las Vegas on Saturday and one nonstop flight from Las Vegas to Visalia on Sunday (11 total round trips per week) for \$895,141 annually.
- Big Sky will dedicate an aircraft to the Visalia to Las Vegas route and has indicated that they would be willing to add an additional daily flight with that aircraft as soon as demand warranted.
- Fares would be set at \$79 per one way trip for a Ninety (90) day introductory period increasing to \$99 per ticket thereafter.

Great Lakes Airlines

Great Lakes Airlines also proposes service to Las Vegas McCarran International using 19-Passenger Beech 1900D aircraft. Great Lakes have code-share arrangements with United Airlines and Frontier Airlines. For the three communities, it proposes the following option for Visalia:

- Two (2) nonstop round trips to Las Vegas Monday through Friday and one nonstop round trip on Saturday and Sunday (12 total round trips per week) for \$872,582 annually.
- Great Lakes will dedicate an aircraft to the Visalia to Las Vegas route and has indicated that they would be willing to add an additional daily flight with that aircraft as soon as demand warranted.
- Fares would be set similar to the existing Scenic Airlines structure with half of the aircraft being sold at \$99 per ticket and the other half selling for \$129 per one way fare.

Air Midwest (Mesa Airlines)

Each of Air Midwest's options offers service to Las Vegas McCarran International Airport under a code-share arrangement with US Airways, using 19-Passenger Beechcraft B-1900D aircraft.

- Option 1: For Merced and Visalia, 23 round trips per week for each community (4 round trips Monday, Wednesday, Thursday, and Friday; 3 round trips on Tuesday and Sunday; and 1 round trip on Saturday) operating on one of two routings: Las Vegas – Merced – Visalia – Las Vegas or Las Vegas - Visalia – Merced – Las Vegas for a combined annual subsidy of \$1,599,207 for both communities.
- Option 2: For Merced, 13 nonstop round trips per week to Las Vegas (2 round trips Sunday through Friday and 1 round trip on Saturday). For Visalia, 12 nonstop round trips per week to Las Vegas (2 round trips Monday through Friday and 1 round trip on Saturday and Sunday) for a combined annual subsidy of \$1,666,666 for both communities.
- Option 3: Merced and Visalia would each receive 18 round trips per week to Las Vegas (Monday through Friday: 2 round trips routed Las Vegas – Merced – Visalia – Las Vegas

or Las Vegas – Visalia – Merced – Las Vegas and one nonstop round trip to each community; one round trip on Saturday routed through both communities and two round trips routed through both communities Sunday) for a combined total of \$1,624,965 annually.

- Mesa's proposed one-way fares between Visalia and Las Vegas \$99, \$129 and \$149. These fares require no advance purchase and will be capacity controlled.

City representatives have had discussions with the City of Merced regarding the proposals and both communities are willing to support Option #3 as the best level of service to our communities, should Mesa airlines receive the support of both communities.

Throughout the process of reviewing the proposals and meeting with the Air Carriers, it became necessary to include several parties. As such, an informal Air Service sub-committee was formed consisting of Council members Link and Kirkpatrick with Mayor Gamboa as an alternate, the City Manager, Deputy City Manager and the Airport Manager. The committee has met with the individual carriers, reviewed all proposals and considered the merits of each and whether they are responsive to the community's needs. At this time, the committee continues to have ongoing discussions with the carriers regarding their proposals to determine the best recommendation to make to the DOT.

Prior Council/Board Actions:

April 4, 2006 - Council authorized the formal recognition of the Air Service Sub-Committee and authorized that committee to submit comments to the Department of Transportation conveying the community's position on the proposals.

Committee/Commission Review and Actions:

The Airport Advisory Committee preferred the proposal by Great Lakes Aviation on a 3-2 split and recommended that the City Council support staff's recommendation and submit comments to the DOT in support of that carrier.

Alternatives: Council may submit comments in support of the other Airline's proposal or not supporting either proposal.

Attachments: Proposals from Great Lakes Aviation, Big Sky Airlines and Mesa Airlines.

Recommended Motion (and Alternative Motions if expected): Move to authorize the Air Service Sub-Committee to submit comments to the Department of Transportation conveying the community's position on the proposals.

Environmental Assessment Status

CEQA Review:

NEPA Review:

Tracking Information: *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

**City of Visalia
Agenda Item Transmittal**

Adjourn Regular Meeting

Meeting Date: July 24th, 2006

Agenda Item Number (Assigned by City Clerk): 1

Agenda Item Wording: Award a contract for the lift station for the Ranch Basin Project, located at Linwood and Houston. Project #1221-00000-720000-0-9430-2006.

Deadline for Action: August 20, 2006 (30 days after bid opening).

Submitting Department: Public Works Department

Contact Name and Phone Number:

Andrew Benelli 713-4340,
Peter Spiro 713-4256

Department Recommendation and Summary: The Public Works Department recommends that the City Council award a contract for the construction of the lift station for the Ranch Basin Project to the low bidder American Incorporated in the amount of \$297,701.40. Project #1221-00000-720000-0-9430-2006. The original engineer's estimate for this project was \$175,440.

The Project includes installation of a pump station that connects the city storm basin to the storm drain trunk line in Goshen Ave. The connection will cross San Joaquin Valley Railroad's right of way in a steel cased pipe and the City of Visalia has obtained the required occupancy permit. The station includes a headwall, electric conduits, and all the associated pipe/wet wells installation.

In addition, the contract will include the installation of a decorative wrought iron fence alongside Goshen Ave frontage, approximately 850 lineal feet.

On July 20, 2006, the City opened three bids for the construction of the lift station for the Ranch Basin Project. The results of the bid opening are as follows:

- | | |
|-------------------------------|--------------|
| 1. American Incorporated | \$297,701.40 |
| 2. Nicholas Construction, Inc | \$343,447.00 |
| 3. Rising Sun Co, Inc | \$388,704.00 |

For action by:

- City Council
- Redev. Agency Bd.
- Cap. Impr. Corp.
- VPFA

For placement on which agenda:

- Work Session
- Closed Session

Regular Session:

- Consent Calendar
- Regular Item
- Public Hearing

Est. Time (Min.): 1

Review:

Dept. Head _____
(Initials & date required)

Finance _____
City Atty NA
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

The City currently has another contract with the low bidder (American Incorporated) to install highly sophisticated control panels for several of the sewer and storm drain pump stations that the Public Works Department operate. This will allow the staff to monitor these stations and maintain any malfunction, which may arise.

The Engineers Estimate for this project including project management was \$175,440. The available funds for this capital project is \$250,000.00 of which approximately \$40,000 is reserved to purchase the control panel to this lift station. This will leave the available funds for this contract at \$210,000. Therefore, additional funds in the amount of \$117,701 are needed to cover the bid cost and a 10% contingency. Staff recommends using locally generated Storm Drainage Acquisition Fee funds to finance the project.

This project is funded from the Storm Sewer Construction Fund. The fund, as of this budget year, is in a projected negative fund balance position. One of the tasks assigned to Finance and Public Works at budget time was to develop alternatives to correct the fiscal position of this fund. However, this project is essential to the community and needs to move forward now. As a result, staff recommends appropriating an additional \$117,701 to the project and directing staff to bring back a report to Council recommending methods to correct the Storm Sewer Fund's fiscal position, avoiding negative balances in the future.

This Project is planned to be completed by October 20th, 2006. The Basin is also being excavated to its ultimate storage capacity.

Prior Council/Board Actions: Authorization to bid as a non-prevailing wage project on June 26th, 2006.

Committee/Commission Review and Actions:

Alternatives: 1- Do not award contract.

Attachments: Exhibit # 1 - Location Map, Exhibit #2 - Bid Opening Spreadsheet

City Manager Recommendation:

Recommended Motion (and Alternative Motions if expected): I move to award a contract for the lift station for the Ranch Basin Project, located at Linwood and Houston. The low bidder American Incorporated in the amount of \$297,701. Project #1221-00000-720000-0-9430-2006. Further, I direct staff to bring back a report to Council recommending methods to correct the Storm Sewer Fund's fiscal position, avoiding negative balances in the future.

Financial Impact

Funding Source:

Account Number: 1221-00000-720000-0-9430-2006

Budget Recap:

Total Estimated cost: \$175,440	New Revenue:	\$
Amount Budgeted: \$210,000	Lost Revenue:	\$
New funding required: \$117,701.4	New Personnel:	\$
Council Policy Change: Yes _____ No <u>X</u>		

Copies of this report have been provided to:

Environmental Assessment Status

CEQA Review:

Required? Yes No X
Review and Action: Prior:
Required:

NEPA Review:

Required? Yes No X
Review and Action: Prior:
Required:

Tracking Information: *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Review and Approval - As needed:

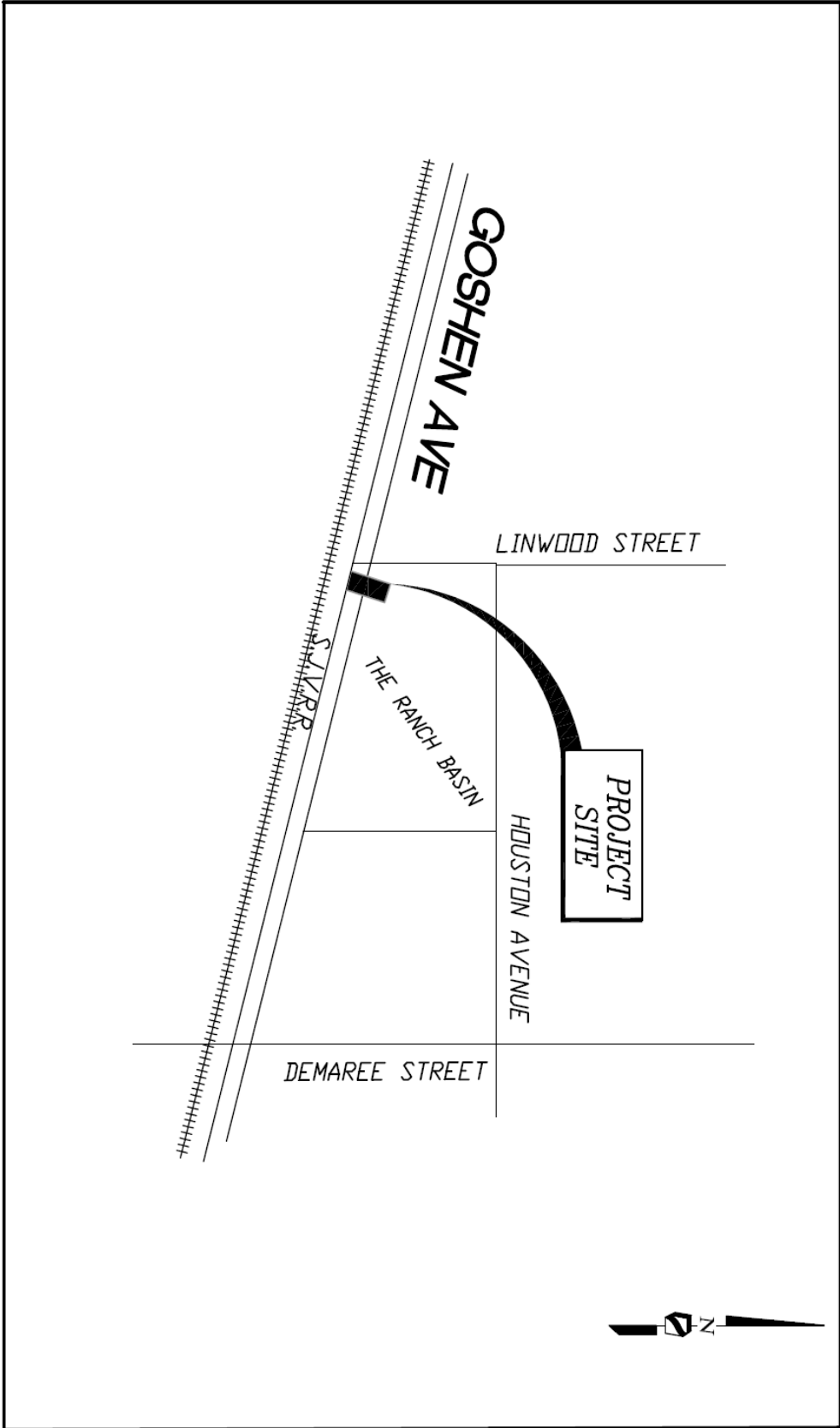
Department Head Review (Signature):

Risk Management Review (Signature):

City Attorney Review (Signature):

Administrative Services Finance Review (Signature):

Others:



VICINITY MAP
NO SCALE

PROJECT NO.: 1221-00000-720000-0-9430-2006
 PROJECT TITLE: THE RANCH BASIN LIFT STATION

ITEMS	UNIT	QTY	ENGINEERS ESTIMATE		BIDDERS NAMES		Nicholas Construction		Rising Sun Inc	
			UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL
1 Traffic Control/Construction Area Signs	L.S.	1	\$ 1,500.00	\$ 1,500.00						\$ 2,500.00
2 Provide and install a complete and operable 3700 GPM, Centrifugal pump w/30 HP motor including 22 ft. column, shaft, discharge pipes, flared elbows, pipe support and accessories	L.S.	1	\$ 45,000.00	\$ 45,000.00						\$ 43,000.00
3 Clearing and Grubbing	L.S.	1	\$ 2,000.00	\$ 2,000.00						\$ 8,000.00
4 Earthwork and Grading	L.S.	1	\$ 2,000.00	\$ 2,000.00						\$ 6,000.00
5 Remove and Salvage existing chain link fence including fence posts with concrete footings	L.F.	850		\$ 20,040.00	\$ 7.48	\$ 6,358.00				\$ 8,500.00
6 6 ft 8 in. max. reinforced, concrete headwall/wing-wall with footings (Caltrans Std. D904, Type A)	L.F.	44				\$ 48,112.39				\$ 44,000.00
7 Trash Rack	Each	1	\$ 2,000.00	\$ 2,000.00						\$ 3,000.00
8 Rip-Rap at headwall	Ton	20	\$ 50.00	\$ 1,000.00			\$ 2,744.72			\$ 1,700.00
9 Modify existing S.D. manhole	Each	1	\$ 1,700.00	\$ 1,700.00			\$ 2,004.80			\$ 448.00
10 60" dia. S.D. manhole with metal cover	Each	1	\$ 4,000.00	\$ 4,000.00			\$ 3,942.22			\$ 4,327.00
11 72" dia. S.D. wet well including W beams and metal cover	Each	1	\$ 6,000.00	\$ 6,000.00			\$ 9,546.37			\$ 15,895.00
12 36" dia. S.D. pipe (RCP), incl. sheeting, shoring and bracing	L.F.	45	\$ 80.00	\$ 3,600.00	\$ 159.75	\$ 7,188.75				\$ 28,189.00
13 15" dia. S.D. pipe (PVC, C900), incl. sheeting, shoring and bracing	L.F.	90	\$ 50.00	\$ 4,500.00	\$ 40.04	\$ 3,603.56				\$ 12,825.00
14 15" dia. ductile iron pipe, including sheeting, shoring and bracing	L.F.	5	\$ 60.00	\$ 300.00	\$ 261.71	\$ 1,308.55				\$ 2,725.00
15 15" swing check valve w/valve can and cover	Each	1	\$ 3,000.00	\$ 3,000.00	\$ 9,532.61	\$ 9,532.61				\$ 15,310.00
16 20" x 10" x 6"th. Concrete Pad	S.F.	100	\$ 3.00	\$ 300.00	\$ 52.42	\$ 5,242.00				\$ 38,471.00
17 24" dia. bore and casing	L.F.	73	\$ 500.00	\$ 36,500.00	\$ 597.50	\$ 43,617.50				\$ 5,500.00
18 Furnish and install powder coated wrought iron fence and fence posts with footings	L.F.	850	\$ 40.00	\$ 34,000.00	\$ 62.96	\$ 53,516.06				\$ 39,950.00
19 12" wide welded, wrought iron double gate	Each	1	\$ 900.00	\$ 900.00	\$ 573.94	\$ 573.94				\$ 561.00
20 100 amp meter panel & support, complete	Each	1	\$ 2,500.00	\$ 2,500.00	\$ 1,634.71	\$ 1,634.71				\$ 5,977.00
21 1 1/2" Electrical conduit - non-rigid, non-metallic	L.F.	230	\$ 20.00	\$ 4,600.00	\$ 15.70	\$ 3,689.50				\$ 5,170.00
TOTAL				\$ 175,440.00		\$ 297,701.46				\$ 339,415.00
										\$ 386,864.00

City of Visalia
 Bid Results
 July 20, 2005 @ 3:00 P.M.
 American Incorporated

Company Name
 Bid Amount
 \$ 297,701.46

**City of Visalia
Agenda Item Transmittal**

Meeting Date: July 24th, 2006

Agenda Item Number (Assigned by City Clerk): 2

Agenda Item Wording: 1) Award a contract for the Oak Avenue Street Improvement Project (Santa Fe to Tipton Streets) to Rising Sun Co. Inc., in the amount of \$ 461,728.00; and, 2) appropriate an additional \$534,000 from the Parking In-Lieu Fee Fund (6111) and the Gas Tax Fund (1111) for Project No. 1111-00000-720000-0-9682-2005

Deadline for Action: August 21, 2006 (30 days after bid opening)

Submitting Department: Public Works / Engineering

Contact Name and Phone Number:

Michael Carr 713-4595; Jim Funk 713-4540;
David Jacobs 713-4492

Department Recommendation and Summary: 1) Award a contract for the Oak Avenue Street Improvement Project (Santa Fe to Tipton Streets) to Rising Sun Co. Inc., in the amount of \$ 461,728.00; and, 2) appropriate an additional \$534,000 from two funds in the following amounts:

\$141,000 the Parking In-Lieu Fee Fund (6111)
\$393,000 the Gas Tax Fund (1111)
\$534,000

for Project No. 1111-00000-720000-0-9682-2005

Background

This project is generally located on Oak Avenue between Santa Fe and Tipton Streets. Construction of the improvements will open Oak Avenue from Santa Fe Street to Tipton Street with this project and ultimately continue to Burke Street. In addition, the improvements will complement and provide additional access from Oak Avenue to the new Chamber of Commerce Building. The Oak Avenue Street Improvement project is anticipated to be completed by early October 2006.

The Oak Avenue Street Improvement project was approved for construction by the California Public Utilities Commission (CPUC) on January 17, 2006 and consists of reconstructing the east half of Santa Fe Street 150 feet south to 140 feet north of Oak Avenue, the west half of Tipton Street 150 feet south to 40 feet north of Oak Avenue, the installation of storm drain, sidewalk, curb, gutter, construction of Oak Avenue including the recently installed railroad tracks and

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): 3

Review:

Dept. Head AJB
(Initials & date required)

Finance EF
City Atty NA
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

concrete panels from Santa Fe to Tipton Streets and two temporary parking lots which will be located on the northeast corner of Oak Avenue and Santa Fe Street and on the southwest corner of Oak Avenue and Tipton Street.

On July 18, 2006 the City opened (5) bids submitted for the Oak Avenue Street Improvement Project. The results of the bid opening are as follows:

1. Rising Sun Sun Company Inc.,	Exeter, CA.	\$ 461,728.00
2. Central Valley Asphalt	Lindsay, CA.	\$ 511,867.00
3. Seal Rite Paving Company	Clovis, CA.	\$ 549,906.03
4. RJ Berry Jr. Inc.,	Selma, CA.	\$ 598,752.00
5. Lee's Paving Inc.,	Visalia, CA.	\$ 658,670.00

The Engineers Estimate for this project including project management, inspecting and testing was estimated to be \$ 372,549.00.

Originally, the Oak Avenue Street Improvement Project was bid in August, 2005. Staff recommended on September 19, 2005, that all bids be rejected due to concerns raised by the California Public Utilities Commission staff. The CPUC concerns were directed at the traffic movements on Oak Avenue that could conflict with trains passing through along Oak Avenue. Based on these concerns, CPUC staff would not support the City's project as originally proposed at that time and staff recommended that the bid not be awarded until the CPUC permit was obtained.

The project was also advertised for bids in November 2005. These bids were also rejected by the City Council. Staff recommended that the bids be rejected because of concerns expressed by the bidders over coordinating their work with the improvements that were being done by the railroad. In addition, the earlier two bids were lower but, did not include construction of the parking lots on Santa Fe and Tipton Streets and are illustrated as follows.

Previous Low Bids:

August 2005, Seal Rite Paving	\$ 245,578.26
November 2005, Dawson Mauldin	\$ 257,265.00

Financial Impact

This project has several components: a street contract which is proposed for award, a payment to the railroad to make necessary adjustments so the road can be built and a project management component. To date the following amounts have been or will be spent:

Table I			
Recap of Oak Avenue Street Improvement Project			
	Spent	To be spent	Total
Railroad	231,996	202,108	434,104
Road Work	44,793	461,708	506,501
Project Management	51,693	46,000	97,693
		Total	1,038,298
		Less Budget	(505,000)
		Remaining	533,298

The project needs an additional \$534,000 to complete the project. Part of the increase is due to the addition of two parking lots and related sidewalks as well as higher than expected railroad costs. The project has also suffered from escalating construction costs due to contractors being very busy as shown by previous bids.

Prior Council/Board Actions: September 19, 2005 – Council rejected all bids for the project
January 17, 2006 – Council rejected all bids for the project.

Committee/Commission Review and Actions: None

Alternatives: None recommended

Attachments: Exhibit #1 (Location Map) and Exhibit #2 (Site Detail)

City Manager Recommendation:

Recommended Motion (and Alternative Motions if expected): I move to award a contract for the Oak Avenue Street Improvement Project (Santa Fe to Tipton Streets) to Rising Sun Co. Inc., in the amount of \$ 461,728.00, and additional appropriation of \$ 141,000.00 from the Parking In-Lieu Fee Fund (6111) and \$ 393,000.00 from the Gas Tax Fund (1111); Project No. 1111-00000-720000-0-9682-2005

Financial Impact

Funding Source:

Account Number: 1111-00000-720000-0-9682-2005

Budget Recap:

Total Estimated cost: \$ 461,728.00	New Revenue: \$
Amount Budgeted: \$ 176,839.00	Lost Revenue: \$
New funding required: \$ 534,000.00	New Personnel: \$
Council Policy Change: Yes _____ No <u>X</u>	

Copies of this report have been provided to:

Environmental Assessment Status

Tracking Information: *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Required:

NEPA Review:

Required? Yes No X

Review and Action: Prior:

Required:

Review and Approval - As needed:

Department Head Review (Signature):

Risk Management Review (Signature):

City Attorney Review (Signature):

Administrative Services Finance Review (Signature):

Others:

**City of Visalia
Agenda Item Transmittal**

REGULAR ADJOURNED MEETING – ITEM 3

Meeting Date: July 17, 2006

Agenda Item Number (Assigned by City Clerk): 4

Agenda Item Wording: Review and approve the revised Groundwater Recharge Fund Capital Improvement budget and future Capital Improvement Program (CIP) requests.

Deadline for Action: July 17, 2006

Submitting Department: Administration / Finance Division

Contact Name and Phone Number:

Eric Frost, 713-4474
Renee Nagel, 713-4375

Department Recommendation: That the City Council review and approve the revised Groundwater Recharge Fund Capital Improvement budget and future Capital Improvement Program (CIP) requests, increasing the 06/07 and 07/08 appropriations by \$470,000 and \$500,000, respectively.

Summary/background:

On June 26th Council adopted the City's Capital Improvement Program with the Operating Budget. The Council recently approved groundwater extraction fees. The capital projects they fund were inadvertently left out of the Groundwater Recharge Fund.

It is recommended that Council reviews and approves the attached revised Capital Improvement Program (CIP) budget for the Groundwater Recharge Fund. The Capital Improvement Program presents the 2006/07 and 2007/08 fiscal years for appropriation. Four additional years are presented for planning purposes.

Fund Analysis:

The Groundwater Recharge Fund's revenues are derived from three fees: the Groundwater Recharge Fee, Groundwater Extraction Fee, and the Groundwater Mitigation Fee.

1. **The Groundwater Recharge Fee** is collected from the monthly City utility bill and is based on the size of the water service line that range from \$.35 to \$39.65 a month. First priority of recharge fees is for the agreement with Tulare Irrigation District and Kaweah Delta Water Conservation District for the acquisition of water and other activities to improve groundwater levels.

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): 30

Review:

Dept. Head EF 7/6
(Initials & date required)

Finance EF 7/6
City Atty NA
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

2. **The Groundwater Extraction Fee** became effective January 2006 and is charged to Calwater or any municipal water provider for the extraction of water. This fee is \$14 per acre foot of water pumped.
3. **The Groundwater Mitigation Fee** became effective August 2005 and is charged to any person seeking to annex property. This fee is \$950 per acre of land to be developed, the assignment appropriate water rights or a combination of the two.

All fees in this fund are to be used for acquisition of water, groundwater recharge facilities, and other activities to improve groundwater levels and increase supply of water to the City.

In FY 2006/07 & 2007/08, staff is recommending increasing the Capital Improvement Plan by a total of \$970 thousand as shown in Table 1 – Capital Program Comparison below:

Table 1 – Capital Improvement Program Comparison

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revised Groundwater Plan	\$540,000	\$520,000	\$335,000	\$795,000	\$330,000	\$835,000
Adopted Groundwater Plan	\$ 70,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 40,000	\$ 60,000
Difference to be Approved	\$470,000	\$500,000	\$315,000	\$775,000	\$290,000	\$775,000

The revised plan has a total of 7 projects and 5 of them are proposed to be funded in the two year budget. A detail list of the projects is shown in the Revised Underground Water Recharge Capital Improvement Program attached. In addition, staff has attached the original Capital Improvement Program for comparison.

Prior Council/Board Actions: June 26, 2006 Council adopted the City’s Operating Budget and Capital Improvement Budget for FY 06/07 & 07/08.

Committee/Commission Review and Actions:

Alternatives:

Attachments: (pg 4) Revised Groundwater Recharge Fund Capital Improvement Program
(pg 6) Original Groundwater Recharge Fund Capital Improvement Program

Recommended Motion (and Alternative Motions if expected):
Review and approve the revised Groundwater Recharge Fund Capital Improvement budget and future Capital Improvement Program (CIP) requests.

Environmental Assessment Status

CEQA Review:

NEPA Review:

Tracking Information: *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to: