Eugene Water & Electric Board
Consent Calendar Request

Action:

_____Contract Award
_____Contract Renewal
_____Contract Increase
_____ Other

Date: April 16, 2009

Staff Contact: Jay Bozievich **Ext.** 3237

Agreement Covers:

_____ Goods
_____ Services
_____ Personal Services
_____ Public Works

For Contract Awards, Renewals and Increases:

Form of Agreement:

_____ Price Agreement
_____ PSC/SC
_____ Construction Contract
_____ IGA
_____ Other

Project or Job Number: _____

Project or Job Name: Natoli Lot Purchase

Vendor's name: Steven J. Natoli

Original Contract Amount: $ 0

Additional $ Previously Approved: $ 0

Amount this Request: **$ 117,085.00**

Cumulative Amount: $ 117,085.00
Including this request

Funding Source:

_____ Budget
_____ Reserves
_____ New Revenue
_____ Bonding
_____ Other

Method of Solicitation: Other/negotiation
(Formal bid, informal quote, RFP, exemption, other)

Means of Advertisement: n/a
(Applies to Solicitation)

Results of Solicitation: n/a

If applicable, basis for exemption: n/a

BUYER: _____

Term of Agreement: n/a

Option to Renew? n/a

The Board is being asked to approve the purchase price for a vacant lot in the amount of **$117,085.00** and other consideration to Steven J. Natoli.

EWEB owns the property adjacent to and to the south of the vacant parcel available for purchase. The EWEB property is occupied by a water reservoir facility. The 2004 Water system Master plan identified the need to replace the existing below-grade pump station with a new facility. The Ten-Year Capital Plan set the design for 2011 with construction in 2012. The current reservoir/pump station property limits the building to an area that is ten feet higher than the bottom of the reservoir. In order to maintain a flooded suction on the pumps, the pump station will need to be 15 to 16 feet deep. This depth will require an engineered structure and careful planning to avoid confined space issues.

The small lot adjacent and downhill from the site, owned by Steven Natoli, is currently available for purchase at a price of $116,675 plus approximately $410 in closing costs. The lot is at an elevation where we could use our "standard pump station building" with a four-foot deep pump well.

Mr. Natoli also owns the home on the parcel adjacent to and to the north of the vacant parcel. Recently the water reservoir underwent construction for the retrofitting of the walls and lining of the reservoir. Mr. Natoli made a claim to EWEB that the reverberations during this construction resulted in cracks in the foundation of his home. An offer for settlement was not reached.

The topography of the land required a slope around the reservoir. A significant area for the slope lies within the vacant lot. EWEB staff approached Mr. Natoli to request a slope easement to protect the integrity of the land around the reservoir. The slope easement would restrict any owner, now or future, from constructing structures within the slope area.

As a solution to both parties needs, an offer for EWEB to purchase the vacant parcel has been reached. The terms of purchase include compensation to settle the claim for Mr. Natoli's foundation cracks. The terms also include that EWEB will grant to Mr. Natoli a Use and Maintenance Easement for a twelve foot (12') strip of land along the vacant lots northerly property line. Mr. Natoli can enjoy the use of the additional twelve feet and he or his assigns will be responsible for its maintenance. EWEB will have control of the vacant lot in order to protect the integrity of the slope in the land around its reservoir. Also, EWEB's acquisition of this property will allow for the future location of a pump station when that need arises.

Given the long-term safety benefit, the elimination of an outstanding claim and need for a slope easement and the low net cost of $74,000. I recommend EWEB use reserves to fund the purchase of this lot. Staff recommends the approval of Offer to Purchase in the amount of $117,085 and other consideration

Funds for this purchase are coming out of capital reserves.

SIGNATURES:

Project Coordinator: _____

Supervisor: _____

Purchasing Manager: _____

Division Director: _____

General Manager: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____

M E M O R A N D U M

EUGENE WATER & ELECTRIC BOARD
PROPERTY MANAGEMENT SECTION

TO: Commissioners Farmer, Brown, Cassidy, Cunningham, and Ernst

FROM: Jay Bozievich

DATE: April 13, 2009

SUBJECT: Land Acquisition for Water Department

Issue Statement:

Staff recommends approval of the acquisition of a vacant lot identified as Tax Lot 4130 on Lane County Assessor's Map #18-04-02-43 for the amount of $117,000 and other consideration.

Background:

EWEB owns the property adjacent to and to the south of the vacant parcel available for purchase.

The EWEB property is occupied by a water reservoir facility. The 2004 Water System Master plan identified the need to replace the existing below-grade pump station with a new facility. The Ten-Year Capital Plan set the design for 2011 with construction in 2012. The current reservoir/pump station property limits the building to an area that is ten feet higher than the bottom of the reservoir. In order to maintain a flooded suction on the pumps, the pump station will need to be 15 to 16 feet deep. This depth will require an engineered structure and careful planning to avoid confined space issues.

The small lot adjacent and downhill from the site, owned by Steven Natoli, is currently available for purchase at a total cost of $116,675 plus approximately $410 in closing costs. The lot is at an elevation where we could use our "standard pump station building" with a four-foot deep pump well.

Mr. Natoli also owns the home on the parcel adjacent to and to the north of the vacant parcel. Recently the water reservoir underwent construction for the retrofitting of the walls and lining of the reservoir. Mr. Natoli made a claim to EWEB that the reverberations during this construction resulted in cracks in the foundation of his home. An offer for settlement was not reached.

The topography of the land required a slope around the reservoir. A significant area for the slope lies within the vacant lot. EWEB staff approached Mr. Natoli to request a slope easement to protect the integrity of the land around the reservoir. The slope easement would restrict any owner, now or future, from constructing structures within the slope area.

Potential cost savings:

The additional cost of the building on the existing property is in the additional 12 feet of excavation and building wall depth. Also there would be addition cost in expanding the building footprint form to make room for stairs and landings in the pump well.

The proposed pump station will house two domestic and two fire pumps for the 1150' system and two domestic pumps for the 1250 system; along with the MCC, control and monitoring equipment. The footprint for a standard 4' deep pump well building would be 16' by 28' to have room for all six pumps. An additional 4' would be needed for the stairs with intermediate landings in the deep pump well.

The excavation would be roughly 180 CY larger at $12/CY	= $2,160
The reinforced concrete walls* would contain 1030 CF more at $20/CF	= $20,600
*Assuming that they go from 8-inch to 12-inch due to the extra depth.	
Additional sheeting and shoring of excavation	= $5,000
Extra height of stairs	= $2,000
Additional engineering	= $3,000
Subtotal	= $32,760
15% contingencies	= $4,914
Total cost savings	= $37,674

Net cost of land:

The purchase of this lot would also eliminate the need to purchase the missing slope easement for the reservoir that is currently estimated at $3,500 and would resolve an outstanding claim from the property owner of $1,550. Therefore, the total cost savings would be approximately $43,000 so that the net cost of the lot would be $74,000.

Long-term benefits:

A pump station constructed on the adjoining lot would be a safer facility for EWEB maintenance personnel for the next hundred years. The pump well would only be four feet deep and the building would not be considered a confined space. The pump motors would sit higher than doorway threshold and the bottom of the ventilation louvers so that any catastrophic pipe leak would not flood the motors.

A pump station built on the existing reservoir site will be deep enough that a person standing in the pump well will still have their head below grade of any natural ventilation making the space a possible confined space entry. It will also require 12-foot pump shaft extensions to set the motors high enough to prevent flooding if desired. This cost is not captured above.

Discussion:

As a solution to both parties' needs, an offer for EWEB to purchase the vacant parcel has been reached. The terms of purchase include compensation to settle the claim for Mr. Natoli's foundation cracks. The terms also include that EWEB will grant to Mr. Natoli a Use and Maintenance Easement for a twelve foot (12') strip of land along the vacant northerly property line lots. Mr. Natoli can enjoy the use of the additional twelve feet and he or his assigns will be responsible for its maintenance. EWEB will have control of the vacant lot in order to protect the integrity of the slope in the land around its reservoir. Also, EWEB's acquisition of this property will allow for the future location of a pump station when that need arises.

Recommendation:

Given the long-term safety benefit, the elimination of an outstanding claim and need for a slope easement and the low net cost of $74,000, I recommend EWEB use reserves to fund the purchase of this lot. Staff recommends the approval of Offer to Purchase in the amount of $117,085 and other consideration

Requested Action:

Board approval.