

Resolution No.

# STOCKTON CITY COUNCIL

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## **RESOLUTION ACCEPTING AND APPROPRIATING FUNDS, APPROVING THE NOTICE OF EXEMPTION NO. NOE12-26, EXECUTING A RELEASE AND SETTLEMENT AGREEMENT, AND AWARDING A CONSTRUCTION CONTRACT FOR THE N3 PUMP STATION WARRANTY REPAIR, PROJECT NO. WT26048**

The N3 stormwater detention basin, pump station, and discharge outfall structure (N3 Pump Station) located at 4611 Newcastle Road was constructed by Norcal Landco, LLC, Inc. (developer) as part of the NorCal Logistics Center North - Phase 2 Development. The developer contracted with Conco-West, Inc. (Conco) to construct the N3 Pump Station, which was a condition of approval for the development; and

During the winter storms of 2022-2023, the pump station sustained significant storm-related damage during the project's warranty period, rendering it non-operational. It was determined that Conco was responsible for the damage resulting from construction-related deficiencies; and

Conco has accepted full responsibility for damage sustained at the N3 Pump Station and has agreed to complete all necessary repairs at their own expense. Because the N3 Pump Station was constructed as part of a development project, and the damage occurred after construction was completed but during the project's warranty period, Conco's insurance carrier has classified the incident as a third-party insurance liability claim. Accordingly, the insurer requires that payment for the damages be made directly to the City upon execution of the Release and Settlement Agreement; and

For Conco to make the warranty repairs for the insured amount, the City must award the Construction Contract to Conco; and

The project is in conformance with the City's General Plan, pursuant to California Government Code, section 65402, and is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) as specified under section 15301(d) of the CEQA Guidelines, because this is a discretionary project under the City's jurisdiction and qualifies as a project which has been determined to not have a significant effect on the environment; now, therefore,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:**

1. The City Council authorizes the City Manager to execute a Release and Settlement Agreement in the amount of \$389,858.95 with Conco for the N3 Pump Station

Warranty Repair, Project No. WT26048, a copy of which is attached as Exhibit 1 and incorporated by this reference.

2. The City Council approves the accepting and appropriation of funds in the amount of \$389,858.95 from the National Fire Insurance Company of Hartford, the general liability insurer for Conco to the N3 Pump Station Warranty Repair, Project No. WT26048.

3. The City Council approves the filing of Notice of Exemption No. NOE12-26 under the CEQA for the N3 Pump Station Warranty Repair, Project No. WT26048, a copy of which is attached as Exhibit 2 and incorporated by this reference.

4. The City Council approves findings pursuant to Stockton Municipal Code (SMC) section 3.68.070 in support of an exception to the competitive bidding process. These findings include:

- a. The damage to the N3 Pump Station is a direct result of construction deficiencies for which Conco is responsible for under the project warranty.
- b. The insurance settlement between Conco and its insurance provider will not fully fund the repair work; Conco is solely responsible for any additional costs needed to complete repairs.
- c. The N3 Pump Station is currently offline and non-operational. Any further delay in warranty repairs may expose the City to significant operational and financial liability.

5. The City Council awards a Construction Contract between the City of Stockton and Conco, in the amount of \$389,858.95, and the City Manager is authorized and directed to execute same, a copy of which is attached as Exhibit 3 and incorporated by this reference.

6. The City Manager is hereby authorized to take whatever actions are necessary and appropriate to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED June 23, 2026.

ATTEST:

CHRISTINA FUGAZI  
Mayor of the City of Stockton

KATHERINE ROLAND, CMC, CPMC  
City Clerk of the City of Stockton