



Agenda Date: 4/6/2016
Agenda Placement: 8C

Napa Sanitation District Board Agenda Letter

TO: Honorable Board of Directors

FROM: Jeff Tucker - Director of Administrative Services/CFO
NS-Administration

REPORT BY: Jeff Tucker, Director of Administrative Services/CFO - 707-258-6000

SUBJECT: Receive Presentation and Discuss Financing Alternatives for Browns Valley Road Sewer Interceptor Project (CIP 14703)

RECOMMENDATION

Receive presentation and discuss financing alternatives for the Browns Valley Road Sewer Interceptor Project (CIP 14703).

EXECUTIVE SUMMARY

The Capital Improvement Plan includes the design and engineering of the Browns Valley Road Sewer Interceptor (BVRSI) project. This project will divert flows from sewer lines that are over capacity during high flow events, such as large storms, away from downtown Napa to the West Napa Pump Station (WNPS). This diversion of flow will greatly reduce the risks of sanitary sewer overflows in the downtown and areas south of downtown Napa. The project also includes necessary improvements to the WNPS. The estimated cost for the sewer interceptor and pump station improvements is \$18 million.

There are several options available to the District to finance the BVRSI project. David Leifer from KNN Public Finance, the District's Financial Advisor, will present the Board with three financing options for this project. The options include 1) 20-year COP (bond) with level debt service 2) 20-year COP with wrapped debt service, and 3) 20-year Clean Water State Revolving Fund (SRF) loan to finance the project. Because of efforts to keep rates as low as possible in the next two fiscal year, all three options include the assumption that debt service will not begin until 3 years from now.

Staff is requesting that the Board provide direction regarding which option should be used for financing the BVRSI project.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

None.

SUPPORTING DOCUMENTS

A . Presentation

Napa Sanitation District: Approve

Reviewed By: Jeff Tucker