



MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE NAPA SANITATION DISTRICT, NAPA COUNTY, CALIFORNIA, HELD AND CONVENED AT THE SOSCOL RECYCLED WATER FACILITY ADMINISTRATION OFFICE, WEDNESDAY, JANUARY 13, 2016 CALLED TO ORDER AT 4:03 PM.

DRAFT

1. **OPEN SESSION:**

2. **ROLL CALL:**

PRESENT: JILL TECHEL, Chair; KEITH CALDWELL, Vice-Chair; CHUCK GRAVETT, PETE MOTT and DAVID GRAVES, Directors. ALSO PRESENT: TIMOTHY HEALY, General Manager and JOHN BAKKER, Legal Counsel.

ABSENT: None.

3. **REVIEW OF AGENDA:** No changes.

4. **SAFETY MOMENT:** Carbon Monoxide Kills

5. **PUBLIC COMMENT:** None.

6. **SPECIAL PRESENTATIONS:**

- a. Chair Techel introduced and welcomed new Board member David Graves, public appointee from the Napa County Board of Supervisors. District staff introduced themselves to Mr. Graves.

7. **CONSENT CALENDAR:**

Items 7E was pulled for discussion of proposed minor changes.

- a. **MR 16-001:**
APPROVAL/CORRECTION OF MINUTES FROM THE REGULAR MEETING ON DECEMBER 16, 2015.
- b. **Receive County of Napa Voucher Register Dated 12/01/15 through 12/28/15.**
- c. **MR 16-002:**
AUTHORIZE OUT-OF-STATE TRAVEL FOR SENIOR ACCOUNTANT AND CHIEF FINANCIAL OFFICER FOR GOVERNMENT FINANCE

**OFFICERS ASSOCIATION CONFERENCE IN TORONTO, CANADA
FROM MAY 22ND – MAY 25TH, 2016.**

- d. **MR. 16-003:**
CONCUR WITH CEQA DETERMINATION BY THE CALIFORNIA DEPARTMENT OF TRANSPORTATION, LEAD AGENCY UNDER CEQA; AND APPROVE THE PROJECT AND AUTHORIZE THE GENERAL MANAGER TO ISSUE NOTICE INVITING BIDS FOR THE SARCO CREEK PIPELINE REPLACEMENT PROJECT (CIP 15703).

- f. **MR 16-004:**
AUTHORIZE AN INCREASE OF CHANGE ORDER SIGNING AUTHORITY FOR THE GENERAL MANAGER FROM \$750,000 TO A MAXIMUM OF \$1,125,000 FOR THE MST RECYCLED WATER PIPELINE PROJECT (CIP 14726), FOR A POTENTIAL TOTAL APPROVED CONTRACT AMOUNT OF \$8,772,432.

- g. **Receive status report on the Los Carneros Water District Recycled Water Project (CIP 15718) for the month of December, 2015.**

- h. **Receive status report on the MST Recycled Water Project (CIP 14726) for the month of December, 2015.**

- i. **Receive General Manager’s Report for November, 2015.**

Motion by GRAVETT, seconded by CALDWELL, by the following vote:

AYES: GRAVETT, CALDWELL, MOTT, GRAVES, TECHEL
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

- e. **MR 16-005:**
APPROVE FINDING OF SPECIAL CIRCUMSTANCES PURSUANT TO SECTIONS 5.02.030.C AND 5.02.070 OF THE DISTRICT’S CODE TO JUSTIFY THE CONDITIONAL WAIVING OF THE REQUIREMENT TO PURCHASE CAPACITY OR LEASE CAPACITY, AND APPROVE AGREEMENT AS AMENDED BETWEEN THE DISTRICT AND DON SEBASTIANI & SONS REGARDING CAPACITY CHARGES.

Motion by GRAVETT, seconded by CALDWELL, by the following vote:

AYES: GRAVETT, CALDWELL, MOTT, GRAVES, TECHEL
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

Director Gravett requested that staff add the letter in the agenda packet from Don Sebastiani & Sons dated December 21, 2015 to the Agreement as Exhibit A. Gravett also requested staff to correct a typo on page 3 of the Agreement.

8. **REGULAR CALENDAR:**

- a. **MR 16-006:**
ACCEPT REPORT FROM RATE CONSULTANT NBS FOR SEWER SERVICE CHARGES AND APPROVE PROPOSITION 218 RATE NOTICE, AS AMENDED ADDING A TEAR OFF SHEET TO THE NOTICE.

Jeff Tucker, Director of Administrative Services/CFO, gave a presentation on the rate study results and the proposed sewer service charges rates for the next five years. He reviewed the basis for the proposed rates, including operating and maintenance costs, debt covenants, funding reserves, funding of the Capital Improvement Plan and additional investment in our sewer rehabilitation and replacement (R&R). The proposed rates include an increase to our R&R to a replacement of 1% per year, on average, starting in fiscal year 2019/20, in addition to the planned 1% per year average on Inflow and Infiltration projects.

Tucker also presented four options for the Low Income Assistance Program. Board held discussion and concurred on Option 2 - rate will increase at the same rate as proposed rate increase, maintaining the same percent discount of 28% on any increased rates.

David Liefer of KNN Public Finance, the District’s Financial Advisor, spoke regarding the District’s debit service and required revenues of the District. He confirmed that the assumptions used for debt service and the calculations for debt service coverage made in the NBS study were reasonable.

The Board heard public comment from Leon Brauning, Pam Kindig and Jack Gray. The Board responded to comments received.

The Board held lengthy discussion regarding the proposed rates, the Proposition 218 Notice criteria and the draft Notice. The Board agreed to add the request for a “tear off sheet” to the Prop. 218 Notice for the public’s use. The Proposition 218 hearing will be held on March 16, 2016 at 6:00 p.m. at the Napa Valley Unified School District Board room.

The Board noted that the vote was only to authorize staff to issue a Notice of Public Hearing and to accept the NBS Report. It was not a vote to approve the recommended rates in the report.

Motion by GRAVETT, seconded by GRAVES, by the following vote:

AYES: GRAVETT, GRAVES, CALDWELL, MOTT, TECHEL
 NOES: NONE
 ABSENT: NONE
 ABSTAIN: NONE

9. **GENERAL MANAGER REPORT:**

- a. None.

10. **LEGAL COUNSEL REPORT:**

- a. None.

11. **BOARD OF DIRECTORS REPORTS/GENERAL DISCUSSION:**

- a. North Bay Watershed Association (1/08/16): Vice-Chair Caldwell reported that he attended. He reported that at the February meeting they will be holding a “game of floods” if any members are interested in attending.
- b. Finance Committee meeting (1/11/16): Director Gravett and Director Mott attended. They discussed the budget assumptions for the FY 2016/17 budget.

12. **UPCOMING MEETINGS:**

- a. NBWRA Board meeting – January 25, 2016
- b. Regular Board meeting – February 3, 2016
- c. North Bay Watershed Association meeting – February 5, 2016
- d. Regular Board meeting – February 17, 2016
- e. Regular Board meeting – March 2, 2016

13. **ADJOURNMENT: 5:51 p.m.**

Adjourn to Napa Sanitation District Regular Meeting on Wednesday, February 3, 2016 at 4:00 p.m. for a Regular Meeting at the Napa Sanitation District Administration Building, 1515 Soscol Ferry Road, Napa, California.

Respectfully submitted,

ChP Schuh

Clerk of the Board