



MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE NAPA SANITATION DISTRICT, NAPA COUNTY, CALIFORNIA, HELD AND CONVENED AT SOSCOL RECYCLED WATER FACILITY ADMINISTRATION OFFICE, WEDNESDAY, FEBRUARY 28, 2018 CALLED TO ORDER AT 5:01 PM.

DRAFT

1. **OPEN SESSION:**

2. **ROLL CALL:**

PRESENT: JILL TECHEL, Chair; RYAN GREGORY Vice-Chair; PETE MOTT, MARY LUROS 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:** Vice-Chair Gregory read the safety topic: Slips, trips and falls.

5. **PUBLIC COMMENT:** None.

6. **SPECIAL PRESENTATIONS:** None.

7. **CONSENT CALENDAR:**

- a. **MR 18-010:**
APPROVAL OF MINUTES FROM THE REGULAR MEETING ON FEBRUARY 7, 2018.
- b. **Receive County of Napa Voucher Register Dated 1/23/18 through 2/12/18.**
- c. **MR 18-011:**
APPROVE REFUND OF \$2,871.45 FOR FY 2017-18 AND \$499.39 FOR FY 2016-17 (TOTAL OF \$3,370.84) FOR SEWER SERVICE CHARGES FOR ASSESSOR PARCEL NUMBER 003-172-011, LOCATED AT 1130 MAIN STREET.
- d. **RES 18-004:**
ADOPT RESOLUTION AUTHORIZING EXECUTION OF QUITCLAIM DEED OVER A PORTION OF APN'S 002-200-001 AND 002-141-002, LOCATED AT 1975 CALIFORNIA BOULEVARD; A RESOLUTION GRANTING SAID INTEREST IN AND OVER SAID REAL PROPERTY TO THE NAPA ES HOTEL, LLC.

- e. **MR 18-012:**
CONCUR WITH CEQA DETERMINATION IN CITY OF NAPA PLANNING COMMISSION RESOLUTION PC2016-45, PREPARED AND ADOPTED BY THE CITY OF NAPA, LEAD AGENCY UNDER CEQA FOR THE DEVELOPMENT PROJECT; SET BOND AMOUNT AT \$93,050; AND AUTHORIZE CHAIR TO SIGN THE IMPROVEMENT AGREEMENT AND INDEMNIFICATION AGREEMENT FOR THE WATERMARK AT NAPA VALLEY.
- f. **MR 18-013:**
AUTHORIZE AN INCREASE OF CHANGE ORDER SIGNING AUTHORITY FOR THE GENERAL MANAGER FROM \$146,500 (10% OF ORIGINAL CONTRACT) TO A MAXIMUM OF \$293,000 (20% OF ORIGINAL CONTRACT) FOR THE RECYCLED WATER RESERVOIR IMPROVEMENTS PROJECT (CIP 16716) FOR A POTENTIAL TOTAL APPROVED CONTRACT AMOUNT OF \$1,758,000.

Motion by GREGORY, seconded by LUROS, by the following vote:

AYES: GRAVES, GREGORY, LUROS, MOTT, TECHEL
NOES: NONE
ABSENT: NONE
ABSTAIN: GREGORY (Items 7D and 7E only)

8. **REGULAR CALENDAR:**

- a. **MR 18-014:**
RECEIVE PRESENTATION FROM STAFF ON PROPERTY LOCATED AT 410 STONECREST DRIVE, HEAR APPELLANT'S TESTIMONY, HEAR BOARD DISCLOSURES, AND CLOSE APPEAL HEARING.

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

AYES: GRAVES, LUROS, MOTT, TECHEL
NOES: NONE
ABSENT: NONE
ABSTAIN: GREGORY

Vice-Chair Gregory left the room due to a conflict of interest. Chair Techel reported that an appeal was received from the owner at 410 Stonecrest Drive in Napa. She reviewed the appeal rules and procedures and opened the appeal hearing.

Andrew Damron, Technical Services Director presented information on the background of the property at 410 Stonecrest Drive. He reported that the property is outside the Napa city limits and RUL and outside of NapaSan's Sphere of Influence. Water service is provided by the City of Napa through an Outside Service Agreement (OSA) and sewage treatment is through a private septic system. On September 14, 2017 a site evaluation found the septic system had failed. Napa County Environmental Health recommended a connection to public

sewer based on the threat to public health. Damron reported that this item was discussed at a NapaSan Board meeting on November 1, 2017. NapaSan requested authorization from LAFCO in November 2017 to enter into an OSA for this property, which was approved in December 2017. NapaSan prepared the OSA, which conditions were approved by the owner except for section 5 relating to a deferred improvement agreement, which requires owner to extend the public sanitary sewer infrastructure in Stonecrest Drive, per NapaSan's Standard Specifications, from the location required by paragraph 4 to the east property line of property.

Damron reported that NapaSan received a letter from the owner requesting an appeal to the Board. He reviewed NapaSan's Standard Specifications relating to requirements in the situation. NapaSan offered the property owner an alternative to the standard mainline extension requirement, which included entering into a Deferred Improvement Agreement to install the remainder of the improvements at a later date. The OSA would allow for the creation of a payback agreement at the owner's request, which would require the neighboring parcel across the street to reimburse the owner for construction costs based on shared property frontage. A sewer study was done at the property owner's expense, which is a requirement of an OSA.

Damron reported that the property owner proposed a \$10,000 fee in lieu of the deferred improvement agreement. Damron reported that the cost to construct the improvements is estimated at \$60,000, and noted that if NapaSan were to accept the fee in lieu, it may establish the expectation that NapaSan would be responsible for the entire improvement costs in the future should it be required to extend the main in the future. Damron reviewed the Board's options. He also reported that the property owner has offered an option that the deferred improvement agreement allow him to install the extension at any time prior to NapaSan's directive. Damron reported that staff is willing to accept this proposed modification to the agreement. He reviewed the next steps involved if the Board accepts the owner's new proposal.

Randy Gularte, 780 Trancas Street, Napa, CA spoke on behalf of the property owner. He indicated the piece of property is very large with only one house on it. The cost to construct the entire line would be approximately \$175,000. The owner has already invested \$18,000 and installation of the sewer line to connection at the property will be between \$60,000 and \$120,000. Mr. Gularte asked that the Board accept a payment of a \$10,000 fee in lieu of extending the sewer line to the end of the owner's property line. If the Board will not agree to payment of the \$10,000 fee, he asked that the Board consider the discussed alternate language in the deferred improvement agreement.

Each Board member made a disclosure regarding being contacted by Mr. Gularte prior to the meeting, according to the appeal process rules. After hearing all oral statements, the Board closed the appeal hearing.

Board, legal counsel and staff held discussion on the statements provided. The Board discussed and agreed that the payment of \$10,000 is not acceptable. The Board inquired as to how the payback period of 10 years in the deferred

improvement agreement was established. Legal counsel Bakker indicated the 10-year payback period is in NapaSan's Code.

The Board directed staff and legal counsel to research the options relating to the term of the payback language and bring the deferred improvement agreement, with the optional language requested by Mr. Gularte and property owner, back to the Board for approval.

MR 18-015:

AUTHORIZE GENERAL MANAGER TO SIGN OUTSIDE SERVICE AGREEMENT AND TO PREPARE A DEFERRED IMPROVEMENT AGREEMENT WITH ALTERNATIVE OPTION, AND EXTENDING OR WAIVING THE TIME FRAME FOR PAYBACK.

Motion by MOTT, seconded by LUROS, by the following vote:

AYES: GRAVES, LUROS, MOTT, TECHEL
NOES: NONE
ABSENT: NONE
ABSTAIN: GREGORY

- b. **RES 18-005:**
ADOPT RESOLUTION OF THE NAPA SANITATION DISTRICT ADOPTING AN ADDENDUM TO A MITIGATED NEGATIVE DECLARATION, APPROVING PROJECT MODIFICATIONS (REPLACEMENT OF THE WEST NAPA PUMP STATION), AND ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM IN ACCORDANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR THE BROWNS VALLEY TURNK SEWER PROJECT; DIRECT STAFF TO FILE THE NOTICE OF DETERMINATION AND PROCEED WITH THE NEXT STEPS IN IMPLEMENTING THE PROJECT, INCLUDING MODIFYING A FINANCIAL ASSISTANCE APPLICATION FOR THE CLEAN WATER STATE REVOLVING FUND.

Vice Chair Gregory returned to the meeting at the beginning of this agenda item.

Robin Gamble-Holley, Asset Management Analyst, gave an update on the Browns Valley Trunk Sewer Project and Minimum Negative Declaration Addendum regarding the West Napa Pump Station. She reviewed the project history and alignment, and the options studied in the Addendum for modifications at the West Napa Pump Station. NapaSan staff and consultant GHD analyzed the proposed modifications to the project and any changes to circumstances that occurred since adoption of the Mitigation Negative Declaration (MND) on February 15, 2017.

Gamble-Holley reported that an Addendum to the 2017 MND, which included replacing the West Napa Pump Station, was submitted to the State Clearinghouse, local agencies, and interested parties on February 9, 2018 for a 15-day public review period that ended on February 23, 2018. She reported that the original

plan was to rehabilitate the existing pump station, which is 40 years old. The study showed the rehab to be more complicated than originally thought. Other options were explored and it was determined that building a new pump station behind the current one was the preferred option. Gamble-Holley reviewed the anticipated construction schedule for the project, which begins with public outreach in the summer/fall of 2018 and ends with construction completion in the fall of 2021.

Jeff Tucker, Director of Administrative Services/CFO, reported on the SRF funding for the project. He reported that with Green Project Reserve, the SRF legal review receives priority and would be accelerated. He reported that a 50% loan forgiveness is given for “green” portions of the project. Additionally, he reported that NapaSan could take advantage of a “Local Match” financing program that could save the NapaSan \$270,000 annually (\$4M total). This program would also make the project eligible for priority funding and legal review.

Brian Bacciarini, Senior Environmental Scientist from GHD, reported on the CEQA Addendum. The project modifications were evaluated pursuant to CEQA and no new significant impacts or substantially more severe impacts were identified. The Addendum was prepared and circulated for the 15-day public review period. NapaSan received a comment letter from State Clearinghouse and Planning Unit indicating that no state agencies submitted comments by the due date.

Board and staff held discussion.

Motion by LUROS, seconded by MOTT, by the following vote:

AYES:	GRAVES, GREGORY, LUROS, MOTT, TECHEL
NOES:	NONE
ABSENT:	NONE
ABSTAIN:	NONE

c. **Receive informational presentation on Energy and Chemical Savings Options.**

James Keller, Operations Services Director, gave a presentation on NapaSan’s continued efforts to evaluate energy and chemical conservation measures. He provided information on energy and chemical uses in NapaSan’s treatment plant, installed conservation measures, and measures that are currently being evaluated.

He reported that the energy conservation focus areas are chemical conservation, load reduction, cogen optimization and generation of energy.

9. **GENERAL MANAGER REPORT:** Healy commented on a letter received from Michael Cook of the Department of Environmental Quality in the State of Idaho. Mr. Cook thanked NapaSan staff who provided him, and his staff, and other interested parties a tour of our facilities on January 30, 2018.

10. **LEGAL COUNSEL REPORT:** None.

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

- a. Chair Techel reported that a group from the General Accounting Office will be visiting on March 7th and would like to view NapaSan's video and discuss NapaSan's recycled water program.

12. **UPCOMING MEETINGS:**

- a. North Bay Watershed Association meeting – March 2, 2018
- b. Regular Board meeting on March 7, 2018 is canceled
- c. Regular Board meeting - March 21, 2018
- d. Regular Board meeting – April 4, 2018
- e. North Bay Watershed Association meeting – April 6, 2018

13 **ADJOURNMENT: (6:57 P.M.)**

Adjourn to Napa Sanitation District Regular Meeting on Wednesday, March 21, 2018 at 4:00 p.m. for a Regular Meeting to be held at the Napa Sanitation District Administration Building, 1515 Soscol Ferry Road, Napa, California.

Respectfully submitted,

Clerk of the Board