



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, MAY 2, 2018 CALLED TO ORDER AT 4:00 PM.

DRAFT

1. **OPEN SESSION:**

2. **ROLL CALL:**

PRESENT: RYAN GREGORY Vice-Chair; PETER MOTT, MARY LUROS and DAVID GRAVES, Directors; and DORIS GENTRY, Alternate Director. ALSO PRESENT: TIMOTHY HEALY, General Manager; and JOHN BAKKER, Legal Counsel.

ABSENT: JILL TECHEL, Chair.

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

4. **SAFETY MOMENT:** Director Mott read the safety topic: Motorcycle Safety Month.

5. **PUBLIC COMMENT:** None.

6. **SPECIAL PRESENTATIONS:** None.

7. **CONSENT CALENDAR:**

- a. **MR 18-031:**  
**APPROVAL OF MINUTES FROM THE REGULAR MEETING ON APRIL 18, 2018.**
- b. **Receive County of Napa Voucher Register Dated 4/03/18 through 4/16/18.**
- c. **Receive General Manager's Report for March 2018.**

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

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

8. **REGULAR CALENDAR:**

- a. **Receive presentation on the proposed F/Y 2018/19 Operating Budget. Consideration for adoption scheduled for June 6, 2018.**

Jeff Tucker, Director of Administrative Services/CFO, presented the draft Operating Budget for Fiscal Year 2018/19. He reviewed the expected revenues for sewer service charges, property leases, recycled water sales, waste hauler fees, building permit review, and capacity charges. The anticipated operating revenue increases by 8% and capacity charge revenue increases by 27.1%, due to capacity charge rate increase from \$9,299 to \$9,634 and additional commercial and residential development.

Tucker reviewed NapaSan's expected operating expenses for FY 18/19, which includes Services & Supplies (29.2% of total operating budget), Salaries & Benefits (48.4%), Debt Service (22.3%), Taxes, and Assessments (0.1%). He reported that Salaries & Benefits have an increase of 4%, Services & Supplies have a decrease of 2.5%, Taxes have an increase of 1.7%, and Debt Service decreases by 3.8% due to the refinancing of 2009B COPs. Tucker indicated that the health care costs for retired employees are currently recorded as "insurance premiums"; however, in the FY 2018/19 budget this will be recorded as OPEB (other post-employment benefits). The total proposed operating budget is an increase of 1.45% over the current year's budget.

Tucker reported on major initiatives in the upcoming budget, which include additional pension contribution, continued asset management implementation, the SRF loan for Browns Valley Road Trunk and West Napa Pump Station Project, a winery waste treatment options study, continuation of the Sewer Service Charge Methodology Study, an update to NapaSan's Strategic Plan, and an alternative chemicals study. Tucker reported that the proposed Capital Improvement Plan and 10-year financial forecast would be presented at the next meeting on May 16, 2018.

The Board and staff held discussion. Director Mott commented that the budget is put together well with ease of transparency.

- b. **RES 18-007:**  
**ADOPT RESOLUTION ACCEPTING COMPLETION AND DIRECTING GENERAL MANAGER TO FILE NOTICE OF COMPLETION AT THE OFFICE OF THE RECORDER, NAPA COUNTY, CALIFORNIA FOR THE RECYCLED WATER RESERVOIR IMPROVEMENTS PROJECT (CIP 16716).**

Senior Civil Engineer, Matt Lemmon, gave a presentation on the Recycled Water Reservoir Improvement Project. The project included removal of the existing reservoir covers, and installation of synthetic reservoir liners to increase the useful volume of the reservoirs creating an additional 3MG of treated water storage. Lemmon reported that the engineer's estimate for construction was \$1,450,000 and the low bid came in at \$1,465,000. The total change orders on the project were \$203,403 due to unexpected site conditions. The final cost of the project is \$1,668,403. He reported that 50% of the project costs are reimbursable through the State Revolving Fund "principal forgiveness" agreement. He reported that the floating covers would be installed in the near future.

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

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

- c. **RES 18-008:**  
**ADOPT RESOLUTION ACCEPTING COMPLETION AND DIRECTING GENERAL MANAGER TO FILE NOTICE OF COMPLETION AT THE OFFICE OF THE RECORDER, NAPA COUNTY, CALIFORNIA FOR THE 2017 COLLECTION SYSTEM REHABILITATION PROJECT (CIP 17708).**

Matt Lemmon, Senior Civil Engineer, gave a presentation on the 2017 Collection System Rehabilitation Project. He reviewed the six different project locations and reported that 2.1% of the sewer system was rehabilitated or replaced during the project (5.6 miles of sewer main), along with 578 public sewer laterals and 41 sewer manholes/flush holes. The project decreases inflow/infiltration in to the sewer system. During the project, staff coordinated with Caltrans, City of Napa staff, and businesses and residents in the areas. He reported that outreach was done with residents of the areas involved and 400-500 cleanouts were installed on resident's properties during the project.

Lemmon reported the engineer's estimate for the project was \$5,200,000 and the low bid came in at \$4,728,000. Total change orders for the project were negative \$318,493 due to unexpected site conditions, added and deleted scope for the project. The final contract amount totals \$4,409,507.

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

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

- d. **MR 18-032:**  
**AUTHORIZE GENERAL MANAGER TO EXECUTE THE AMENDMENT NO. 1 TO THE AGREEMENT WITH THE CITY OF NAPA FOR SALE OF RECYCLED WATER WITHIN THE CITY OF NAPA WATER SERVICE AREA.**

General Manager Healy discussed the proposed Amendment No. 1 to the City of Napa Recycled Water Agreement. The original agreement was entered into on August 4, 1998 and allows NapaSan to sell recycled water within parts of the City of Napa water service area. The original agreement terms include reimbursement to the City of Napa for loss of revenue and reciprocal rights to water service for NapaSan (11 AF/year of potable water) and the City of Napa (50 AF/year of recycled water to Kennedy Park and 50 AF/year to Napa Valley College). Healy reported that the City of Napa no longer provides free water to Kennedy Park and the Napa Valley College. The amendment includes extension of the recycled

water service area to Silverado Middle School and Tulocay Cemetery. All the other terms and conditions of the original agreement remain in effect. The amendment adds Exhibit D (map of additional reuse area) to the agreement.

Board and staff held discussion.

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

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

- e. **MR 18-033:**  
**AUTHORIZE THE PURCHASING AGENT TO EXECUTE TASK ORDER WITH TIMMONS GROUP TO PROVIDE COMPUTERIZED MAINTENANCE MANAGEMENT SYSTEM (CMMS) IMPLEMENTATION AND SOFTWARE IN THE AMOUNT OF \$317,882.50.**

Robin Gamble-Holley, Asset Management Analyst, gave a presentation on the Cityworks CMMS (Computerized Maintenance Management System) software procurement and implementation. NapaSan's Asset Management Plan indicated a need for replacement of NapaSan's obsolete CMMS software. Timmons Group was selected for purchase and implementation of the CMMS software through a competitive selection process. The software uses and maintains a database of information on maintenance activities including maintenance scheduling, data tracking and reporting. The information is used to schedule work orders, track costs/conditions of assets and make informed decisions on NapaSan assets.

Gamble-Holley reported that our current systems include three stand-alone databases, with two of them not compatible with the Windows 10 Operating System. The systems have limited integration with other NapaSan software programs and no GIS integration.

The new CMMS will be much more efficient and cost effective, and would include one central database. She discussed the scope for Timmons Group, which begins with project initiation all the way through training and support. The cost for this phase includes \$277,882.50 for implementation and \$40,000 for software. Anticipated future costs include \$170,000 for GHD consultant support, and estimated cost of \$20,000 for server purchases and \$60,000 for NapaSan staff time. The total cost for this phase of the implementation is \$567,882.50. The current budget includes \$625,000 for the project. The notice to proceed will be executed this month and the anticipated completion of this phase is July of 2019. Gamble-Holley thanked staff for the time and involvement they have put into the project.

Board and staff held discussion. Vice-Chair Gregory requested information on the costs for the long-term project with a table showing which tasks have been

completed and which remain. Gamble-Holley commented that a presentation would be given to the Board later this year on the progress of the project.

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

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

9. **GENERAL MANAGER REPORT:**

- a. General Manager Healy reported that NapaSan's CAFR for fiscal year ending June 30, 2017 received the Government Finance Officers Association award for Certificate of Achievement for Excellence in Financial Reporting. This is the seventh year NapaSan has received this award.
- b. Healy reported that he attended the City of Napa Planning Committee meeting where discussion was held on the Cinedome property and surrounding area, which includes NapaSan's North Napa Pump Station property. He reported on the discussions and Master Plan that proposes residential high-density housing on NapaSan property. Healy reported that he requested at the meeting that the NapaSan property also include limited street-level commercial, as appropriate. He reported that NapaSan would continue to work with City of Napa planning department staff and others.

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

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

- a. Lands Committee meeting (4/30/18): Directors Graves and Lueros attended, along with Board consultant Bill Kampton. They discussed NapaSan's properties.
- b. Director Mott reported that he has been approached by a party interested in NapaSan's remaining Hartle Court property. Discussion was held and the Board requested a future agenda item to discuss NapaSan properties. Staff will add this discussion to a future agenda.

12. **UPCOMING MEETINGS:**

- a. North Bay Watershed Association meeting – May 4, 2018
- b. Regular Board meeting – May 16, 2018
- c. NBWRA Board meeting – May 21, 2018
- d. Regular Board meeting – June 6, 2018

13. **ADJOURN TO CLOSED SESSION: (5:36 P.M.)**

- a. Public Employee Performance Evaluation  
Title: General Manager

14. **RECONVENE TO OPEN SESSION: (5:45 P.M.)**

15. **REPORT FROM LEGAL COUNSEL ON CLOSED SESSION:**

Legal Counsel Bakker reported the Board took no reportable action in Closed Session.

16. **ADJOURNMENT: (5:45 P.M.)**

Adjourn to Napa Sanitation District Regular Meeting on Wednesday, May 16, 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,**

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**Clerk of the Board**