



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, JUNE 6, 2018 CALLED TO ORDER AT 4:03 PM.

DRAFT

1. **OPEN SESSION:**

2. **ROLL CALL:**

PRESENT: JILL TECHEL, Chair, RYAN GREGORY, Vice-Chair (absent at roll-call, present at 4:04 p.m.); MARY LUROS and DAVID GRAVES, Directors; and DORIS GENTRY, Alternate Director. ALSO PRESENT: TIMOTHY HEALY, General Manager; and JOHN BAKKER, Legal Counsel.

ABSENT: PETER MOTT, Director.

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

4. **SAFETY MOMENT:** Director Graves read the safety topic: CPR/AED Awareness.

5. **PUBLIC COMMENT:** None.

6. **SPECIAL PRESENTATIONS:** None.

7. **CONSENT CALENDAR:**

- a. **MR 18-036:**
APPROVAL/CORRECTION OF MINUTES FROM THE REGULAR MEETING ON MAY 16, 2018.
- b. **Receive County of Napa Voucher Register Dated 5/1/18 through 5/21/18.**
- c. **MR 18-037:**
AUTHORIZE OUT OF STATE TRAVEL TO NEW ORLEANS, LA FOR GENERAL MANAGER TIM HEALY, DIRECTOR OF OPERATIONS JIM KELLER, PLANT MAINTENANCE SUPERVISOR MARK EGAN, TECHNICAL SERVICES DIRECTOR/DISTRICT ENGINEER ANDREW DAMRON, SENIOR CIVIL ENGINEER/CAPITAL PROGRAM MANAGER MATT LEMMON, AND DIRECTOR OF ADMINISTRATIVE SERVICES JEFF TUCKER FOR THE PURPOSE OF ATTENDING THE 91ST ANNUAL WATER ENVIRONMENT FEDERATION TECHNICAL EXHIBITION AND CONFERENCE (WEFTEC) FROM SEPTEMBER 29 TO OCTOBER 3, 2018.

- d. **MR 18-038:**
APPROVE SIDE LETTERS NO. 4 OF AGREEMENT BETWEEN NAPA SANITATION DISTRICT AND TEAMSTERS LOCAL 315, RANK & FILE AND SUPERVISORS UNITS; AND NAPA SANITATION DISTRICT AND ASSOCIATION OF MANAGEMENT PROFESSIONALS OF NAPA SANITATION DISTRICT.
- e. **MR 18-039:**
APPROVE REVISIONS TO HUMAN RESOURCES POLICY #310 ON SPECIALTY PAY.
- f. **MR 18-040:**
APPROVE THE AMENDMENT TO VALIC BASIC PLAN DOCUMENT FOR SECTION 457(B) DEFERRED COMPENSATION PLAN.
- g. **MR 18-041:**
AUTHORIZE CHAIR TO EXECUTE AMENDMENT NO. 10 MODIFYING THE ANNUAL RATE OF COMPENSATION TO THE NAPA SANITATION AGREEMENT NO. 07-083 WITH NAPA COUNTY TO PROVIDE INFORMATION TECHNOLOGY SERVICES FOR FY 2018/19.
- h. **MR 18-042:**
AUTHORIZE THE SURPLUS AND SALE AT AUCTION OF THE VACTOR COMBINATION TRUCK (VEHICLE #529).
- i. **MR 18-043:**
CONCUR WITH CEQA DETERMINATION IN CITY OF NAPA RESOLUTION R2006-180, PREPARED AND ADOPTED BY THE CITY OF NAPA, LEAD AGENCY UNDER CEQA FOR THE DEVELOPMENT PROJECT; SET BOND AMOUNT AT \$152,000; AND AUTHORIZE CHAIR TO SIGN THE IMPROVEMENT AGREEMENT FOR FOOTHILL ESTATES.
- j. **MR 18-044:**
AUTHORIZE THE PURCHASING AGENT TO EXECUTE A WORK ORDER WITH VSS INTERNATIONAL, INC FOR THE BID AMOUNT OF \$147,941 FOR THE 2017 COLLECTION SYSTEM REHABILITATION PROJECT PAVEMENT RESTORATION (CIP 17708) AND ISSUE THE NOTICE TO PROCEED, WHEN APPROPRIATE.
- k. **MR 18-045:**
AUTHORIZE THE PURCHASING AGENT TO EXECUTE TASK ORDER 63 WITH GHD TO PROVIDE COMPUTERIZED MAINTENANCE MANAGEMENT SYSTEM (CMMS) IMPLEMENTATION ASSISTANCE AND PROGRAM OVERSIGHT IN THE AMOUNT OF \$169,957.
- l. **Receive General Manager's Report for April 2018.**

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

AYES: TECHEL, GRAVES, GREGORY, LUROS, GENTRY
NOES: NONE
ABSENT: NONE
ABSTAIN: GREGORY (ITEM 7I ONLY)

8. **REGULAR CALENDAR:**

- a. **Receive update on the residential sewer service charge methodology study, and provide direction.**

Jeff Tucker, Director of Administrative Services/CFO, introduced the item and gave a brief overview on the sewer service charge methodology study. This topic is one of the Board's objectives under the Financial Stability goal in the Strategic Plan. He reported that NapaSan hired Carollo Engineers to evaluate a number of technical and policy questions regarding residential sewer service charges and capacity charges.

Mark Panny of Carollo Engineers gave a presentation on the results of the study. Carollo Engineers evaluated NapaSan's current billing procedure and appropriateness of billing on the Napa County property tax roll, and evaluated alternative options for billing, including contracted billing with cities of Napa and American Canyon, and direct billing from NapaSan.

The study looked at several components for each alternative billing method: 1) staffing needs, 2) fiscal policies, 3) billing and payment systems, 4) costs, and 5) customer impacts for each of the options. The results show the current billing method needing the fewest full-time employees, the most flexible regarding fiscal policies, no billing system upgrades needed, the lowest cost, and no customer impacts. The alternative methods would increase costs and have potentially negative impacts on customers. Reserve policies could become more flexible under the alternative methods.

Board and staff held discussion. Board concurred that the current method is the most appropriate considering all of the results of the study components.

- b. **RES 18-009:**
ADOPT RESOLUTION OF THE BOARD OF DIRECTORS OF THE NAPA SANITATION DISTRICT ADOPTING A BUDGET AND CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEAR 2018/19.

RES 18-010:
ADOPT RESOLUTION OF THE BOARD OF DIRECTORS OF NAPA SANITATION DISTRICT DIRECTING THE PREPARATION AND FILING OF A WRITTEN REPORT TO COLLECT SEWER SERVICE CHARGES ON THE TAX ROLL FOR FISCAL YEAR 2018/19.

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

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

Jeff Tucker, Director of Administrative Services/CFO, presented an overview of the proposed FY 2018/19 Operating and Capital Budget. He reviewed the budget development process, the Board policy direction including the goal to replace and rehabilitate up to at least 2% of sewers annually by 2020 (in current budget at 2%), reducing pension unfunded actuarial liability (UAL), reduce or maintain operating costs, fairness in rate setting, and several other directives from the Board's Strategic Plan.

Tucker reviewed the financial summary of the operating and capital budget. The operating budget includes limited growth of 1.45% increase in operating expenses, which includes an increase in salary and benefits of 4.0%, and a decrease in services and supplies of 2.5% largely due to a savings from electricity.

Board and staff held discussion. Board members commented on the ease of reading the budget document. Tucker thanked Senior Accountant Cyndi Bolden for her contributions to the budget.

- c. **MR 18-046:**
AUTHORIZE THE GENERAL MANAGER TO ENTER INTO AN OPTION TO LEASE AGREEMENT WITH CIEL ET TERRE USA FOR A NON-EXCLUSIVE LEASE OF THE SURFACE OF POND 4, THE SURFACE OF THE NORTHERN PORTION OF POND 3, THE SURROUNDING LEVEES, A SOLAR EASEMENT AND A TRANSMISSION EASEMENT FOR THE PURPOSE OF INSTALLING A FLOATING SOLAR ARRAY.

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

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

Jeff Tucker, Director of Administrative Services/CFO, updated the Board on discussions with Ciel et Terre USA (C&T) for a non-exclusive lease of surfaces of NapaSan sewer ponds and levees for a solar easement and transmission easement for the purpose of installing a floating solar array. The Option to Lease will provide C&T an opportunity to complete engineering analysis and submit an interconnection agreement to PG&E. Tucker reviewed the provisions in the Option to Lease Agreement.

Tucker indicated that if C&T moves forward with the project after the analysis is completed, NapaSan and C&T would enter into a 25-year land lease for \$80,000 per year lease payment with a 2.5% annual increase. In year eight of the lease,

50% of the gross revenue from any electricity generation exceeding the guaranteed minimum contract between C&T and the off-taker will be paid to NapaSan. This amount is estimated at \$70,000 the first year.

In addition, because of the surface coverage of Pond 4, a savings in chemicals costs is estimated at \$100,000 annually as soon as the construction is complete.

Board and staff held discussion.

- d. **MR 18-047:**
AUTHORIZE THE PURCHASING AGENT TO EXECUTE TASK ORDER 1 WITH WOODARD & CURRAN TO PROVIDE ENGINEERING SERVICES TO CONDUCT A CONDITION ASSESSMENT AND PRIORITIZATION STUDY FOR THE 66-INCH TRUNK SEWER REHABILITATION PROJECT (CIP 19701) IN THE AMOUNT OF \$210,859.

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

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

Karl Ono, Associate Engineer, presented information on the Task Order for the 66-inch Trunk Sewer Condition Assessment project. He reviewed the background of the 66-inch sewer line, which was constructed in 1967 and conveys 90% of the flow from the collection system to the Soscol Water Recycling Facility. The trunk line has been inspected in 2001, 2012 and partially in 2017. Subsequent condition assessment work was performed via manhole entries and test pit excavations by contractor GHD. These inspections revealed that portions of the trunk sewer have experienced structural degradation. The south portion of the line was found to have exposed rebar. Ono also reported on the external condition of the sewer line, which was reported as good with remaining wall thickness of 4.6 to 4.8 inches. Woodard and Curran will perform a condition assessment of the entire length of the trunk sewer.

Ono reported that the 2007 Collection System Master Plan (CSMP) identified that the trunk requires capacity upgrade to convey peak flows. Surcharging is observed during storm events and peak flows are directly attributable to Inflow and Infiltration. Ono reviewed the scope of the task order, as well as rehabilitation alternatives and advantages/ disadvantages of each alternative. He also reviewed the anticipated schedule for the 66-inch line rehabilitation.

The design work for the 66-inch trunk sewer rehabilitation project will be conducted in three phases. Subsequent phases of work are dependent on the condition assessments results and the hydraulic modeling that will take place as part of the next CSMP.

Board and staff held discussion.

- e. **MR 18-048:**
APPROVE PROJECT, CONCUR WITH STAFF'S CEQA DETERMINATION, AND AUTHORIZE THE GENERAL MANAGER TO ISSUE NOTICE INVITING BIDS FOR THE HEADWORKS EQUIPMENT REPLACEMENT PROJECT (CIP 17726).

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

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

Simon Kobayashi, Associate Engineer, gave a presentation on the Headworks Equipment Replacement Project. The project consists of replacing existing equipment in the Headworks facility that was identified in the 2011 Wastewater Treatment Plant Master Plan and was confirmed by equipment condition assessment. The engineers estimate for the project is \$2,158,000. Kobayashi discussed the history, project goals and design of the project. The project includes HVAC improvements, perforated curved plate screens, a Huber Grit Washer installation and new mechanical screens. The project schedule was reviewed with a projected completion date of August 2019.

- f. **Consider attendance at the CASA Conference in Monterey, CA August 8-10, 2018.**

General Manager, Tim Healy, announced that the annual CASA Conference is coming up in Monterey, CA on August 8-10, 2018. Board members Mott (in previous communication with Healy), Gregory and Techel indicated they wish to attend. Staff has hotel rooms reserved and will register Board members for the conference. (After the meeting, Gentry indicated to Healy her desire to attend.)

- g. **MR 18-049:**
CANCEL REGULAR BOARD MEETING ON JULY 4, 2018 DUE TO THE HOLIDAY.

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

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

The meeting on July 4, 2018 is canceled due to the holiday. The regular meeting on June 20, 2018 will take place as scheduled.

9. **GENERAL MANAGER REPORT:** None.

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

11. **BOARD OF DIRECTORS REPORTS/GENERAL DISCUSSION:** None.
12. **UPCOMING MEETINGS:**
 - a. NBWRA Board meeting (5/21/18) – Chair Techel attended the meeting and reported they discussed further planning.
13. **ADJOURN TO CLOSED SESSION:** None.
14. **ADJOURNMENT: (5:37 P.M.)**

Adjourn to Napa Sanitation District Regular Meeting on Wednesday, June 20, 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. Meeting is adjourned in memory of John W. Stewart, previous Engineer-Manager for Napa Sanitation District.

Respectfully submitted,

Clerk of the Board