



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 1, 2019 CALLED TO ORDER AT 4:00 PM.

DRAFT

1. **OPEN SESSION:**

2. **ROLL CALL:**

PRESENT: JILL TECHEL, Chair; PETE MOTT, Director; and DORIS GENTRY and ALFREDO PEDROZA, Alternate Directors. ALSO PRESENT: TIMOTHY HEALY, General Manager; and JOHN BAKKER, Legal Counsel.

ABSENT: RYAN GREGORY, Vice-Chair; MARY LUROS and DAVID GRAVES, Directors.

3. **REVIEW OF AGENDA:** No changes to the agenda.

4. **SAFETY MOMENT:** Director Mott read the safety topic: Arc Flash.

5. **PUBLIC COMMENT:** None.

6. **SPECIAL PRESENTATIONS:** None.

7. **CONSENT CALENDAR:**

- a. **MR 19-030:**
APPROVAL/CORRECTION OF MINUTES FROM THE REGULAR MEETING ON APRIL 17, 2019.
- b. **Receive County of Napa Voucher Register dated 4/02/19 through 4/15/19.**
- c. **Receive General Manager's Report for March 2019.**

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

AYES: GENTRY, MOTT, PEDROZA, TECHEL
NOES: NONE
ABSENT: GRAVES
ABSTAIN: NONE

8. **REGULAR CALENDAR:**

- a. **Receive presentation on the proposed FY 2019/20 Operating Budget, and provide direction to staff.**

Jeff Tucker, Director of Administrative Services/CFO, presented information on the draft Operating Budget for FY 2019/20. He reported the Finance Committee reviewed the draft on April 18, 2019 and their recommendations are included.

Tucker reviewed the expected revenues and expenses for FY 2019/20. Sewer service charge revenue increases by 6% and lease revenue will be reduced significantly due to issues with the Somky lease. Recycled water sales revenue is estimated to increase by 2.1%, and waste hauler fees to increase by 6%. The second largest source of revenue is capacity charge revenue, which is estimated to increase by 12.2%. Overall, operating revenue is estimated to increase by 3.8% and capacity charge revenue to increase by 12.2%. NapaSan will also be receiving loan proceeds from Browns Valley Trunk and West Napa Pump Station, and bond proceeds from the 66-inch Trunk Rehabilitation project.

Tucker reviewed the expenses for FY 2019/20 and indicated Salaries and Benefits will increase by 3.0%, Services and Supplies decrease by 1.5%, and debt service will remain flat. The operating budget has an overall increase of only 1.26%.

Tucker reviewed the significant initiatives in the FY 2019/20 budget, including OPEB and Pension contributions, continued asset management implementation, SRF loan for Browns Valley and WNPS financing, 66-inch Trunk Rehabilitation financing, ultrafiltration and reverse osmosis pilot project, and negotiations for new labor Memorandum of Understanding.

Board and staff held discussion.

- b. **RES. 19-006:**
**ADOPT RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NAPA SANITATION DISTRICT RESERVING SOMKY LEASE
REVENUE FOR FUNDING THE DISTRICT'S SEWER SERVICE
CHARGE LOW INCOME ASSISTANCE PROGRAM FOR CURRENT
AND FUTURE FISCAL YEARS.**

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

AYES:	GENTRY, MOTT, PEDROZA, TECHEL
NOES:	NONE
ABSENT:	GRAVES
ABSTAIN:	NONE

Jeff Tucker, Director of Administrative Services/CFO, reviewed NapaSan's Low Income sewer service charge program and the status of the funding for the program. At the April 3, 2019 Board meeting, the Board evaluated options for addressing the funding for the program. The Board directed staff to prepare a resolution that reserves excess Somky lease revenue received in FY 2018/19 for use in supporting the SSC Low Income Assistance Program in current and future years.

- c. **RES. 19-007:**
**ADOPT RESOLUTION OF THE BOARD OF DIRECTORS OF NAPA
SANITATION DISTRICT CHANGING ELIGIBILITY REQUIREMENTS
FOR THE DISTRICT'S LOW INCOME PROPERTY OWNER REBATE
PROGRAM.**

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

AYES: GENTRY, MOTT, PEDROZA, TECHEL
NOES: NONE
ABSENT: GRAVES
ABSTAIN: NONE

Tucker reviewed the procedural change discussed at the April 3, 2019 Board meeting that would allow enrollment in PG&E CARE program as qualification for NapaSan's Low Income Program. NapaSan will also continue to use our internal qualification requirements in addition to the PG&E CARE program requirements.

9. **GENERAL MANAGER REPORT:**

- a. General Manager Healy reported on SB 332 – Senators Hertzberg and Wiener's bill regarding recycled water. The language of the Bill was revised on April 30, 2019. The most significant change is revising the bill to read "average annual dry weather wastewater discharge" in lieu of "average annual wastewater discharge". Healy indicated this is a significant change for the better for NapaSan, although the bill still needs some revising. He reminded the Board that NapaSan's NPDES permit does not allow discharge to the Napa River in the dry season.

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

11. **BOARD OF DIRECTORS REPORTS/GENERAL DISCUSSION:** None.

12. **UPCOMING MEETINGS:**

- a. North Bay Watershed Association meeting – May 3, 2019
b. Regular Board meeting – May 15, 2019
c. Regular Board meeting – June 5, 2019
d. North Bay Watershed Association meeting – June 7, 2019
e. Regular Board meeting – June 19, 2019

13. **ADJOURNMENT (4:55 P.M.)**

Adjourn to Napa Sanitation District Regular Meeting on Wednesday, May 15, 2019 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