



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 11/26/2013

Agenda Placement: 10A

NAPA COUNTY BOARD OF SUPERVISORS

Board Agenda Letter

TO: Board of Supervisors

FROM: Phillip Miller for Steven Lederer - Director of Public Works
Public Works

REPORT BY: Howard Siegel, Contractor - 259-8600

SUBJECT: Actions Related to the MST Recycled Water Project

RECOMMENDATION

Director of Public Works requests the following actions related to the Milliken-Sarco-Tulocay Recycled Water Project:

1. Find that the Board has considered and approves the Napa Sanitation District MST Area Project – Imola Avenue Addendum to the Environmental Impact Report and Supplemental Information Document to the Environmental Impact Statement;
2. Approve and authorize Chairman to sign Amendment No. 5 to Agreement No. 7350 with Napa Sanitation District (NSD), increasing the authorization by \$288,866 for a new maximum of \$2,667,250;
3. Adoption of a Resolution pledging revenues and funds for repayment of a state loan;
4. Adoption of a Resolution authorizing the Director of Public Works and the Deputy Director of Public Works for Flood Control and Water Resources (as designee) to file a Financial Assistance Application with the State Water Resources Control Board; and
5. Adoption of a Resolution to reimburse expenditures paid prior to issuance of obligations.

EXECUTIVE SUMMARY

The Milliken-Sarco-Tulocay (MST) basin has been designated as a groundwater deficient area for over 15 years. The County, in conjunction with Napa Sanitation District (NSD), has been participating in the planning and construction of a recycled water pipeline to help alleviate the problem.

Both agencies are members of the North Bay Water Reuse Authority (NBWRA), through whose auspices this project has received both Federal and State funding and environmental review and approval. In December 2009, the Board adopted a resolution approving the proposed project and its Environmental Impact Report/Environmental Impact Statement (EIR/EIS) under both State (CEQA) and Federal (NEPA) environmental

requirements.

Although a portion of this project has already been constructed, the completion of the remaining 5 miles of pipeline has been contingent upon both the adequate funding of the Community Facilities District (CFD), formed in 2012, and the completion of an easement agreement with the State of California allowing a Booster Pump Station (BPS) to be constructed on the grounds of the Napa State Hospital (NSH). Since this location for the BPS is different than the location originally envisioned, an Addendum to the Project EIR/EIS has been prepared and circulated for public comment. (Note: NEPA certification has been completed by NBWRA with the US. Bureau of Reclamation). Approval of the Addendum is a requested action.

The County and NSD have been parties to a Funding Agreement since December 2009. This agreement has been amended four times (December 2010, May 2011, February and November 2012) and currently entails a maximum authorization of \$2,378,384 from the County to NSD. The primary purposes for this Agreement are for payment of NBWRA membership expenses and for the engineering, environmental and construction work related to the extension of NSD's recycled water system into the MST basin. The proposed Amendment would increase this maximum by \$288,866, due to a) NBWRA annual expense, b) additional work required of RMC Engineering (under contract to NSD) for Pump Station Design changes required by Napa State Hospital, and c) additional costs related to the Imola Pipeline Extension.

The three resolutions being considered are required as part of the State Revolving Loan Fund application that the County has submitted to finance the construction of the MST Pipeline. The resolutions authorize submittal of a financial assistance application, commitment of the CFD revenues to repay the loan and state that the County intends to reimburse expenses paid prior to loan approval .

PROCEDURAL REQUIREMENTS

1. Staff reports.
2. Public comments.
3. Motion, second, discussion and vote on the item.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Public Works Capital Improvement Program-Fund 1000, Subdivision 12205-00, Program 05001
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	If approved the requested amendment and proposed cost increase will reimburse Napa Sanitation District for: a) annual dues for NBWRA membership, b) additional engineering work to complete the Booster Pump Station design, and c) final cost increases related to the Imola Extension Pipeline.
Is the general fund affected?	No
Future fiscal impact:	NBWRA dues and staff expenses will continue until the project is completed.
Consequences if not approved:	The MST Recycled Water Project might not be completed.

Additional Information:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The Napa County Board of Supervisors is acting as a responsible agency pursuant to the California Environmental Quality Act (CEQA) and State CEQA Guidelines, Section 15096, and has considered the environmental effects of the Project indicated in the Addendum to the MST Recycled Water Project Environmental Impact Report (EIR). Please note the Federal (NEPA) aspect of this document has been certified by the NBWRA and its lead agency, the Sonoma County Water Agency.

BACKGROUND AND DISCUSSION

The Milliken-Sarco-Tulocay (MST) basin has been designated as a groundwater deficient area for over 15 years. The County, in conjunction with Napa Sanitation District (NSD), has been participating in the planning and construction of a recycled water pipeline to help alleviate the problem.

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The project outcome is still uncertain. Thus far legally binding commitments to fund the CFD amounting to nearly \$600,000 annually for 20 years have been received. Based upon engineer's estimates, project financing would require a minimum annual debt service of approximately \$642,000. Thus the outcome of the bidding process is

crucial to proceeding with construction. If bids come out even higher than expected, either additional funding must be identified or construction postponed until more CFD participants can be voluntarily annexed.

SUPPORTING DOCUMENTS

- A . Addendum to the EIR
- B . Resolution Pledging Revenues
- C . Authorizing Resolution
- D . Reimbursement Resolution

CEO Recommendation: Approve

Reviewed By: Molly Rattigan