



Agenda Date: 11/3/2021

Agenda Placement: 7C

## Napa Sanitation District Board Agenda Letter

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**TO:** Honorable Board of Directors

**FROM:** Timothy Healy - General Manager  
NS-Technical Services/Engineer

**REPORT BY:** Andrew Damron, Technical Services Director - 707-258-6000

**SUBJECT:** Accept for Maintenance and Operation - Stanly Ranch Pipeline Projects

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### **RECOMMENDATION**

1. Accept the Stanly Ranch sanitary sewer and recycled water improvements for maintenance and operation and release performance bonds, following receipt of a maintenance bond.
2. Authorize the General Manager to execute and record a quitclaim deed to quitclaim two Deferred Improvement Agreements (2013-0023066, 2013-0023067).

### **EXECUTIVE SUMMARY**

The development is for a resort project located in Stanly Ranch. In order to provide sanitary sewer and recycled water service to this project, the developer installed sanitary sewer and recycled water improvements as required by the conditions of approval of the project and terms and conditions of annexation of the property into NapaSan's sewer service area. The required sanitary sewer and recycled water improvements have been installed per NapaSan standards and it is staff's recommendation to accept the sanitary sewer and recycled water improvements for maintenance and operation.

Three performance bonds were posted for three phases of work in the amounts of \$1,728,500 (Phase 1, Napa River crossing), \$1,012,300 (Phase 2, force main), and \$2,288,000 (Phase 3, pump station and gravity main), totaling \$5,028,800.

The improvements constructed as part of the Phase 2 project were accepted for maintenance and operation by NapaSan at the Board meeting on August 5, 2015. The performance bond for Phase 2 was released by NapaSan on August 18, 2015. The maintenance bond posted for the Phase 2 work was valid for one year (until August 2016), however since the sewer force main constructed as part of the Phase 2 project has not been in operation until 2021, NapaSan should require posting of a new maintenance bond for the Phase 2 work that is valid for one

year from today's date (until November 2022).

The developer will post a maintenance bond in the amount of \$502,880 (which covers all three phases of work, 10% of the total as required by the improvement agreements signed by the developer) that is valid for one year from the date of acceptance for maintenance and operation.

Stanly Ranch and NapaSan signed and recorded two deferred agreements in 2013 (attached). These agreements required Stanly Ranch to construct sanitary sewer and recycled water improvements on the east side of the Napa River to connect the Phase 1 improvements (Napa River crossing) to NapaSan's existing pipelines. The recycled water improvements were constructed as part of the Los Carneros Recycled Water pipeline and the sanitary sewer improvements were constructed as part of the Phase 3 project (listed above). Stanly Ranch as completed obligations listed in the deferred agreements and, after Board approval, staff will file the quitclaim document (attached) which will clear the agreements from title of the properties.

### **FISCAL & STRATEGIC PLAN IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Sewer service charges and recycled water rates.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	All requirements have been met.
Is the general fund affected?	Yes
Future fiscal impact:	Unspecified operation and maintenance cost are expected to be fully offset by sewer service charges and recycled water rates.
Consequences if not approved:	NapaSan will not release the developer's bonds.
Additional Information:	None.

### **ENVIRONMENTAL IMPACT**

None.

### **BACKGROUND AND DISCUSSION**

The Stanly Ranch area was annexed into the District boundary in 2011. NapaSan's conditions of annexation required Stanly Ranch to install sanitary sewer and recycled water to serve the annexed area.

### **SUPPORTING DOCUMENTS**

- A . Project Map
- B . Deferred Improvement Agreement - Sanitary Sewer

C . Deferred Improvement Agreement - Recycled Water

D . Quitclaim Deed

Napa Sanitation District: Approve

Reviewed By: Timothy Healy