



Agenda Date: 4/3/2019

Agenda Placement: 8A

Napa Sanitation District Board Agenda Letter

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: Receive Presentation from Staff on the Status of Funding for the Browns Valley Trunk Project (CIP 14703) and West Napa Pump Station Project (CIP 17711), Discuss, and Provide Direction

RECOMMENDATION

Receive presentation from staff on the status of funding for the Browns Valley Trunk Project (CIP 14703) and West Napa Pump Station Project (CIP 17711), discuss, and provide direction.

EXECUTIVE SUMMARY

In April 2016, NapaSan submitted an application to the California State Water Resources Control Board for a State Revolving Fund (SRF) loan to fund the Browns Valley Trunk Project. In September 2016, the decision was made to pursue Green Project Reserve (GPR) funding by including the West Napa Pump Station in the project scope and application. NapaSan was told at that time that participation in the GPR program and the local match funding program would result in priority review and approval by the State Water Board. The State Water Board completed the environmental review of the project in May 2018 and NapaSan was told that funding would be approved by October 2018. Based on this news, NapaSan finalized the Browns Valley Trunk Project construction documents for bidding. In October, funding approval was not received, and State Water Board staff informed NapaSan that funding would be approved by January 2019. The construction project was advertised for bidding in November 2018 with bids due in January 2019. In January, funding approval was not received, and State Water Board staff informed NapaSan that funding would be approved by March 2019. On March 20, 2019, NapaSan staff was informed by State Water Board staff that due to allocation of staff resources to software upgrades, NapaSan's project funding approval would not occur until July 2019, or later.

During the SRF funding application process, NapaSan staff was proactive in obtaining schedule information. NapaSan was not informed of delays before promised approval dates had been missed. On March 6, 2019, the Board awarded the construction contract for the Browns Valley Trunk Project to JMB Construction, Inc. and authorized the General Manager to execute the agreement with the contractor after approval of SRF funding. In the

weeks prior to March 6, NapaSan staff attempted to obtain schedule information many times without any response. The first news of the current substantial delay was not provided by the State Water Board until March 20, 2019 which is two weeks after the NapaSan Board awarded to construction contract.

Bids opened on January 22, 2019 are valid until May 22, 2019.

Options for the Browns Valley Trunk Project for Board consideration are as follows:

Option 1: Wait for funding approval. Assuming funding approval occurs after May 22, 2019, the bids would expire. Staff would repackage the project bid documents and request authorization from the Board to advertise bids for the project after funding approval.

Option 2: Reject bids. Staff would then repackage the project bid documents and request authorization from the Board to advertise bids for the project after funding approval.

Option 3: Direct staff to execute the agreement with the contractor in advance of funding approval (either waiting for SRF funding and/or evaluate other funding options).

Option 1 and Option 2 would delay the project construction start date until early 2020. Option 3 would allow the project to start in Summer 2019.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	If the contract agreement is not signed (Option 1&2): The project would be budgeted in the 19/20 10-year CIP for construction, based on approved SRF funding, in 2020 and 2021. If the contract agreement is signed (Option 3): The project is budgeted in the 10-Year CIP. Since the low bid exceeds the engineer's estimate, revisions to the CIP are needed to fund the project. In advance of SRF funding, project costs would be funded by NapaSan and would impact NapaSan's financial stability.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	If the contract agreement is not signed (Option 1&2): The project would be rebid and construction would occur after SRF funding approval. If the contract agreement is signed (Option 3): The project would start in advance of SRF funding and potentially impact NapaSan's financial stability.
Is the general fund affected?	Yes
Future fiscal impact:	The project budget and costs extend into future fiscal years.
Consequences if not approved:	If the contract agreement is not signed (Option 1&2): The project would be rebid and construction would occur after SRF funding approval. If the contract agreement is signed (Option 3): The project would start in advance of SRF funding and potentially impact NapaSan's financial stability. If the project is not constructed, collection department personnel will continue to devote time handling bypassing and sanitary sewer overflows, downstream capacity issues would continue, and the risk of overflows would not be diminished.

Additional Information: The State Revolving Fund (SRF) loan application and environmental documents were processed to include both the Browns Valley Trunk Project (BVT) and the West Napa Pump Station Project (WNPS). Due to the WNPS's projected energy savings the project qualifies for Green Project Reserve funding (GPR) which has a "loan forgiveness" incentive. It is anticipated that the projects will qualify for the maximum amount of "loan forgiveness" of \$4,000,000.

Also, due to a previous Board decision to pre-pay the interest on the SRF loan the loan will have 0% interest over the term of the loan which results in another \$6,000,000 savings over the term of the loan.

The estimated combined savings for GPR and pre-payment of interest for BVT and WNPS is \$10,000,000.

ENVIRONMENTAL IMPACT

NapaSan approved the project and adopted a Mitigated Negative Declaration on February 15, 2017 by Resolution 2017-006 which included rehabilitation of the West Napa Pump Station. NapaSan adopted an Addendum to the Mitigated Negative Declaration on February 28, 2018 by Resolution 2018-005 which included replacement of the West Napa Pump Station.

BACKGROUND AND DISCUSSION

The Browns Valley Trunk Project is proposed as an interceptor trunk project to divert wastewater flows from neighborhoods in West Napa and south of Napa Creek in a new pipeline. The alignment of the proposed trunk pipeline starts on Browns Valley Road near Thompson Avenue, flows east on Browns Valley Road, south on Freeway Drive, crosses the highway near Old Sonoma Road, east on Old Sonoma Road, south on Jefferson Street, east on Sycamore Street, south on Franklin Street, east on Spruce Street, and south on Coombs Street to the West Napa Pump Station. The new trunk pipeline will range in size from 15-inches to 48-inches. The project will divert wastewater flows away from existing pipes in downtown and areas south of downtown that are over capacity during peak wet-weather events. The project will decrease sanitary sewer overflows, provide additional sewer capacity to development areas (First Street west of the highway; downtown development), and provide an increased level of service to the basin.

During large storms, the existing sewer mains surcharge which causes sanitary sewer overflows at the intersection of Pine and Monroe Streets which require a staffed bypass pumping in wet weather. There are other typical overflow locations on and near Browns Valley Road during wet-weather events.

The scope of the project includes the following:

- 1,500 LF (0.3 miles) of 48" diameter trunk main,
- 4,600 LF (0.9 miles) of 30" diameter trunk main,
- 2,000 LF (0.4 miles) of 24" diameter trunk main,
- 7,300 LF (1.4 miles) of 15" diameter trunk main,
- 60 Pre-cast manholes,
- Highway crossing of SR29 near Old Sonoma Road,
- Pavement overlay in a portion of Freeway Drive, and
- Trench paving.

Staff conducted extensive outreach for the project during the design phase and incorporated solutions to concerns into the design and contract. Outreach activities included community meetings with residents, individual meetings with businesses along the proposed pipeline route (including the Factory Stores), planning and coordination meetings with the City of Napa Public Works Department and Water Division, discussions and coordination with other stakeholders (including NVTA, Napa Recycling).

Work on the project began with an alignment study in 2014. Based on the results of the alignment study, the pipeline design started in 2016. NapaSan originally planned to start construction of the project in 2017 but extended the project design and outreach schedule to take advantage of SRF funding opportunities.

NapaSan's West Napa Pump Station is located at the northeast corner of the intersection of West Imola Avenue and South Coombs Street. The pump station conveys flow from areas of West Napa and pumps the wastewater under the Napa River. The original facility was constructed in 1948 and was expanded in 1979 with minor modifications since the expansion was completed. Dry weather flow through the pump station is approximately 1.8 mgd, however approximately 15 mgd are experienced during wet-weather events. The project will increase the firm capacity of the pump station so that the pump station is more reliable in wet weather and replace 70-year old assets that have reached the end of their useful life. A predesign report was prepared in 2003 for the pump station that identified deficiencies that required improvements including replacement of handrails and stairs, seismic upgrades to the building, and replacement of outdated electrical to name a few. The primary deficiency was that there was inadequate firm capacity. Firm capacity of a pump station is the total pumping capacity remaining when the largest pump is out of service. The proposed project will replace the existing pump station with a new facility located on the same site.

SUPPORTING DOCUMENTS

A . Presentation Slides

Napa Sanitation District: Approve

Reviewed By: Timothy Healy