



MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE NAPA SANITATION DISTRICT, NAPA COUNTY, CALIFORNIA, HELD AND CONVENED AT THE SOSCOL RECYCLED WATER FACILITY ADMINISTRATION OFFICE, WEDNESDAY, MAY 1, 2013 CALLED TO ORDER AT 4:30 PM.

1. **OPEN SESSION:**

2. **ROLL CALL:**

PRESENT: JILL TECHEL, Chair; MARK LUCE, Vice-Chair, PETER MOTT, CHUCK GRAVETT and CHUCK SHINNAMON, Directors. ALSO PRESENT: TIMOTHY HEALY, General Manager, and JOHN BAKKER, Legal Counsel.

ABSENT: None.

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

4. **SAFETY MOMENT:** "Electrical Safety Month"

5. **PUBLIC COMMENT:** None.

6. **SPECIAL PRESENTATIONS:** None.

7. **CONSENT CALENDAR:**

- a. **MR 13-030:**
APPROVAL OF MINUTES FROM THE REGULAR BOARD MEETING ON APRIL 17, 2013.
- b. **Receive County of Napa Voucher Register Dated 4/02/13 through 4/15/13.**
- c. **MR 13-031:**
AUTHORIZE STAFF TO EXECUTE AMENDMENT NO. 6 MODIFYING THE ANNUAL RATE OF COMPENSATION TO THE NAPA SANITATION AGREEMENT NO. 07-083 WITH NAPA COUNTY TO PROVIDE INFORMATION TECHNOLOGY SERVICES FOR FY 2013-14.
- d. **MR 13-032:**
DETERMINE THE PROJECT IS SUBSTANTIALLY COMPLEX AND REQUIRE A TEN PERCENT (10%) RETENTION AMOUNT, APPROVE

THE PROJECT, AND AUTHORIZE THE GENERAL MANAGER TO ISSUE NOTICE INVITING BIDS FOR THE INFLUENT PUMP STATION EXPANSION PROJECT (CIP 13724).

- e. **MR 13-033:**
AUTHORIZE THE PURCHASING AGENT TO EXECUTE AMENDMENT 1 TO TASK ORDER 13 WITH THE COVELLO GROUP, INC. TO PROVIDE ADDITIONAL CONSTRUCTION PHASE SERVICES FOR THE ADMINISTRATION AND CORPORATION YARD BUILDINGS PROJECT (CIP 6004) IN THE AMOUNT OF \$45,028.

- f. **MR 13-034:**
CERTIFY REVIEW OF THE CITY OF NAPA RESOLUTION PREPARED AND ADOPTED BY THE CITY OF NAPA, LEAD AGENCY UNDER CEQA FOR THE DEVELOPMENT PROJECT; SET BOND AMOUNT AT \$99,000; AND AUTHORIZE CHAIR TO SIGN THE IMPROVEMENT AGREEMENT FOR OAK LEAF II SUBDIVISION.

- g. **Receive General Manager's Report for the month of March, 2013.**

Motion by GRAVETT, seconded by LUCE, by the following vote:

AYES: GRAVETT, LUCE, SHINNAMON, TECHEL, MOTT
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

8. REGULAR CALENDAR:

- a. **MR 13-035:**
CONDUCTED APPEAL HEARING AND MADE DETERMINATION TO GRANT THE APPEAL CHALLENGING THE DISTRICT'S CAPACITY CHARGE REQUIREMENT AND DEMOLITION CREDIT EXPIRATION AT 1318 SEMINARY STREET. A RESOLUTION MAKING A FINDING OF SPECIAL CIRCUMSTANCES TO BE BROUGHT BEFORE THE BOARD FOR CONSIDERATION AND APPROVAL.

Chair Techel called the hearing to order. District Sr. Civil Engineer, Andrew Damron, presented the District's oral argument explaining District staff's reasoning for denying the Appellant's appeal. He gave background information and discussed the District's Code rules on residential connections to the sewer system. Damron referenced District Code Section 5.02.050 states that "Capacity charge credits shall be valid for a period of two years from the date the demolition permit is issued by the District, and shall remain with the parcel from which they were established. The property owner must obtain a City or County building permit within the two-year time frame in order to utilize the capacity charge credits. The value of the credits shall be based on the type of unit and/or fixtures that have been removed from the parcel."

A demolition permit for the property was issued on March 30, 2009. The previous owner's demolition contractor, Harold Smith & Son, signed a District form acknowledging that demolition credits will become void after two years. Per District Code, the demolition credits expired on March 30, 2011. The applicant, Robert Ackley, submitted plans to construct a new residential unit on April 5, 2013. It was noted that during the 4-year period since the demolition permit was issued, this property was not assessed for sewer service charges.

Applicant Robert Ackley presented his position to the Board. Ackley noted that the new residence would not use any more capacity than the previous house on the property. Additionally, Ackley noted that the District's 2-year expiration was inconsistent with other agencies development fees.

Chair Techel closed the appeal hearing and the Board held discussion on the appeal. A motion was made by Director Shinnamon and seconded by Director Mott to grant the appeal and refund the \$7,000 capacity charge less the amount that would have been paid had sewer service charges not been suspended, which was approved by a majority of the Board. Legal Counsel Bakker was directed to draft a resolution making a finding of special circumstances and bring that resolution back to the Board for consideration at the next Board meeting.

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

AYES: SHINNAMON, TECHEL, MOTT
NOES: GRAVETT, LUCE
ABSENT: NONE
ABSTAIN: NONE

b. **MR 13-036:**
APPROVE NAPA SANITATION DISTRICT STRATEGIC PLAN.

Jeff Tucker, Director of Administrative Services/CFO, presented the Strategic Plan with examples on time frames from past Quarterly Reports. The Board held discussion with staff on the objectives in the plan. The Board gave direction to staff to make minor revisions in "Current Trends, Challenges and Opportunities." Staff will add schedules to objectives once they are approved by the Board.

Motion by GRAVETT, seconded by SHINNAMON, by the following vote:

AYES: SHINNAMON, TECHEL, MOTT, GRAVETT, LUCE
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

c. **Receive presentation from staff on the proposed FY 2013/14 Operating Budget.**

Jeff Tucker, Director of Administrative Services/CFO, gave a presentation to the Board on the proposed Operating Budget for FY 2013/14. Tucker indicated that the cost of salary and benefits went up 4.7%, however services and supplies were

reduced by 6.1%, for a net impact of 0.4% increase over FY 2012/13 operating budget. Debt service increased due to the issuance of new debt in FY 2012/13 to pay for capital projects. Capital expenses doubled in 2013/14 due to the Phase I Recycled Water Project, Influent Pump Station replacement, and MST pipeline project all starting construction next fiscal year.

Tucker presented the Ten-Year Forecast. The forecast is not balanced, with the District showing insufficient resources to cover planned expenditures starting in FY 2016/17. Tucker presented ideas to resolve the deficiency, ideas developed from discussions with the Board's Finance Committee and Long-Range Planning Committee.

Tucker reported that the Ten-Year Capital Improvement Plan will be presented to the Board at the May 15th Regular meeting. The combined operating budget and capital improvement plan will be presented to the Board for consideration and adoption on June 5, 2013.

9. GENERAL MANAGER'S REPORT:

- a. General Manager Healy reported that the next Board meeting on May 15th will be held in the new Board Room at the new Administration Building.
- b. Healy reported that a ribbon cutting ceremony is scheduled for May 15th at 5:00 p.m. during the Regular Board meeting.

10. LEGAL COUNSEL REPORT:

- a. None.

11. BOARD OF DIRECTORS REPORTS/GENERAL DISCUSSIONS:

- a. Long Term Planning Committee meeting – 4/19/13: Chair Techel and Vice-Chair Luce attended. The results of the meeting were seen in the operating budget staff report.
- b. Finance Committee meeting – 4/19/13: Director Gravett and Director Mott attended. The results of the meeting were seen in the operating budget staff report.

12. UPCOMING MEETINGS:

- a. Regular Board meeting – May 15 2013
- b. NBWRA Board meeting – May 20, 2013
- c. Regular Board meeting – June 5, 2013
- d. Regular Board meeting – June 19, 2013

13. ADJOURNMENT TO CLOSED SESSION: (5:47 p.m.)

Public Employee Performance Evaluation
Title: General Manager

14. RECONVENE TO OPEN SESSION: (6:05 p.m.)

15. REPORT FROM LEGAL COUNSEL ON CLOSED SESSION:

Legal Counsel reported the Board took no reportable action in closed session.

16. ADJOURNMENT: (6:05 p.m.)

There being no further business, the meeting was adjourned at 6:05 p.m. to meet again on May 15, 2013 at 4:00 p.m. for a Regular Meeting at the Napa Sanitation District Administration Building, 1515 Soscol Ferry Road, Napa, California.

Chair

ATTEST:

Clerk of the Board