

City of Novato- MVMCC ARPA FUNDING

Since July 20, 1996, when the PAC entered into an “Agreement For Exchange of Real Property” with the Sade Trust for \$15,450,000, it has long been the dream of MVMCC residents to become a resident-owned community. However, because the PAC was unable to obtain financing at the time, the title was transferred from the PAC to the Novato Financing Authority (NFA) as an extension of the City of Novato in 1997 to issue municipal bonds in order to secure the Park on behalf of the residents. The bonds were secured by the revenue generated from residents’ rents.

In 2011 the NFA was dissolved and the title was quickly transferred to the City of Novato to avoid the possibility of putting MVMCC on the public market. In December 2012, the City decided to pay off the balance of the bonds and take out a low-interest loan as a means of reducing debt service costs. As with the bonds, the Bank of Marin loan was secured by the revenue generated from residents’ rents.

While the City currently holds the title to the Park, one fact is abundantly clear that, **based on the City’s own financial records, since 1997 the Park has been funded entirely by the rents paid the residents.** Because MVMCC funds are maintained in a separate account and is listed as an “Enterprise Fund” in their annual budget and by the City’s Auditors – **NO general funds from the City of Novato have been used for Park debt service, operations or capital improvements.** Because of this fact, the vast majority of residents of MVMCC believe that the City has no tangible equity in MVMCC.

When pressed on the subject of the City’s use of general funds as a vested interest in MVMCC, the City habitually cites its use of the ARPA (American Rescue Plan Act) funds received in 2022 for improvements to MVMCC Pump Stations. ARPA funding was available to state, local and tribal governments for five key purposes, one of which was infrastructure for water, sewer and broadband. Recipients were required to obligate the funds by December 31, 2024. **The remaining MVMCC Pump Station work was one of the few City of Novato infrastructure projects that qualified for this funding.**

As the attached City of Novato Staff Report dated March 8, 2022, shows the first of the two Pump Stations (#2) was completed in September 2021 and was funded by the “MVMCC utility replacement reserves”. **See green highlighted texts in attached document “Staff Report March 2022”.** This was long before the City received any ARPA funding.

In the May 10, 2022, City of Novato Staff Report, the contract for Pump Station #1 is awarded to JMB Construction. On page three of that report under “Fiscal Impact” it also states *“MVMCC utility replacement reserves were planned to be used to fund the project, however*

on March 8, 2022, Council voted to amend the Fiscal Year 21/22 Budget Resolution to appropriate American Rescue Plan Act (ARPA) funding to the Project.” See green highlighted text in attached document “Staff Report May 2022.”

The ARPA funds received were used to reimburse the MVMCC utility replacement reserves, which is funded entirely by the residents’ rents- NOT the general fund. The ARPA reimbursement covered the costs for both pump station projects. In addition, the City was reimbursed from the MVMCC cash accounts for its project-related costs that were not eligible under ARPA funding guidelines.

As previously stated, based on the City’s own financial records, since 1997 the Park has been funded entirely by the rents paid the residents. We respectfully request that if the City has evidence to the contrary, they please provide documentation.

In fact, per the in-lieu-of-tax agreement MVMCC residents must pay the City of Novato approximately \$65,000 "in lieu of ad valorem taxes" - an alternative taxation method used instead of the standard property tax. The agreement also states the amount of in-lieu-of-taxes would adjust annually based on the CPI and was budgeted at over \$89,000 for the last fiscal year. MVMCC residents also pay the City up to \$50,000 annually for “owner expenses”. As homeowners, MVMCC residents with newer manufactured homes are required to pay Marin County Secured Property Taxes on their homes, of which 7% goes to the City of Novato. Furthermore, over the past two years the City has billed the residents for tens of thousands of dollars in billable hours at 400% of the base hourly salary for negotiations under the Exclusive Negotiating Agreement, which residents had to pay out of pocket.

Given the substantial equity held by MVMCC residents, we remain committed to pursuing our objective of self-ownership.



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STAFF REPORT

DATE: March 8, 2022

TO: City Council

FROM: Elisa Sarlatte, Senior Civil Engineer

PRESNTER: Christopher J. Blunk, City Engineer

SUBJECT: **APPROVE PLANS AND SPECIFICATIONS, AUTHORIZE BID ADVERTISEMENT AND MAKE FINDINGS OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FOR MARIN VALLEY MOBILE COUNTRY CLUB PUMP STATION NO. 1 IMPROVEMENTS, CIP PROJECT# 19-302**

REQUEST

Adopt a resolution approving the plans and specifications for the Marin Valley Mobile County Club (MVMCC) Pump Station No. 1 Improvements (MVMCC CIP Project Number 19-302), authorizing advertisement of bids and finding that the project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA guidelines Section 15301, Existing Facilities.

DISCUSSION AND BACKGROUND

A 2018 MVMCC sanitary sewer system assessment by Nute Engineering recommended improvements to the existing sanitary sewer system including new backup generators, two pump stations, force mains, and all appurtenances. A \$2.2M construction cost is estimated for improvements of Pump Stations Nos. 1 and 2 and the associated force mains.

The City of Novato completed improvements of Pump Station No. 2 in September 2021. The Pump Station No. 2 improvements were the first to be completed due to the station's function in conveying sewage coming from gravity lines and from Pump Station No. 1, and its location at the lowest point in the sewer system for the MVMCC.

The improvements proposed for Pump Station No. 1 include the replacement of the above-ground pump house with a "wet-well" pump that is located below ground, and new force main. The "wet-well" pump is quieter and creates substantially less odors than the existing pump system. The proposed operating system includes real time monitoring applications which will enable staff to monitor the pump station and receive alerts via phone, text and email. The project will also install a new backup generator to ensure that the pump will maintain operation during power outages.

A design contract in place with Nute Engineering to complete project plans for both pump stations has been utilized to complete the plan, specifications and estimate (PS&E) for Pump Station No. 1. The City will manage the project and utilize consultants for construction inspection and oversight as well as materials testing.

The Pump Station No. 1 Improvements Project will

The most recent version of proposed project drawings is posted on the City of Novato website: <http://novato.org/pwplans> for public review. Drawings are not attached to the meeting agenda due to their sizes. Hard copies will be available in the City Clerk's office upon request.

PUBLIC OUTREACH

Project staff including the Public Works engineers, Nute Engineering and the MVMCC General Manager have met and reviewed plans with the Park Acquisition Committee (PAC) on several occasions. Staff has met with concerned neighbors and has incorporated their concerns into the project PS&E. Project Staff will continue to work with the PAC and individual residents to discuss project schedule and logistics such as disruption due to construction activities, and project aesthetics.

The Project has been previously presented to the Novato City Council at the meeting:
May 13, 2019 when the City Council:

- Received input and information on the FY 19/20 Operating and Capital Budgets for the Marin Valley Mobile Country Club. These reports discussed the \$2.2 million dollar Sanitary Sewer Wet-Well Conversion & Force Main Replacement project being completed during FY 19/20 and 20/21.
- Voted 5-0 to adopt the FY 19/20 budget including the sanitary sewer pump station improvement project.

May 19, 2020 when the City Council;

- Voted 5-0 to approve the plans, specifications and project cost estimate for Pump Station No. 2 as well as the overall project budget, authorized the advertisement of bids, and found the project categorically exempt from the requirements of the California Environmental Quality Act (CEQA).

July 28, 2020

- Voted 5-0 to award the construction contract for the Marin Valley Mobile Country Club (MVMCC) Pump Station No. 2 Improvements to Fort Bragg Electric and authorized the City Manager to execute the construction contract.

September 22, 2020

- Voted 5-0 to award the construction management contract for the Marin Valley Mobile Country Club Pump Station No. 2 Improvements for construction oversight and inspection services to Nute Engineering as the responsible bidder and authorized the City Manager to execute the construction oversight and inspection contract.

October 26, 2021

- Voted 5-0 to accept the work as complete and authorizing the City Manager to sign the Notice of Completion for the Marin Valley Mobile Country Club Pump Station No. 2 Improvements.

ENVIRONMENTAL ASSESSMENT

Pursuant to CEQA Guidelines Section 15301, *Existing Facilities*, it has been determined that this project is categorically exempt from the California Environmental Quality Act. The proposed improvements fall within the “negligible or no expansion of use” requirement of the exemption, and satisfy the requirements of subsection (d) “Restoration or rehabilitation of deteriorated or damaged structures, facilities, or mechanical equipment to meet current standards of public health and safety.”

FISCAL IMPACT

This project, including both pump stations, is included in the City approved FY 19/20 Capital Budget for the Marin Valley Mobile Country Club as the Sanitary Sewer Wet-Well Conversion & Force Main Replacement project. The project is also included in the approved FY 20/21 and FY 21/22 budgets. MVMCC utility replacement reserves will be used to fund the project. The approved project budget for FY 20/21 is \$1.6 million. The approved project budget for FY 21/22 is \$1.4 million.

Staff support cost for design and construction contract management, construction oversight, inspection and materials testing are included in the estimated costs for the project.

Project Budget

Approved FY 20/21 MVMCC Capital Budget	\$1,602,000
Approved FY 21/21 MVMCC Capital Budget	\$1,400,000
Total Project Budget	\$3,002,000

Project Contracts to date

Project Design (Pump Stations No. 1 and No. 2)	\$ 181,312
Pump Station No. 2 Construction	\$1,041,383
Pump Station No. 2 Construction Oversight	\$ 124,323
Total Contracts to Date	\$1,347,018

The Engineer’s Estimate of Probable Cost Pump Station No. 1

Base Bid Project	\$1,232,100
Bid Alternate A – Odor Control System	\$ 55,000
15% Contingency (incl. Bid Alt. A)	\$ 193,065
<i>Pump Station No. 1 Total (incl. Bid Alt. A)</i>	<i>\$1,480,165</i>
Construction Oversight and Inspection (PS No.1)	\$ 120,000
<i>Total Design and Inspection</i>	<i>\$ 120,000</i>
Total Estimate Pump Station No. 1	\$1,600,165

Due to uncertain economic conditions, and given that this project, if approved, will be completed during and economy affected by supply and fuel shortages, City Staff and Nute Engineering acknowledge some uncertainty in the estimated probable costs. Staff feels that the 15%

contingency and the budget flexibility provided by the Bid Alternate give reassurance that project construction is feasible within the approved budget.

RECOMMENDATION

Adopt a resolution approving the plans and specifications, authorizing a bid advertisement and finding that the project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15301 *Existing Facilities*, for the Marin Valley Mobile Country Club Pump Station No. 1 Improvements, CIP Project# 19-302.

ALTERNATIVES

1. Take no action at this time and provide direction to staff.

ATTACHMENTS

1. Resolution
2. Vicinity Map
3. MVMCC Budget Excerpt
4. Plans & Specifications –available in the City Clerk’s office or at <http://novato.org/pwplans>



STAFF REPORT

MEETING

DATE: May 10, 2022

TO: City Council

FROM: Elisa Sarlatte, Senior Civil Engineer

PRESENTER: Christopher Blunk, Public Works Director-City Engineer

SUBJECT: **AWARD THE CONSTRUCTION CONTRACT FOR THE MARIN VALLEY MOBILE COUNTRY CLUB PUMP STATION NO. 1 IMPROVEMENTS, CIP PROJECT# 19-302 TO JMB CONSTRUCTION AS THE LOWEST RESPONSIBLE BIDDER AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE CONSTRUCTION CONTRACT**

REQUEST

Award the construction contract for the Marin Valley Mobile Country Club Pump Station No. 1 Improvements, CIP Project# 19-302 for the base bid plus bid alternate in the total amount of \$1,293,630 to JMB Construction as the lowest responsible bidder and authorize the City Manager to execute the construction contract.

DISCUSSION

A 2018 MVMCC sanitary sewer system assessment by Nute Engineering recommended improvements to the existing sanitary sewer system including new backup generators, two pump stations, force mains, and all appurtenances. A \$2.2M construction cost is estimated for improvements of Pump Stations Nos. 1 and 2 and the associated force mains.

The City of Novato and Nute Engineering identified the improvements of Pump Station No. 2 as a priority, due to its location at the lowest point in the MVMCC. Pump Station No. 2 moves flow from the entire development to the treatment plant at Las Galinas Sanitary District. In addition, its location adjacent to a watershed drainage swale, the SMART Right of Way, and wetland habitat make the possibility of a sanitary sewer overflow at Pump Station No. 2 potentially hazardous and difficult to contain.

Following the identification of Pump Station No. 2 as a priority project, staff expedited the development of project plans and specifications to enable the replacement of the above-ground pump house with a “wet-well” pump that is located below ground, and new force main was constructed during Summer/Fall of 2021. The project installed a new backup generator to ensure that the pump will maintain operation during power outages. Council voted to accept the Pump Station No. 2 project as complete during their regular meeting on October 26, 2021.

Following the completion of Pump Station No. 2, staff and Nute Engineering completed the plans and specifications for Pump Station No. 1. The improvements proposed for Pump Station No. 1 include the replacement of the above-ground pump house with a “wet-well” pump that is located below ground, and new force main. The “wet-well” pump is quieter and creates substantially less odors than the existing pump system. The proposed operating system includes real time

monitoring applications which will enable staff to monitor the pump station and receive alerts via phone, text and email. The project will also install a new backup generator to ensure that the pump will maintain operation during power outages.

On March 8, 2022, the City Council authorized the advertising of the project for construction bids and staff subsequently advertised the project. The bid opening was held on April 28, 2022 and a total of seven (7) bids were received. After examination of the same, JMB Construction Electric was determined to be the lowest responsible bidder, with a base bid amount of \$1,267,130.

Received bids are summarized below:

	BIDDERS	BASE BID	ALTERNATE A	RECOMMENDED AWARD
1	JMB Construction	\$1,267,130	\$26,500	\$1,293,630
2	Mitchell Engineering	\$1,269,900	\$30,000	
3	Pacific Infrastructure	\$1,337,300	\$29,900	
4	Valentine Corp.	\$1,398,369	\$39,000	
5	Fort Bragg Electric	\$1,577,797	\$59,629	
6	WR Forde Associates	\$1,626,300	\$30,000	
7	Maggiora & Ghilotti	\$1,674,717	\$43,000	

The attached Bid Abstract shows the bid details.

City staff recommends award of construction contract for the Marin Valley Mobile Country Club Pump Station No. 1 Improvements, CIP Project# 19-302 for the base bid and Alternate A in the total amount of \$1,293,630 to JMB Electric as the lowest responsible bidder and authorizing the City Manager to execute the contract.

PUBLIC OUTREACH

This item is listed on the City Council agenda, which is posted on the City’s Community Service Board and website 72 hours prior to the Council meeting as required by California Government Code 54954(a) (“Brown Act”).

Project staff including the Public Works engineers, Nute Engineering and the MVMCC General Manager have met and reviewed plans with the Park Acquisition Committee (PAC) on several occasions. Staff has met with concerned neighbors and has incorporated their concerns into the project PS&E. Project Staff will continue to work with the PAC and individual residents to discuss project schedule and logistics such as disruption due to construction activities, and project aesthetics.

The Project has been previously presented to the Novato City Council at the meeting:

May 13, 2019 when the City Council received input and information on the FY 19/20 Operating and Capital Budgets for the Marin Valley Mobile Country Club. These reports discussed the \$2.2 million dollar Sanitary Sewer Wet-Well Conversion & Force Main

Replacement project being completed during FY 19/20 and 20/21.

Voted 5-0 to adopt the FY 19/20 budget including the sanitary sewer pump station improvement project.

May 19, 2020 the City Council voted 5-0 to approve the plans, specifications and project cost estimate for Pump Station No. 2 as well as the overall project budget, authorized the advertisement of bids, and found the project categorically exempt from the requirements of the California Environmental Quality Act (CEQA).

July 28, 2020 the Council voted 5-0 to award the construction contract for the Marin Valley Mobile Country Club (MVMCC) Pump Station No. 2 Improvements to Fort Bragg Electric and authorized the City Manager to execute the construction contract.

September 22, 2020 the Council voted 5-0 to award the construction management contract for the Marin Valley Mobile Country Club Pump Station No. 2 Improvements for construction oversight and inspection services to Nute Engineering as the responsible bidder and authorized the City Manager to execute the construction oversight and inspection contract.

October 26, 2021 the Council voted 5-0 to accept the work as complete and authorizing the City Manager to sign the Notice of Completion for the Marin Valley Mobile Country Club Pump Station No. 2 Improvements.

March 8, 2022 the Council voted 5-0 to approve the plans, specifications and project cost estimate for Pump Station No. 1 as well as the overall project budget, authorized the advertisement of bids, and found the project categorically exempt from the requirements of the California Environmental Quality Act (CEQA). Council voted to amend the Fiscal Year 21/22 Budget Resolution to appropriate American Rescue Plan Act (ARPA) funding to the Project.

ENVIRONMENTAL ASSESSMENT

City Council made CEQA findings on March 8, 2022 - pursuant to CEQA Guidelines Section 15301, *Existing Facilities*, Subsection (d), it has been determined that this project is categorically exempt from the California Environmental Quality Act.

FISCAL IMPACT

This project, including both pump stations, we included in the City approved FY 19/20 Capital Budget for the Marin Valley Mobile Country Club as the Sanitary Sewer Wet-Well Conversion & Force Main Replacement project. The project was also included in the approved FY 20/21 and FY 21/22 budgets. The approved project budget for FY 20/21 is \$1.6 million. The approved project budget for FY 21/22 is \$1.4 million. MVMCC utility replacement reserves were planned to be used to fund the project, however on March 8, 2022 Council voted to amend the Fiscal Year 21/22 Budget Resolution to appropriate American Rescue Plan Act (ARPA) funding to the Project.

The contract awarded amount is recommended for the Base Bid and Bid Alternate A at total amount of \$1,293,630. This total contract amount is within the approved budget appropriation.

ALIGNMENT WITH STRATEGIC PLAN GOALS / OBJECTIVES

This item supports Strategic Plan Goal 5 - A City That Works, Objective 2: *“Develop and Implement plan to ensure effective and sustainable maintenance of City infrastructure, transportation infrastructure...”*

RECOMMENDATION

Award the construction contract for the for the Marin Valley Mobile Country Club Pump Station No. 1 Improvements, CIP Project# 19-302 base bid plus bid alternate A in the total amount of \$1,293,630 to JMB Construction as the lowest responsible bidder and authorize the City Manager to execute the construction contract.

ALTERNATIVES

Direct staff at City Council discretion.

ATTACHMENT

1. Bid Award Recommendation Letter
2. Vicinity Map