



A Tradition of Stewardship
A Commitment to Service

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Minh C. Tran
County Executive Officer

September 17, 2020

Mr. Brendon Freeman
Executive Director
Napa County Local Agency Formation Commission (LAFCO)
1030 Seminary Street, Suite B
Napa, California 94559

RE: **DRAFT NAPA COUNTYWIDE WATER AND WASTEWATER MUNICIPAL SERVICE REVIEW**

Dear Brendon:

Thank you for your continuing efforts to engage with Napa County as LAFCO moves forward with the Draft Napa Countywide Water and Wastewater Municipal Service Review (MSR). On September 15, 2020, the Director of Planning, Building and Environmental Services and his staff provided an informational update on the MSR to the Board of Supervisors at their regular meeting. The presentation included an overview of Draft Final MSR, as the County received your agency's timely notice that the Draft Final MSR was available for review. At the conclusion of the presentation and discussion, the Board of Supervisors requested my office provide comments on the Draft Final MSR.

As you are aware, the Final Draft MSR contains a number of revisions/updates based on recent comments your agency received from local agencies and interested parties, including the County's August 3, 2020 letter. The County is appreciative of your responsiveness to our prior comments. We, however, continue to have concerns with some of the content and recommendations within the document. Napa County requests LAFCO address the following items and update the MSR accordingly:

- Remove the discussion of the request by City of St. Helena for a joint review process with the County regarding new vineyard development within their municipal watershed as this is not an appropriate topic within the purview of a Municipal Service Review.
- Remove the discussion of extending City of St. Helena services to the Meadowood Resort and the area south of St. Helena. These are significant new topics that are inappropriate to introduce into the Draft Final MSR near the end of what has been to date a two-year process. The County agrees with the conclusion that it is premature to consider these extensions. However, it would be more appropriate to strike the newly introduced discussion entirely.

September 17, 2020

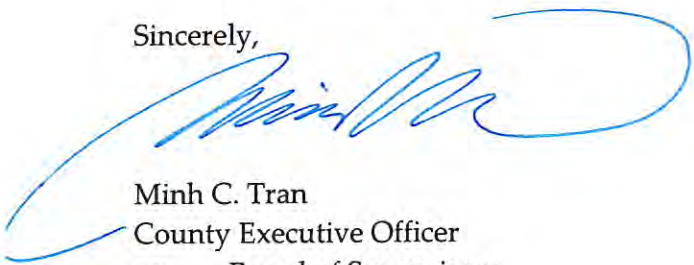
Page 2

Extension of new municipal services to unincorporated areas has the potential to undermine and/or circumvent voter sponsored Measures J and P to protect farmland and open space, as well as potential impacts under the California Environmental Quality Act (CEQA) and thus warrants thorough review before being included within the MSR.

- Provide adequate supporting documentation to demonstrate that a countywide water agency or district would be less expensive or more efficient than current service providers. Currently, the cities, town, and Napa Sanitation District receive a total of approximately \$120 million in sewer and water revenues. The budgets for the Marin Water District and Sonoma Water Agency are each at \$240 million. The report does not address the cost of consolidation, or the costs of servicing smaller water districts, and the extent to which these costs would be more than offset by future anticipated efficiencies. Moreover, the report does not identify any issues or problems with a specific existing water provider that a countywide agency or district is intended to remedy.
- Clarify how a countywide water agency or district could perform resource management, as there is no prior mention anywhere in the report of resource management issues, or issues with agencies currently responsible for managing natural resources. It is also unclear how resource management is included within the scope of a Municipal Service Review.
- Remove the reference to Calaveras County Water District (CCWD) as a comparable water agency or district. CCWD provides coordinated management over several small districts and does not operate as a single water and/or sewer provider with flood protection, storm water, and recycled water as recommended in the MSR. In addition, Calaveras County has only one incorporated city as compared to five cities/town that would be governed by a countywide agency in Napa County. The comparison between Calaveras and Napa Counties with regards to municipal service does not appear to be analogous.

The Board of Supervisors has not yet taken a formal position on the concept of a countywide water agency. There may be opportunities for more efficient and cost effective provision of water (and sewer) services that a countywide agency could achieve. However, without knowing the potential financial and land use governance implications from forming a countywide agency, it is premature for LAFCO to recommend that it be pursued further. We would appreciate the opportunity for LAFCO representatives and their consultant to provide more details at the Board of Supervisors' meeting on Tuesday September 22, 2020 at 1:35 PM.

Sincerely,



Minh C. Tran

County Executive Officer

cc: Board of Supervisors

David Morrison, Director of Planning, Building and Environmental Services

Steve Lederer, Director of Public Works

From: [Morrison, David](#)
To: [Freeman, Brendon](#)
Cc: [McDowell, John](#); [Franchi, Helene](#)
Subject: LAFCO MSR Study
Date: Wednesday, October 14, 2020 6:44:49 PM
Attachments: [Napa Water WW MSR Redlined Draft Final \(002\).docx](#)

Brendon,

Please find attached suggested edits to the Draft Final Napa Countywide Water and Wastewater Municipal Service Review. In keeping with the recent discussions by the Board of Supervisors regarding this document, the proposed edits:

- Removes references and text related to a single countywide water agency or district;
- Removes references to the County adopting a code regarding the regulation of trucked water, as the County already regulates trucked water on discretionary uses and within groundwater deficient areas;
- Removes the reference to the joint jurisdictional approval between the City of St. Helena and the County regarding proposed land uses within municipal watersheds;
- Indicates that wastewater system integrity and capacity would need to be addressed before there could be any discussion of extending service to the 29 business corridor;
- Removes references to any extension of services to the Meadowood Resort;
- Removes reference to the Domaine Chandon property as a future emergency water supply source for the Town of Yountville, as any discussion of annexation is speculative;
- Notes that if the City of Napa were to change their RUL to include Congress Valley Water District for inclusion in the SOI for future annexation, discussions regarding annexation would also need to be conducted with the County; and
- Notes damage to the Napa Berryessa Resort Improvement District infrastructure and homes due to the 2020 Hennessey Fire.

I hope that you, your consultant team, and the LAFCO Commissioners find these suggested changes helpful and constructive.

Please call me if you have any questions.

Respectfully,

David Morrison, Director
Napa County Planning, Building, and Environmental Services Department
1195 Third Street, 2nd Floor
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David.morrison@countyofnapa.org

October 15, 20

Comments on Chapter 7 (City of St. Helena) in
Napa County Water & Wastewater MSR Redlined Draft Final

1. Page 195: second paragraph under Sphere of Influence. The two non-contiguous parcels owned by the City near Bell Canyon are not within the City's boundaries. They are in the County.

As demonstrated by LAFCO, the two parcels appear to be within the City's boundaries but outside its SOI based on a lack of County zoning only attributed to unincorporated areas, descriptions of the parcels from previous MSRs, and GC Section 56742 allowing incorporated territory to be outside a City's SOI. No change made.

2. Page 197: first paragraph under Accountability and Governance. The mayor is elected to a two-year term, not a four-year term, as correctly stated in the City of St. Helena Profile on page 194.

Correction made in text.

3. Page 200: Figure 7.3, ninth line: change "wastewater" to "water" so that the line reads: "Monthly Water Rates as a % of Household Income."

Correction made in text.

4. Page 201: Figure 7.3, ninth line: change "water" to "wastewater" so that the line reads: "Monthly Wastewater Rates as a % of Household Income."

Correction made in text.

5. Pages 212-13: In settlement of a lawsuit brought in 2016 by Water Audit California, the City did *not* agree to divert more water from Bell Canyon reservoir to the creek. (Note: the City's bypass obligation is specified in DWR Permit 9157 (1953) as amended in 1989.) The City did agree to a further study to ensure that it was properly meeting its State by-pass requirement. Open channel flow measurement can present complexities, especially at Bell Canyon in measuring inflows into the reservoir.

Mr. Galbraith and staff clarified that settlement agreement agreed to installation of improved flow tracking equipment and analysis by two experts. The increase in bypass flow agreed to in the Initial Bypass Plan was to meet previously established bypass obligations that were not being met due to inadequate flow tracking equipment. The City has not agreed in excess of obligations pursuant to DWR

Permit 9157 from 1953 and amended in 1989. Text was edited to clarify the nature of the settlement agreement on p. 213. Edited to read “As part of the lawsuit settlement, the City agreed to engage in further studies to ensure that it was complying with the bypass obligation in its State permit.”

6. Page 213: third and fourth paragraphs are inconsistent. The third paragraph states the “City routinely monitors the elevation of the aquifer in the area of the city wells.” The fourth paragraph begins: “The City has not tracked groundwater levels in recent years.” Regrettably, this appears to be the case. The first sentence in the third paragraph should be deleted.

City staff clarified that monitoring of groundwater levels has been fairly consistent as it is required. Deleted “The City has not tracked groundwater levels in recent years.”

7. Page 214: First paragraph under Emergency Preparedness, last sentence. The City tested the capped well on the City-owned Adams Street property for flow in about 2011. Hence, the City should know the volume of water that might be expected.

Mr. Galbraith provided the well testing information from 2011 showing that the well tested at 200 GPM continuously. Text added to p. 214.

8. Page 216: second paragraph under Demand/Supply Analysis. The statement that “experience has shown that the City has inadequate water to supply customer demand with imposition of water emergency restrictions in recent years” is not correct. In “recent years” (since 2014) prior to the current water year the City in fact supplied water without the imposition of water emergency restrictions.

The information in the report is from the City’s General Plan Update on p. 4-8. Discussion with Mr. Galbraith and staff indicated that while the General Plan is dated 2019, the information on water flow is through 2015, and that in recent years (2015-2018) that the City has not imposed its own water emergency restrictions beyond State standards. However, restrictions have been imposed in 2020. It was agreed that “in recent years” be replaced with “in some years” for accuracy.

9. Page 217: last paragraph before Water Infrastructure and Facilities heading. The first sentence correctly states: “The City plans to assess the feasibility of production of reclaimed water as a potential water source.” The statement found in note one on page 1 does not fit this description. Note one reads: “The City of St. Helena reclaims water for use on city-owned irrigation fields, which does not replace the use of potable water.” The only City-owned field that receives treated water is the spray field in the County just south of the City’s Water Treatment Plant. This is strictly an adjunct of the City’s wastewater treatment operation. I don’t think this is worth a mention; the only goal of the spray field is to get rid of the water. This is not a meaningful reclamation use (no irrigated crops are grown). The

footnote is further confusing by its statement that potable water is not replaced. Potable water is not sprayed onto the spray field in the first place. That would be a waste. My suggestion is that note one on page one be removed.

This note is necessary to clarify that the water sprayed on the field as part of the wastewater treatment and disposal process, while “reclaimed,” is not used for irrigation as a replacement for potable water as is done for appropriately treated recycled water by other providers. Note clarified to indicate that it is on one field, is part of disposal at the treatment plant, and is not irrigating crops on p. 1 and p. 14. “The City of St. Helena treats wastewater and spray discharges on a city-owned field, which does not replace the use of potable water and is not considered recycled water.”

10. Page 217: Bell Canyon under Water Infrastructure and Facilities. The storage capacity of Bell Canyon is about 2350AF. The 1800 AF referenced on page 217 is the City’s storage right under DWR Permit 9157 (1953).

Clarified on p. 212 to say - Bell Canyon is an on-stream reservoir with a physical storage capacity of approximately 2,350 acre-feet (AF), of which the City has a storage right to 1,800 AF. And on p. 217 to say - The reservoir is owned and operated by the City and has a storage capacity of 2,350 AF, of which the City has a storage right to 1,800 AF.

11. Page 219: first sentence under Lower Reservoir. The statement that water is “currently” diverted from York Creek and stored in Lower Reservoir is not correct. The City completed removal of the diversion dam on York Creek in 2008, which eliminated the diversion of Creek water into Lower Reservoir. This is documented in City of St. Helena, *Upper York Creek Dam & Ecosystem Restoration* (undated pamphlet (prepared in 2015 or 2016 and accessible under its title through a Google search).

“Currently, water is diverted from York Creek and stored in the Lower Reservoir.” deleted per the updated information on p. 218.

Respectfully submitted,

Alan Galbraith
Mayor, City of St. Helena (2014-18)
agalbraith94574@gmail.com

Further Suggested Changes/Errata in MSR Redlined Draft Final

Page 10, last paragraph, line two: LAFCo should be LAFCO

Edit made.

Page 11, first paragraph, line one: LAFCo should be LAFCO

Edit made.

Page 13, last paragraph, final sentence: FYI, Napa County has since formed its Groundwater Sustainability Agency (“GSA”). The Agency’s directors are the five Napa County Supervisors. The GSA appointed a Groundwater Sustainability Plan Advisory Committee with 25 members, representing various stakeholders. (I am the vice chair of the GSPAC.)

Content added.

Page 15, Figure 3-2, in line for Vailima Estates Mutual Water Company: “unknown” in right box should be on same line or, if it must be broken up, then “un-known”

Edited.

Page 17, paragraph beginning “Because these systems serve the public,” the third sentence reads: “If the issues continue to persist after these steps, then the system goes into receivership and goes to court.” Subject to check, my understanding generally of receivership is that an entity with standing (e.g., SWRCB) would ask the court to place a system in receivership, the court would so undertake by judicial order, and the court would appoint a receiver.

Edited for clarification to read “If the issues continue to persist after these steps, then the system may go into receivership by court order.”

Page 22, under Drought Contingency Plan: this may need to be updated. My understanding is that the City of St. Helena has made its contribution. I assume the same is now true of the other jurisdictional entities.

Updated.

Page 25, second full paragraph: California Department of Fish and Game is now California Department of Fish and Wildlife.

Updated.

Page 27, paragraph four under Source Water, third sentence: I assume Fish and Game Code is now Fish and Wildlife Code.

It appears to still be the Fish and Game Code. No change made.

Page 44, under Data Management, third paragraph, next-to-last sentence. FYI, St. Helena has no wastewater service connections outside City limits.

Clarified in text that there is need for documentation of water service connections for St. Helena and wastewater service connections for American Canyon.

Page 107, under Governing Body: see comment for page 110. The box should read either “5 Council members including the Mayor “or 1 Mayor, 4 Council members.” I prefer the first because it makes the point that the Mayor is a member of the Council.

Edited to read 5 Council Members including the Mayor and Vice Mayor.

Page 107, City of Calistoga Profile, under Purpose: FYI, Upper Valley Waste Management Agency is a regulatory agency, not a disposal service provider. The disposal service provider in the upper valley is Upper Valley Disposal & Recycling. Upper Valley Disposal & Recycling is a private company that directly provides waste services. The Upper Valley Waste Management Agency, with City Council representatives from Calistoga, St. Helena, and Yountville on its Board of Directors, regulates Upper Valley Disposal & Recycling.

Edited to read Upper Valley Disposal & Recycling.

Page 110, first sentence under Accountability and Governance: The statement is made: “The City of Calistoga is governed by a three-member Council and one Mayor and one Vice Mayor. “ In fact, just as in St. Helena, a five- member Council, including the Mayor and Vice Mayor, govern the City of Calistoga. (The only difference is that Calistoga elects its mayor to a four-year term, whereas in St. Helena the term is two-years.) As in St. Helena, the mayor runs on a separate track (meaning that those seeking the office of mayor run against each other for that specific position), whereas those seeking Council positions run against each other with the top two vote getters being elected. In St. Helena, the mayor recommends the appointment of one Council member to serve as vice mayor, which must be approved in a majority Council vote. I assume the same is true in Calistoga.

Edited to read “five-member Council, including a Mayor and Vice Mayor..”

Page 161, first paragraph under Service Area: as noted on page 164, St. Helena (unlike Calistoga) is a direct and significant purchaser of Napa water (600 AF/yr). I would think that St. Helena should be mentioned as within the “Service Area” of the City of Napa’s potable water system on page 161, perhaps with a reference to the further discussion on page 164.

Services provided by the City of Napa to other agencies are covered on p. 165. The discussion on p. 161 is limited to direct services to customers within or outside the City. As a wholesale customer St. Helena retains responsibility for distribution of the purchased water and is not discussed here. No change made.

Page 400, under Staffing: Napa Public works Department should be Napa Public Works Department.

Edit made.

I hope these comments are useful.

Respectfully submitted,

Alan Galbraith
St. Helena Mayor, 2014-18



CALIFORNIA FARM BUREAU FEDERATION

LEGAL SERVICES DIVISION

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October 2, 2020

Via E-mail - bfreeman@napa.lafco.co.gov

Napa County Local Agency Formation Commission
1030 Seminary Street, Suite B
Napa, CA 94559-2814

Re: October 5, 2020 Meeting – **Agenda Item # 7a**
Draft Municipal Services Review – Recommendation for County Water Agency

Dear Members of the Commission:

The California Farm Bureau Federation and the Napa County Farm Bureau (collectively “Farm Bureau”) write to respectfully request that the Commission defer adoption of that portion of its draft Countywide Water and Wastewater Municipal Services Review (“Draft MSR”) which contains its core recommendation as to the formation of a county water agency or district.

The California Farm Bureau Federation (“CFBF”) is a non-governmental, nonprofit, voluntary membership California corporation whose purpose is to protect and promote agricultural interests throughout the state of California and to find solutions to the problems of the farm, the farm home, and the rural community. CFBF is California’s largest farm organization, comprised of 53 county Farm Bureaus currently representing approximately 34,000 agricultural, associate, and collegiate members in 56 counties. This membership includes more than 1,100 members of the Napa County Farm Bureau, within the County of Napa. CFBF strives to protect and improve the ability of farmers and ranchers engaged in production agriculture to provide a reliable supply of food and fiber through responsible stewardship of California’s resources. A key policy interest of CFBF’s membership relates to the protection of California’s water supplies for agriculture, as underpinned by reliable and cost-effective deliveries.

The Draft MSR contains a strong call for the formation of a county water agency or district, either as a matter of special-act legislation or under the auspices of the Water Code. Farm Bureau appreciates the Commission’s introduction of this issue in the Draft MSR, but believes strongly that additional analysis and public discussion should occur before an ultimate recommendation is written into the Draft MSR on this subject. A countywide water agency would inevitably have

long-term and very permanent implications for the face of Napa County as a matter of land use, and host of issues deserves further exploration before a recommendation is made – including not only what authority and governance structure the agency would have, but what its relationship with existing water agencies would be within Napa County, and what ultimate effects formation of the agency would have on water services and rates. The Draft MSR defers some of these issues, but Farm Bureau believes they can and should be explored in greater detail before the Draft MSR is adopted.

Additionally, while the Draft MSR points out a number of “benefits” in a bulletized list which supports its recommendation, it does not fully explore the potential drawbacks of a county water agency as an overlay on top of existing water service providers – a balanced discussion that we believe would benefit from additional staff work and public process. It does raise several very thorny “challenges” that might arise, based on similar cases – such as consensus among affected agencies and concerns about loss of local control, as well as the issues of costs and governance – but these potential “cons” of a countywide water agency could be more fully developed with additional time and stakeholder participation. Minimally, land use consequences such as annexations into agricultural lands must be addressed, as well as the potential agency’s interaction or overlap with a groundwater agency formed for purposes of implementing the State of California’s new Sustainable Groundwater Management Act (“SGMA”).

Finally, we point out that both the COVID-19 crisis and the ongoing wildfire crisis have distracted some of the best minds from participation in due public discussion of this and other important policy issues, and given the far-reaching implications of the formation of a county water agency for both water resources service and development and land use within Napa County itself, it would seem that this concept should be further developed at a considered pace when key stakeholders are able to effectively engage in the public process that will lead to the very best outcomes for the County of Napa.

Farm Bureau appreciates your consideration of this request for a deferred adoption of the Draft MSR, and looks forward to the Commission’s meeting on Monday.

Very truly yours,

CALIFORNIA FARM BUREAU FEDERATION

A handwritten signature in blue ink, appearing to read 'C. Scheuring', with a stylized flourish extending to the right.

Christian C. Scheuring
Managing Counsel

NAPA COUNTY FARM BUREAU



Ryan Klobas
Chief Executive Officer

cc: Napa County Board of Supervisors (via Clerk of The Board)

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