

# CITY OF AMERICAN CANYON

Engineering Division

*Gateway to the Napa Valley*



April 11, 2006

Hilary Gitelman  
Napa County Planning Department  
1195 Third Street, Room 210  
Napa, CA 94559

SUBJECT: Request for Water Service "Will Serve" Letter  
Phez, LLC, Gateway Road West  
(APN 057-210-045)

Dear Ms. Gitelman:

The City of American Canyon ("City") has received a request from Casey Escher, Phez Partners, LLC, for a "Will-Serve" letter from the City. The applicant is applying for a use permit for the project from Napa County and has been notified by the County's Planning Department that a Will-Serve letter from the City is required for the application to be complete. The Will Serve request is for a 34,000 sq. ft. industrial building on a 2.2 acre parcel located on Gateway Road West.

Napa Valley Gateway Unit 3 was issued a will-serve letter for water service by the American Canyon County Water District on June 18, 1991. When the City of American Canyon incorporated in 1992, previous District will-serve commitments were honored. In 1998 the City Council changed the will-serve policy, requiring the Public Works Department to obtain Council approval for water service commitments outside the City limits but within the City's water serve area. However, because a will-serve commitment had previously been granted to the Napa Valley Gateway project, the Public Works Director requested that City Council authorize staff to issue will-serve letters for individual lots within the Napa Valley Gateway development. Council granted staff that authority on November 15, 2001.

Our understanding of the current request for water service for Phez, LLC, based on Casey Escher's letter of March 30, 2006, is that the development currently proposed for the property would consist of one office/warehouse building.

Total Building size	34,000 sq. ft.
Total Lot acreage:	2.2 acres
Anticipated water demand:	1,200 gal/day (avg.)

According to the applicant's engineer, the domestic water demand is estimated to be 545 gallons per acre, per day.

City Review

The City review of the proposed development is required specifically by City Council motion of December 17, 1998, as well as established by City procedures which are meant to presently ensure that Will Serve Letters are only issued based on assumed water and sewer demands for specified allowed densities of development, taking into account the overall demand for water and the overall demand for effluent discharge within the City's system.

The City will provide the level of water service requested by the applicant, subject to the occurrence or satisfaction of the following conditions and/or the continued existence of the following described conditions:

1. Applicant shall be subject to the City's rules and regulations in force at the time application for service for the authorized and described development is made, including all fees and charges, unless otherwise agreed in writing.
2. The City is completing a review of its water connection fees due to the need for additional water resources and the greatly escalated cost of capital improvement projects, such as the Water Treatment Plant expansion and potable water tanks. The fees are expected to increase significantly. As of March 17, 2006, the collection of water connection fees will be deferred until the increased fees are in place. New services may be installed in the meantime; however, the continued provision of service will be subject to payment of the increased fees once they are adopted. Failure to pay the new connection fees will result in termination of service.
3. Applicant shall construct all facilities required to serve the development property which shall be determined by the City based on the authorized and described development. Applicant shall bear 100% of the costs of the facilities required to serve the development property, subject to review and approval of the City's Public Works Department. Applicant shall also be responsible for paying its proportionate fair share allocation of any additional regional facilities required to serve the development property, including, but not limited to, participation in a mutual beneficial assessment district to be initiated by others.
4. Applicant shall submit to the City cost estimates for the construction of all on- and off-site public water facilities required for the authorized and described development. If the City finds the costs reasonable, the applicant shall pay to the City an amount equal to applicant's proportionate fair share of 5% of the agreed-upon construction costs to cover inspection services by the City during construction. This inspection fee is fixed and non-refundable. This Will Serve Letter is conditional upon the City's agreeing in writing to the estimated costs.
5. The water service to be provided shall not exceed 1,200 gallons per day for the development property unless otherwise agreed to in the sole discretion of the City and is based on the description of the development set forth in the March 30, 2006, letter from Phez Partners, LLC and the Will-Serve Questionnaire completed by Phez Partners, LLC on March 3, 2006.
6. The applicant shall waive all future protest to a 40% surcharge on water rates for outside-the-city users and all future protest to a district-wide surcharge for a

drought reserve. The applicant acknowledges the City's intent to raise rates throughout the water service area.

7. Because the City faces a cutback of up 96% in our allocation from the State Water Project during extremely dry years, it is seeking additional water supply in the form of transfers or rights. The cost of this water supply is not known, nor is it included in the district's rates. The City is considering a drought surcharge on all customers, existing and new, in order to finance a drought reserve. The applicant agrees to waive any protest to such a drought surcharge.

This Will Serve Letter supersedes all prior purported Will Serve Letters and service commitments to the development property of any type. This Will Serve Letter will remain valid for a period of two years from its date and is only valid for the authorized development. The City reserves the right to further condition extension of water service if development different from that presently proposed and authorized is pursued. Except to the extent set forth, this letter does not create a liability or responsibility to the applicant or to any third party on behalf of the City. The City does not make a determination as to land use entitlements required for the proposed project, and the issuance of this Will Serve Letter shall not be construed to be an expression of the City of a position regarding the use or intensity of use of the development property.

Sincerely yours,



Robert C. Weil  
Public Works Director

cc: William Ross, City Attorney  
Casey Escher, Phez, LLC

**St. Claire, Linda**

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**From:** Cheryl Braulik [cbraulik@ci.american-canyon.ca.us]  
**Sent:** Wednesday, August 27, 2008 3:36 PM  
**To:** St. Claire, Linda  
**Subject:** RE: WillServe Phez NapaValleyGateway 4 06 doc.pdf - Adobe Acrobat Standard

Yes, the existing will serve letter dated April 11, 2006 for Phez, LLC is sufficient for the Spelletich Cellars TI.

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**From:** St. Claire, Linda [mailto:LSTCLAIR@co.napa.ca.us]  
**Sent:** Wednesday, August 27, 2008 3:30 PM  
**To:** Cheryl Braulik  
**Subject:** RE: WillServe Phez NapaValleyGateway 4 06 doc.pdf - Adobe Acrobat Standard

Hi Cheryl,

Yes, the building has been constructed. Spelletich will be the first tenant in this portion of the building. Does this fit the definition you are seeking?

Thanks for explaining your process. Makes perfect sense to me. I am glad someone is watching water usage.

Linda

Linda St. Claire | Planner II | Napa CDPD | 707.299.1348

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**From:** Cheryl Braulik [mailto:cbraulik@ci.american-canyon.ca.us]  
**Sent:** Wednesday, August 27, 2008 3:19 PM  
**To:** St. Claire, Linda  
**Subject:** RE: WillServe Phez NapaValleyGateway 4 06 doc.pdf - Adobe Acrobat Standard

Linda,

Could you tell me if this building is constructed and if Spelletich Cellars is the first tenant? If so, we would not need to issue a will serve letter.

If not I will need to do a bit of research. When applications for tenant improvements come in we complete an audit of the sites water usage. As long as the building as a whole stays under the water allotted by the will serve letter then they are fine. If the existing water use exceeds the allotment or the new tenant places them above the allotment then it becomes an issue and a new will serve letter is required.

Cheryl

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**From:** Sandra Cleisz  
**Sent:** Tuesday, August 26, 2008 11:36 AM  
**To:** Cheryl Braulik  
**Cc:** 'St. Claire, Linda'  
**Subject:** FW: WillServe Phez NapaValleyGateway 4 06 doc.pdf - Adobe Acrobat Standard

Cheryl:  
This is your bailiwick! Please review below and respond to Linda! Thanks.

Sandra Cleisz, Senior Planner

10/07/2008

 Print less = paper free and tree happy.

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**From:** St. Claire, Linda [mailto:LSTCLAIR@co.napa.ca.us]  
**Sent:** Tuesday, August 26, 2008 11:23 AM  
**To:** Sandra Cleisz  
**Cc:** Trippi, Sean  
**Subject:** FW: WillServe Phez NapaValleyGateway 4 06 doc.pdf - Adobe Acrobat Standard

Hi Sandra,

Will you please take a look at the below email and attached Will Serve doc and then pass this on to Cheryl? It would be great if this will suffice per the proposed project description laid out by the applicant's rep below. This project is going through our offices as a Minor Mod and is Cat Ex'd as well. We don't see any glitches on this end and hope that it will be an easy project for you all as well.

Best wishes,

Linda

Linda St. Claire | Planner II | Napa CDPD | 707.299.1348

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**From:** John Ward [mailto:jward@mca.us]  
**Sent:** Tuesday, August 26, 2008 11:08 AM  
**To:** St. Claire, Linda  
**Cc:** 'Casey Escher'  
**Subject:** WillServe Phez NapaValleyGateway 4 06 doc.pdf - Adobe Acrobat Standard

Linda,

Attached is the original will serve letter for 1,200 gallons per day from AC water. I just want to double check that we need to get an additional letter specific to Spelletich Cellars, in that we are proposing to use water within the limitations of the 1,200 gallons per day. There is an obvious time factor involved in obtaining such a letter.

We typically factor a water use of 1.5 gallons per gallon of wine made. So, a 60,000 gallon winery like this would use 90,000 gallons per year divided by 365 days = 240 gallons per day of the 1,200 gallons which equals 20% of the permitted daily water usage. While Spelletich Cellars is taking 7,300 SF of a 34,000 SF building = 21.5% of the building gross. The percentages are very close. Using the building area method they would be entitled to use 258 gallons per day or 94,170 gallons per year. Barb Spelletich is very conscious environmentally & proposes to use less than the 240 gal/day we allotted her, which includes domestic usage.

The winery water usage is within the limitations of the will serve letter and we hope that we need not seek any further documentation from AC water. Your consideration in this matter would be widely appreciated.

Thanks,  
 John

John Ward, Architect  
 MCA Architects  
 855 Bordeaux Way, Suite 260  
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 707-261-1530 fax  
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10/07/2008