

WHEN RECORDED RETURN TO:

City of St. Helena
1480 Main Street
St. Helena, CA 94574

VAL 1235 PAGE 773
RECORDED IN OFFICIAL RECORD
CITY OF ST. HELENA
SEP 23 1982
AT 12:28 P. M.
ELEANOR E. KIMBROUGH
COUNTY RECORDER

WATER USE AGREEMENT

THIS AGREEMENT made and entered into this 7th day of ~~August~~ Sept. 1982 by and between LOUIS M. MARTINI, a corporation, hereinafter called "Property Owner", and the City of St. Helena, a Municipal Corporation of the State of California, hereinafter called "City".

WITNESSETH:

WHEREAS, Property Owner is desirous of continuing to use that amount of water presently being used by Property Owner and supplied by City upon that certain parcel more particularly described in Exhibit A, attached hereto and incorporated by reference; and

WHEREAS, Napa County requires the agreement by City to continue said supply of water to Property Owner; and

WHEREAS, Property Owner has received said water from City since 1933;

NOW, THEREFORE, in consideration of the premises and the terms, conditions, covenants and agreements hereinafter mentioned, it is mutually understood and agreed by and between the parties hereto as follows:

1. City agrees to furnish Property Owner water service for the existing land use, to wit: a winery.
2. The aforesaid use shall be restricted to the physical plant presently existing on Property Owner's premises and shall in no event be increased by reason of the construction of additional structures or changed uses.

DD-1235

3. Any additional structures constructed ^{or changed uses made} by Property Owner shall be served by a well to be constructed by Property Owner and Property Owner agrees to install appropriate back flow devices approved by the City in the event such a well is constructed.

4. All of the terms, conditions, provisions, agreements and covenants herein contained shall pertain to and run with the land hereinbefore described.

5. Property Owner agrees to conform to and comply with all provisions of the City Code and all resolutions, rules, and regulations of the City regarding the manner in which said water service shall be used and the manner of connecting therewith now existing or as may be hereafter amended or adopted by the City.

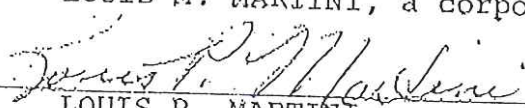
6. Property Owner agrees to pay the City the service charges, quantity rate and storage fees as provided by Chapter 18 of the City Code pursuant to all applicable rules, regulations or resolutions of the City now existing or hereafter amended or adopted.

7. All of the terms, conditions, provisions, agreements and covenants herein contained shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors in title or interest, transferees and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed in the parties' corporate names and seals affixed hereto by their officers thereunto duly authorized the day and year first above written.

LOUIS M. MARTINI, a corporation

by


LOUIS P. MARTINI

its

President

(Property Owner)

CITY OF ST. HELENA, a Municipal Corporation

by

Lowell Smith
LOWELL SMITH, Mayor

(City)

APPROVED AS TO FORM:

Joseph M. Keebler
JOSEPH M. KEEBLER, City Attorney.

ATTEST:

George R. Musso
GEORGE R. MUSSO, City Clerk

STATE OF CALIFORNIA
COUNTY OF NAPA

(ss.
)

On this 17th day of September, 1982, before the undersigned Notary Public, personally appeared LOUIS P. MARTINI, known to me to be the President of the corporation that executed the within instrument and acknowledged to me that such corporation executed the same.

Official Seal
NOREMMA L. GROSS
Notary Public
Napa County
State of California
My Commission Expires 12/31/1983

Noremma L. Gross
Notary Public

[SEAL]

STATE OF CALIFORNIA
COUNTY OF NAPA

(ss.
)

On this 10th day of September, 1982, before the undersigned Notary Public, personally appeared LOWELL SMITH, known to me to be the Mayor of the city that executed the within instrument and acknowledged to me that such city executed the same.

OFFICIAL SEAL
LAURIE A. GROSS
NOTARY PUBLIC - CALIFORNIA
COUNTY OF NAPA
My Commission Expires June 7, 1985

Laurie A. Gross
Notary Public

[SEAL]

**EXEMPT FROM RECORDING FEES PURSUANT TO
GOVERNMENT CODE SECTION 27383**

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

City Clerk
City of St. Helena
1480 Main Street
St. Helena, California 94574

Assessor's Parcel Nos. **030-020-032 and 030-240-033**

WATER SERVICE AGREEMENT

(MARTINI WINERY WATER AGREEMENT)

THIS AGREEMENT, entered into on March 26, 2013, between the City of St. Helena, a municipal corporation (City), and G3 Enterprises, Inc., a Delaware corporation (Customer), provides as follows:

RECITALS

- A. Customer is the owner of real property (the Property) located at 254 South St. Helena Highway, St. Helena, Napa County, known as Assessor's Parcel Nos. 030-020-032 and 030-240-033, more particularly described in Exhibit A attached hereto and commonly referred to as the Martini Winery.
- B. Since 1933, City has supplied the Martini Winery with water for winery purposes. In 1981, Martini Winery submitted to Napa County Use Permit application U-298283, which was approved in 1984 as Permit U-298283. The City and Martini entered into a Water Use Agreement dated September 7, 1982 ("1982 Water Agreement").
- C. On April 17, 2008, Napa County approved modifications to Permit U-298283 for extensive seismic retrofitting of the Martini Winery.
- D. The County of Napa is currently considering Use Permit Modification Application No. P09-00137 ("Use Permit Application") to Permit U-298283, which together with Permit U-298283, its modifications in 2008, and other permits and governmental approvals for the Property shall be collectively referred to as the "Use Permit". The Use Permit Application does not request any change to the Customer's approved 2,000,000 gallon per year wine production limit.
- E. City has an overburdened water system and is concerned about guaranteeing Customer's demands for an unspecified volume of water to the Property under the

1982 Water Agreement. Customer shall implement water conservation measures for winery production and augment its supply with well water to cap its need of City water to 12,000,000 gallons per year.

- F. The parties hereto wish to enter into this Water Agreement to describe the rights and obligations of the parties regarding the provision of water by City to Customer.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

AGREEMENT

1. City shall provide water to the Property subject to the approved Annual Limitation of twelve million (12,000,000) gallons per year upon the terms and conditions set forth herein. As used herein, the term Water Year shall mean the twelve-month period between July 1 and June 30.
2. City water shall be used only for those uses as authorized by the Use Permit. City shall not be obligated to provide water service for any other use nor for any further expansion of the uses beyond those allowed by the Use Permit. Under no circumstances shall Customer be entitled to use more than 12,000,000 gallons in any Water Year, nor under any circumstances shall City potable water be used for landscape, vineyard or agricultural irrigation.
3. Customer shall at its sole expense comply with all water use efficiency requirements of Chapter 13.12 ("Water Use Efficiency and Use Guidelines") of St. Helena Municipal Code ("SHMC"), or as that Chapter may be amended. If City finds Customer to be out of compliance with any part of Chapter 13.12 or provisions of the water shortage emergency requirements described in SHMC Chapter 13.04 ("Water Service System"), or as that Chapter may be amended, Customer shall install at its sole expense and to City's satisfaction all appropriate water-saving devices in their plumbing, appliances, or improvements, or take other such actions to bring about full compliance, which actions shall be subject to inspection for compliance by City. All work required by this section 3 in areas that are to be renovated or improved pursuant to the Use Permit Application or other pending entitlements shall be completed within a reasonable period following approval of the Use Permit application or other pending entitlement; all other work (if any) required by this section 3 shall be completed within 12 months.
4. While water is furnished to Customer pursuant to this Agreement, Customer shall be bound by and subject to all lawful resolutions, rules, regulations, directives, ordinances and orders of the City pertaining to water services as may be enacted from time to time for all other applicable users of City water, including, without limitation, provisions relating to rate charges and water shortage emergencies.
5. Customer shall monitor its water usage on a monthly basis and employ all measures necessary to ensure that the Annual Limitation is not exceeded. Customer shall make available to City, upon demand and reasonable notice, all books, records and documents deemed necessary by City to ensure compliance. At any time that the City determines pursuant to the

SHMC that a water shortage emergency condition exists as provided by SHMC Chapter 13.04 and that it is necessary to limit usage by the customers of the municipal water department, the maximum delivery ("Maximum Delivery") of 12,000,000 gallons annually will be adjusted as follows:

- A. If no water shortage emergency exists, the maximum delivery shall be 12,000,000 gallons annually.
- B. If the City declares a Phase 1 water shortage emergency, the maximum delivery shall be 10,800,000 gallons annually (10% less than the 12,000,000 maximum)
- C. If the City declares a Phase 2 water shortage emergency, the maximum delivery shall be 9,600,000 gallons annually (20% less than the 12,000,000 maximum)
- D. If the City declares a Phase 3 water shortage emergency, the maximum delivery shall be 7,200,000 gallons annually (40% less than the 12,000,000 maximum)

City may require Customer to undertake reasonable additional conservation measures and may require Customer, upon ten (10) days prior written notice, to terminate water service for nonessential uses. For purposes of this Agreement, the term "nonessential uses" shall mean uses for which non-potable water would suffice.

6. Without limitation on and in addition to City's other rights and remedies under this Agreement, in the event Customer exceeds its Annual Limitation, it shall pay to City a penalty surcharge equal to 60% of the water rate charge for each hundred cubic feet, or portion thereof, used in excess of the Annual Limitation, or the Maximum Delivery, in the case of a declared water shortage emergency. Such penalty surcharge shall be due and payable within 30 days after calculation and demand by City. In addition to the 60% surcharge, City may avail itself of all rights and remedies set forth in Paragraphs 8 and 11 of this Agreement.

7. Customer agrees that if any future request or application for approval of amendments or modifications to any of the Use Permits for the Property is submitted to the Napa County Planning Commission (the Planning Commission) or Board of Supervisors (the Board), City shall be informed on or before the date on which any such request or application is submitted. In addition, Customer agrees to provide City with copies of all supporting documents or other information submitted in connection with such requests or applications or before the date such materials are submitted to the Planning Commission or the Board. In no event shall Customer use any City water in excess of the 12,000,000 gallon annual limit under this Agreement, irrespective of any amendment or modification to any of the Use Permits, without City's written approval.

8. Remedies; Prohibition On Damages.

A. As part of the bargained for consideration for this Agreement, the parties agree that any action or proceeding to cure, correct, or remedy any default or to enforce any covenant or promise herein shall be limited solely and exclusively to those remedies expressly provided herein. City and Customer may institute legal or equitable proceedings to cure, correct, or remedy any default, or to enforce any covenant or promise herein, enjoin any threatened or attempted violation, or enforce by specific performance, injunction, declaratory relief, writ of mandate and/or other similar non-monetary relief, the obligations and rights of the parties hereto.

B. Without limitation and in addition to its other rights under this Agreement, the City shall have the right to enter Customer's Property, to read the water meter on Customer's Property, and turn off for the remaining portion of that Water Year the main water valve that conveys water to Customer's property as may be necessary to ensure that Customer does not use water in excess of its 12,000,000 gallon annual limit in any Water Year.

B.. In no event shall the City, or any of their officers, agents, representatives, officials, employees, or insurers, be liable to Customer for damages for any breach or violation of this Agreement. In the event Customer seeks damages in any action or proceeding brought for breach or violation of this Agreement or to enforce any provision hereof, and does not amend its complaint to delete such request within 15 days' of receipt of written notice from City to delete such request for damages, which notice must specifically cite this Section 8 of this Agreement, then such request shall destroy the consideration supporting the City's agreement to enter into this Agreement, and shall, in turn, entitle the City to immediately terminate and end all obligations under this Agreement, irrespective of any provision to the contrary contained herein. The enforceability and validity of the above limitations on the remedies available to the parties, including, without limitation, the specific provision prohibiting the recovery of damages, is part of the bargained for, negotiated consideration for the City's agreement to enter into this Agreement, and it is acknowledged that the City would not have entered this Agreement if it were to be liable in damages under this Agreement.

9. Force Majeure.

A. "Force Majeure Event" means a cause of non-performance or delay that is not the fault of the party who is required to perform under this Agreement and is beyond that party's reasonable control, including the elements (including floods, earthquakes, windstorms, **drought or water shortage** and unusually severe weather), fire, energy shortages or rationing, riots, acts of terrorism, war or war-defense conditions, acts of any public enemy, epidemics, the actions or inactions of any governmental entity (excluding City) or that entity's agents, litigation, labor shortages (including shortages caused by strikes or walkouts), and materials shortages.

B. If the performance of any act required by this Agreement to be performed by either City or Customer is prevented or delayed because of a Force Majeure Event, then the time for performance will be extended for a period equivalent to the period of delay, and performance of the act during the period of delay will be excused. An extension of time for any such Force Majeure Event shall be for the period of the enforced delay and shall commence to run from the

time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause. Times of performance under this Lease may also be extended in writing by the mutual agreement of City and Customer.

C. This Section does not excuse (1) Customer's obligation to pay for water provided under this Agreement when due and payable; or (2) either party's obligation to perform an act when performance is rendered difficult or impossible solely because of the party's financial condition. Customer expressly agrees that adverse changes in economic conditions, either of Customer specifically or the economy generally, or changes in market conditions or demand, shall not constitute grounds of enforced delay pursuant to this Section. Customer expressly assumes the risk of such adverse economic or market changes and/or financial inability, whether or not foreseeable as of the effective date of this Agreement.

10. Notices.

All notices and other communications provided for herein shall be in writing and shall be sent to the address set forth below (or such other address as a party may hereafter designate for itself by notice to the other parties as required hereby) of the party for whom such notice or communication is intended:

If to City:

City of St. Helena
Attn: City Manager
1480 Main Street
St. Helena, CA 94574
Facsimile No.: 707-963-7748
E-mail: GaryB@cityofsthelena.org

If to Customer:

G3 Enterprises, Inc.
Attn: President and CEO
502 E. Whitmore Avenue
Modesto, CA 95358
Facsimile No.: 209-341-1911
Email: Robert.lubeck@G3enterprises.com

with a copy to:

E. & J. Gallo Winery
Attention: General Counsel
600 Yosemite Boulevard
Modesto, CA 95354
Facsimile No.: 209-341-8812

E-mail: Rich.grey@ejgallo.com

Any such notice or communication shall be sufficient if sent by registered or certified mail, return receipt requested, postage prepaid; by hand delivery; by overnight courier service; or by facsimile transmission or by email. Any notice given by facsimile transmission or by email shall be deemed given on the day sent, provided it is sent on a business day during normal business hours, otherwise it will be deemed sent on the next business day. Any notice given by registered or certified mail, return receipt requested, shall be deemed to have been given on the date receipt was acknowledged to the postal authorities. Any notice given by overnight courier service shall be deemed to have been given on the business day following deposit with the courier service. Customer and City agree that any notice provided by their respective legal counsel shall be deemed to be notice given by Customer or City, respectively. Either party may, by written notice to the other in the manner aforesaid, change the address to which notices addressed to it shall thereafter be mailed.

11. This Agreement shall be construed and enforced in accordance with the laws of the State of California. Should any legal action be brought by either party because of breach of this Agreement or to enforce any provision of this Agreement, the prevailing party in such action shall be entitled to all reasonable attorney's fees, court costs and necessary disbursements in connection with such action.

12. The parties hereto agree that the provisions of this Agreement are severable. If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected and shall remain in full force and effect unless amended or modified by mutual consent of the parties in writing.

13. The provisions of this Agreement shall be binding on all tenants, heirs, assigns and successors in interest to the parties hereto and shall be a covenant that runs with the land.

14. Customer shall defend (with counsel approved by City, which approval is not to be unreasonably withheld), indemnify, and hold harmless the City, its officials, employees, volunteers and agents from and against any and all loss, liability, expenses, claims, costs (including reasonable attorney's fees), suits and damages of every kind, nature, and description, directly or indirectly arising from any third party legal challenge to the City's approval of this Agreement.

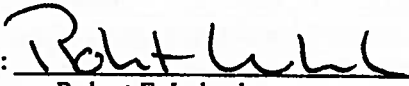
(Signatures on next page)

Executed on the day and year first above written.

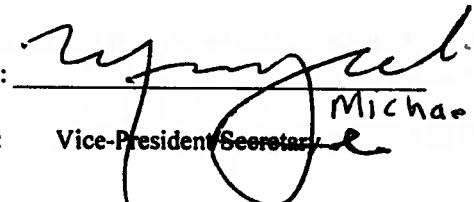
CUSTOMER:

G3 ENTERPRISES, INC.,
A Delaware corporation,

Dated: 5-13-13

By: 
Robert E. Lubeck
Its: President and CEO

Dated: 5-13-13

By: 
Michael J. Ellis
Its: Vice-President/Secretary

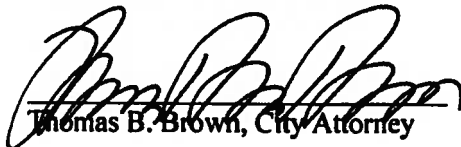
CITY:

CITY OF ST. HELENA,
A municipal corporation,

Dated: May 23, 2013

By: 
Gary Broad
Its: City Manager

APPROVED AS TO FORM:

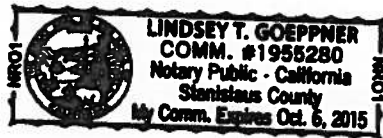

Thomas B. Brown, City Attorney

STATE OF CALIFORNIA)
) ss.
COUNTY OF Stanislaus)

On May 13, 2013, before me, Lindsey T Goepner, a Notary Public in and for the State of California, personally appeared Robert F. Lybeck who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



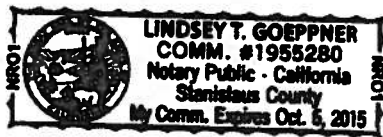
Lindsey T. Goepner
Notary's Signature

STATE OF CALIFORNIA)
) ss.
COUNTY OF Stanislaus)

On May 13, 2013, before me, Lindsey T Goepner, a Notary Public in and for the State of California, personally appeared Robert F Lybeck who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



[Signature]
Notary's Signature

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California)
County of Napa)

On May 23, 2013 before me, DELIA H. GUIJOSA, NOTARY PUBLIC
Date

personally appeared, Gary Broad

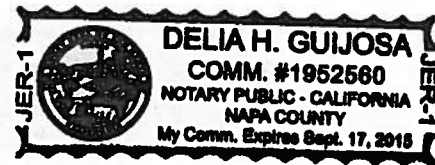
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Delia H. Guijosa
Signature of Notary Public

(seal)



OPTIONAL INFORMATION

THIS OPTIONAL INFORMATION SECTION IS NOT REQUIRED BY LAW BUT MAY BE BENEFICIAL TO PERSONS RELYING ON THIS NOTARIZED DOCUMENT

TITLE OR TYPE OF DOCUMENT Martinez Water Service Agreement

DATE OF DOCUMENT March 26, 2013 NUMBER OF PAGES _____

SIGNER(S) OTHER THAN NAMED ABOVE _____

SIGNER'S NAME _____ SIGNER'S NAME _____



A Tradition of Stewardship
A Commitment to Service

Department of Public Works

1195 Third Street, Suite 201
Napa, CA 94559-3092
www.co.napa.ca.us/publicworks

Main: (707) 253-4351
Fax: (707) 253-4627

Donald G. Ridenhour, P.E.
Director

WATER AVAILABILITY ANALYSIS - PHASE ONE STUDY

Introduction: As an applicant for a permit with Napa County, it has been determined that Chapter 13.15 of the Napa County Code is applicable to approval of your permit. One step of the permit process is to adequately evaluate the amount of water your project will use and the potential impact your application might have on the static groundwater levels within your neighborhood. The public works department requires that a Phase 1 Water Availability Analysis (WAA) be included with your application. The purpose of this form is to assist you in the preparation of this analysis. You may present the analysis in an alternative form so long as it substantially includes the information required below. Please include any calculations you may have to support your estimates.

The reason for the WAA is for you, the applicant, to inform us, to the best of your ability, what changes in water use will occur on your property as a result of an approval of your permit application. By examining the attached guidelines and filling in the blanks, you will provide the information we require to evaluate potential impacts to static water levels of neighboring wells.

Step #1:

Provide a map and site plan of your parcel(s). The map should be an 8-1/2"x11" reproduction of a USGS quad sheet (1:24,000 scale) with your parcel outlined on the map. Include on the map the nearest neighboring well. The site plan should be an 8-1/2"x11" site plan of your parcel(s) with the locations of all structures, gardens, vineyards, etc in which well water will be used. If more than one water source is available, indicate the interconnecting piping from the subject well to the areas of use. Attach these two sheets to your application. If multiple parcels are involved, clearly show the parcels from which the fair share calculation will be based and properly identify the assessor's parcel numbers for these parcels. Identify all existing or proposed wells

Step #2: Determine total parcel acreage and water allotment factor. If your project spans multiple parcels, please fill a separate form for each parcel.

Determine the allowable water allotment for your parcels:

Parcel Location Factors

The allowable allotment of water is based on the location of your parcel. There are 3 different location classifications. Valley floor areas include all locations that are within the Napa Valley, Pope Valley and Carneros Region, except for areas specified as groundwater deficient areas. Groundwater deficient areas are areas that have been determined by the public works department as having a history of problems with groundwater. All other areas are classified as Mountain Areas.

Please underline your location classification below (Public Works can assist you in determining your classification if necessary):

Valley Floor	1.0 acre feet per acre per year
Mountain Areas	0.5 acre feet per acre per year
MST Groundwater Deficient Area	0.3 acre feet per acre per year

Assessor's Parcel Number(s)	Parcel Size (A)	Parcel Location Factor (B)	Allowable Water Allotment (A) X (B)
030-020-032 & 030-240-033	17.8 + 10.0	1.0	27.8

Step #3:

Using the guidelines in Attachment A, tabulate the existing and projected future water usage on the parcel(s) in acre-feet per year (af/yr). Transfer the information from the guidelines to the table below.

EXISTING USE:

Residential	<u>0.5</u>	af/yr
Farm Labor Dwelling	<u>0</u>	af/yr
Winery	<u>53</u>	af/yr
Commercial	<u>0</u>	af/yr
Vineyard*	<u>4.6</u>	af/yr
Other Agriculture	<u>0</u>	af/yr
Landscaping	<u>0</u>	af/yr
Other Usage (List Separately):		
_____	_____	af/yr
_____	_____	af/yr
_____	_____	af/yr

PROPOSED USE:

Residential	<u>00.5</u>	af/yr
Farm Labor Dwelling	<u>0</u>	af/yr
Winery	<u>53</u>	af/yr
Commercial	<u>0</u>	af/yr
Vineyard*	<u>3.9</u>	af/yr
Other Agriculture	<u>0</u>	af/yr
Landscaping	<u>0</u>	af/yr
Other Usage (List Separately):		
_____	_____	af/yr
_____	_____	af/yr
_____	_____	af/yr

*Rem
Remains*

TOTAL: 58.1 af/yr
18.9 M gallons"

TOTAL: 57.4 af/yr
TOTAL: 56.9 af/yr
18.5 M gallons"

Is the proposed use less than the existing usage? ☒ Yes ☐ No ☐ Equal

Step #4:

Provide any other information that may be significant to this analysis. For example, any calculations supporting your estimates, well test information including draw down over time, historical water data, visual observations of water levels, well drilling information, changes in neighboring land uses, the usage of other water sources such as city water or reservoirs, the timing of the development, etc. Use additional sheets if necessary.

As part of the winery use permit modification the existing residence will be converted to a winery use.

Vineyard Irrigation is based on 9.25 acres existing and 7.75 acres proposed at 0.5 acre-feet per year.

It is planned that the City of St. Helena will continue to provide up to 12 million gallons of water (36.8 acre-feet) per year to the winery. The existing onsite well will be used to meet any need beyond the 12 million gallons provided by the City of St. Helena. The net theoretical groundwater demand will be 56.9 acre-feet - 36.8 acre-feet = 20.1 acre-feet. The net theoretical groundwater demand is less than the Phase 1 threshold for the two subject parcels combined (27.8 acre-feet).

See attached forms for water use estimates broken down by parcel.

Conclusion: Congratulations! Just sign the form and you are done! Public works staff will now compare your projected future water usage with a threshold of use as determined for your parcel(s) size, location, topography, rainfall, soil types, historical water data for your area, and other hydrogeologic information. They will use the above information to evaluate if your proposed project will have a detrimental effect on groundwater levels and/or neighboring well levels. Should that evaluation result in a determination that your project may adversely impact neighboring water levels, a phase two water analysis may be required. You will be notified with a decision.

Signature: Michael R. Mueller Date: 12/3/2012

Phone: 707/320-4928



WATER AVAILABILITY ANALYSIS - PHASE ONE STUDY

Attachment A: Estimated Water Use Guidelines

Typical Water Use Guidelines:

Primary Residence	0.5 to 0.75 acre-feet per year (includes some landscaping)
Secondary Residence	0.20 to 0.30 acre-feet per year
Farm Labor Dwelling	0.06 to 0.10 acre-feet per person per year

Non-Residential Guidelines:

Agricultural:

Vineyards	
Irrigation only	0.2 to 0.5 acre-feet per acre per year
Heat Protection	0.25 acre feet per acre per year
Frost Protection	0.25 acre feet per acre per year
Farm Labor Dwelling	0.06 to 0.10 acre-feet per person per year
Irrigated Pasture	4.0 acre-feet per acre per year
Orchards	4.0 acre-feet per acre per year
Livestock (sheep or cows)	0.01 acre-feet per acre per year

Winery:

Process Water	2.15 acre-feet per 100,000 gal. of wine
Domestic and Landscaping	0.50 acre-feet per 100,000 gal. of wine

Industrial:

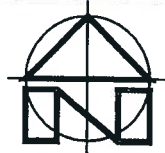
Food Processing	31.0 acre-feet per employee per year
Printing/Publishing	0.60 acre-feet per employee per year

Commercial:

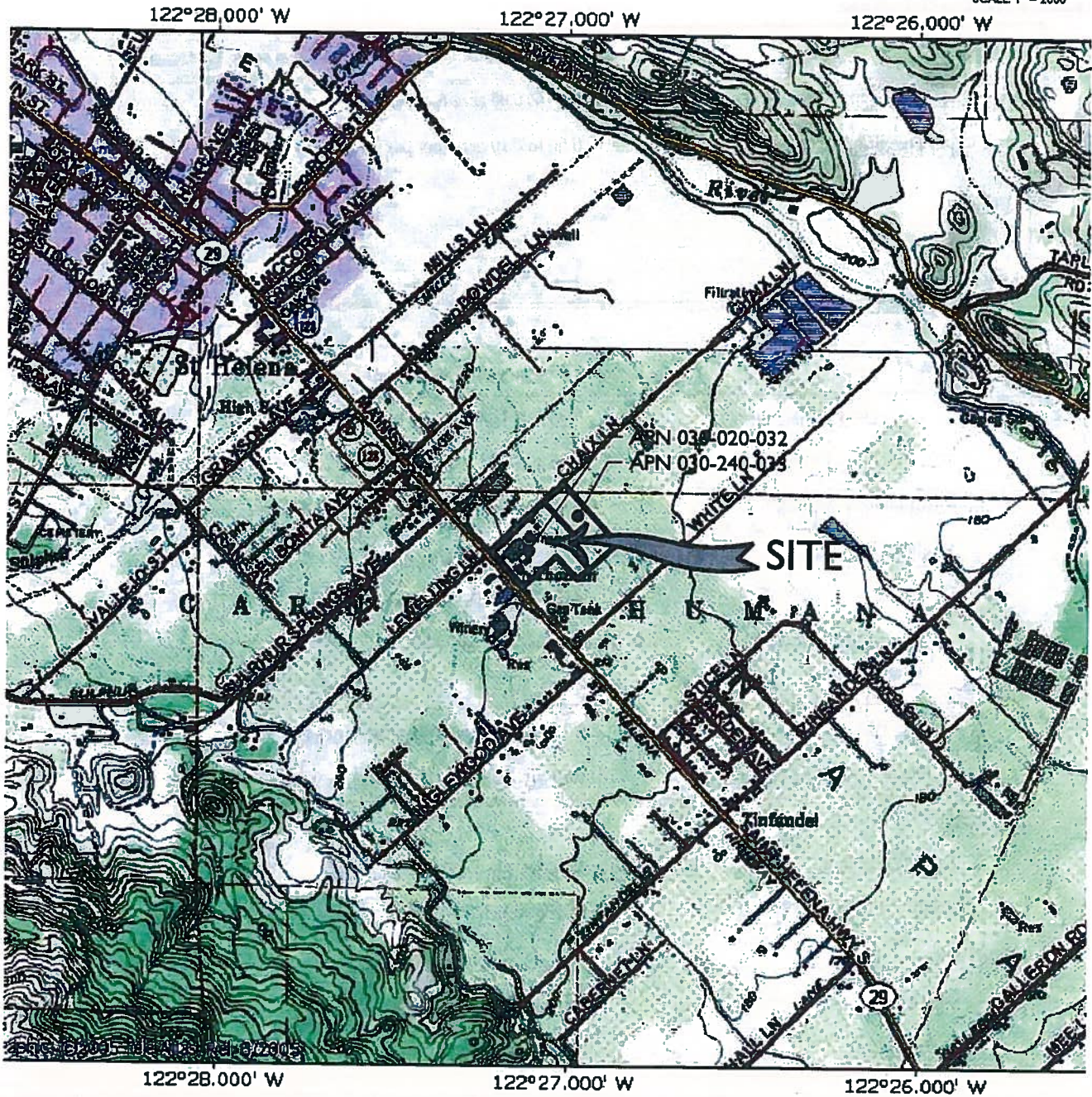
Office Space	0.01 acre-feet per employee per year
Warehouse	0.05 acre-feet per employee per year

SITE TOPOGRAPHY MAP

REPRESENTS A PORTION OF THE USGS 7.5 MINUTE QUADRANGLE "RUTHERFORD"
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LOUIS M. MARTINI WINERY

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ST. HELENA, CA 94574

APN 030-020-032 & APN 030-240-033

JOB NO. 08-161

DECEMBER 2012



A Tradition of Stewardship
A Commitment to Service

Department of Public Works

1195 Third Street, Suite 201
Napa, CA 94559-3092
www.co.napa.ca.us/publicworks

Main: (707) 253-4351
Fax: (707) 253-4827

Donald G. Ridenhour, P.E.
Director

WATER AVAILABILITY ANALYSIS - PHASE ONE STUDY

Introduction: As an applicant for a permit with Napa County, It has been determined that Chapter 13.15 of the Napa County Code is applicable to approval of your permit. One step of the permit process is to adequately evaluate the amount of water your project will use and the potential impact your application might have on the static groundwater levels within your neighborhood. The public works department requires that a Phase 1 Water Availability Analysis (WAA) be included with your application. The purpose of this form is to assist you in the preparation of this analysis. You may present the analysis in an alternative form so long as it substantially includes the information required below. Please include any calculations you may have to support your estimates.

The reason for the WAA is for you, the applicant, to inform us, to the best of your ability, what changes in water use will occur on your property as a result of an approval of your permit application. By examining the attached guidelines and filling in the blanks, you will provide the information we require to evaluate potential impacts to static water levels of neighboring wells.

Step #1:

Provide a map and site plan of your parcel(s). The map should be an 8-1/2"x11" reproduction of a USGS quad sheet (1:24,000 scale) with your parcel outlined on the map. Include on the map the nearest neighboring well. The site plan should be an 8-1/2"x11" site plan of your parcel(s) with the locations of all structures, gardens, vineyards, etc in which well water will be used. If more than one water source is available, indicate the interconnecting piping from the subject well to the areas of use. Attach these two sheets to your application. If multiple parcels are involved, clearly show the parcels from which the fair share calculation will be based and properly identify the assessor's parcel numbers for these parcels. Identify all existing or proposed wells

Step #2: Determine total parcel acreage and water allotment factor. If your project spans multiple parcels, please fill a separate form for each parcel.

Determine the allowable water allotment for your parcels:

Parcel Location Factors

The allowable allotment of water is based on the location of your parcel. There are 3 different location classifications. Valley floor areas include all locations that are within the Napa Valley, Pope Valley and Carreros Region, except for areas specified as groundwater deficient areas. Groundwater deficient areas are areas that have been determined by the public works department as having a history of problems with groundwater. All other areas are classified as Mountain Areas.

Please underline your location classification below (Public Works can assist you in determining your classification if necessary):

<u>Valley Floor</u>	1.0 acre feet per acre per year
Mountain Areas	0.5 acre feet per acre per year
MST Groundwater Deficient Area	0.3 acre feet per acre per year

Assessor's Parcel Number(s)	Parcel Size (A)	Parcel Location Factor (B)	Allowable Water Allotment (A) X (B)
030-240-033	10.0	1.0	10

Step #3:

Using the guidelines in Attachment A, tabulate the existing and projected future water usage on the parcel(s) in acre-feet per year (af/yr). Transfer the information from the guidelines to the table below.

EXISTING USE:

Residential	0	af/yr
Farm Labor Dwelling	0	af/yr
Winery	0	af/yr
Commercial	0	af/yr
Vineyard*	3.9	af/yr
Other Agriculture	0	af/yr
Landscaping	0	af/yr
Other Usage (List Separately):		
_____	_____	af/yr
_____	_____	af/yr
_____	_____	af/yr

PROPOSED USE:

Residential	0	af/yr
Farm Labor Dwelling	0	af/yr
Winery	0	af/yr
Commercial	0	af/yr
Vineyard*	3.9	af/yr
Other Agriculture	0	af/yr
Landscaping	0	af/yr
Other Usage (List Separately):		
_____	_____	af/yr
_____	_____	af/yr
_____	_____	af/yr

TOTAL: 3.9 af/yr
1.3 M gallons*

TOTAL: 3.9 af/yr **TOTAL:**
TOTAL: 1.3 M gallons*

Is the proposed use less than the existing usage? ☐ Yes ☐ No ☒ Equal

Step #4:

Provide any other information that may be significant to this analysis. For example, any calculations supporting your estimates, well test information including draw down over time, historical water data, visual observations of water levels, well drilling information, changes in neighboring land uses, the usage of other water sources such as city water or reservoirs, the timing of the development, etc. Use additional sheets if necessary.

Vineyard Irrigation is estimated as 7.75 acres x 0.5 acre-feet per acre per year = 3.9 acre-feet per year

Conclusion: Congratulations! Just sign the form and you are done! Public works staff will now compare your projected future water usage with a threshold of use as determined for your parcel(s) size, location, topography, rainfall, soil types, historical water data for your area, and other hydrogeologic information. They will use the above information to evaluate if your proposed project will have a detrimental effect on groundwater levels and/or neighboring well levels. Should that evaluation result in a determination that your project may adversely impact neighboring water levels, a phase two water analysis may be required. You will be notified of such a decision.

Signature: Michael R. Muelrath Date: 12/3/2012



WATER AVAILABILITY ANALYSIS - PHASE ONE STUDY

Attachment A: Estimated Water Use Guidelines

Typical Water Use Guidelines:

Primary Residence	0.5 to 0.75 acre-feet per year (includes some landscaping)
Secondary Residence	0.20 to 0.30 acre-feet per year
Farm Labor Dwelling	0.06 to 0.10 acre-feet per person per year

Non-Residential Guidelines:

Agricultural:

Vineyards	
Irrigation only	0.2 to 0.5 acre-feet per acre per year
Heat Protection	0.25 acre feet per acre per year
Frost Protection	0.25 acre feet per acre per year
Farm Labor Dwelling	0.06 to 0.10 acre-feet per person per year
Irrigated Pasture	4.0 acre-feet per acre per year
Orchards	4.0 acre-feet per acre per year
Livestock (sheep or cows)	0.01 acre-feet per acre per year

Winery:

Process Water	2.15 acre-feet per 100,000 gal. of wine
Domestic and Landscaping	0.50 acre-feet per 100,000 gal. of wine

Industrial:

Food Processing	31.0 acre-feet per employee per year
Printing/Publishing	0.60 acre-feet per employee per year

Commercial:

Office Space	0.01 acre-feet per employee per year
Warehouse	0.05 acre-feet per employee per year



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The reason for the WAA is for you, the applicant, to inform us, to the best of your ability, what changes in water use will occur on your property as a result of an approval of your permit application. By examining the attached guidelines and filling in the blanks, you will provide the information we require to evaluate potential impacts to static water levels of neighboring wells.

Step #1:

Provide a map and site plan of your parcel(s). The map should be an 8-1/2"x11" reproduction of a USGS quad sheet (1:24,000 scale) with your parcel outlined on the map. Include on the map the nearest neighboring well. The site plan should be an 8-1/2"x11" site plan of your parcel(s) with the locations of all structures, gardens, vineyards, etc in which well water will be used. If more than one water source is available, indicate the interconnecting piping from the subject well to the areas of use. Attach these two sheets to your application. If multiple parcels are involved, clearly show the parcels from which the fair share calculation will be based and properly identify the assessor's parcel numbers for these parcels. Identify all existing or proposed wells

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Please underline your location classification below (Public Works can assist you in determining your classification if necessary):

<u>Valley Floor</u>	1.0 acre feet per acre per year
Mountain Areas	0.5 acre feet per acre per year
MST Groundwater Deficient Area	0.3 acre feet per acre per year

Assessor's Parcel Number(s)	Parcel Size (A)	Parcel Location Factor (B)	Allowable Water Allotment (A) X (B)
030-020-032	17.8	1.0	17.8

Step #3:

Using the guidelines in Attachment A, tabulate the existing and projected future water usage on the parcel(s) in acre-feet per year (af/yr). Transfer the information from the guidelines to the table below.

EXISTING USE:

Residential	<u>0.5</u>	af/yr
Farm Labor Dwelling	<u>0</u>	af/yr
Winery	<u>53</u>	af/yr
Commercial	<u>0</u>	af/yr
Vineyard*	<u>0.8</u>	af/yr
Other Agriculture	<u>0</u>	af/yr
Landscaping	<u>0</u>	af/yr
Other Usage (List Separately):		
_____	_____	af/yr
_____	_____	af/yr
_____	_____	af/yr

PROPOSED USE:

Residential	<u>0.5</u>	af/yr
Farm Labor Dwelling	<u>0</u>	af/yr
Winery	<u>53</u>	af/yr
Commercial	<u>0</u>	af/yr
Vineyard*	<u>0</u>	af/yr
Other Agriculture	<u>0</u>	af/yr
Landscaping	<u>0</u>	af/yr
Other Usage (List Separately):		
_____	_____	af/yr
_____	_____	af/yr
_____	_____	af/yr

TOTAL: 54.3 af/yr
17.7 M gallons"

TOTAL: 53.5 af/yr
TOTAL: 17.3 M gallons"

Is the proposed use less than the existing usage? ☒ Yes ☐ No ☐ Equal

Step #4:

Provide any other information that may be significant to this analysis. For example, any calculations supporting your estimates, well test information including draw down over time, historical water data, visual observations of water levels, well drilling information, changes in neighboring land uses, the usage of other water sources such as city water or reservoirs, the timing of the development, etc. Use additional sheets if necessary.

As part of the winery use permit modification the existing residence will be converted to a winery use

Vineyard Irrigation is estimated as 1.5 acres x 0.5 acre-feet per acre per year = 0.8 acre-feet per year

All vineyard will be removed as part of the use permit modification

Conclusion: Congratulations! Just sign the form and you are done! Public works staff will now compare your projected future water usage with a threshold of use as determined for your parcel(s) size, location, topography, rainfall, soil types, historical water data for your area, and other hydrogeologic information. They will use the above information to evaluate if your proposed project will have a detrimental effect on groundwater levels and/or neighboring well levels. Should that evaluation result in a determination that your project may adversely impact neighboring water levels, a phase two water analysis may be required.

Signature: Michael R. Muehrath Date: 12/31/2012



WATER AVAILABILITY ANALYSIS - PHASE ONE STUDY

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Agricultural:

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Irrigation only	0.2 to 0.5 acre-feet per acre per year
Heat Protection	0.25 acre feet per acre per year
Frost Protection	0.25 acre feet per acre per year
Farm Labor Dwelling	0.06 to 0.10 acre-feet per person per year
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Orchards	4.0 acre-feet per acre per year
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Winery:

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Domestic and Landscaping	0.50 acre-feet per 100,000 gal. of wine

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Printing/Publishing	0.60 acre-feet per employee per year

Commercial:

Office Space	0.01 acre-feet per employee per year
Warehouse	0.05 acre-feet per employee per year

From: Mike Muelrath
To: Conner, Chuck; St. Claire, Linda
Subject: RE: Residence at Martini
Date: Tuesday, December 10, 2013 5:07:40 PM

Chuck and Linda,

The purpose of this email is to outline the contingency plan that will be implemented in the event that the City declares a Phase 3 Water Shortage Emergency and City water is limited to 7,200,000 gallons or 22 ac-feet per year.

Below is a breakdown of our analysis:

- The total groundwater allotment for the two parcels combined is 27.8 ac-feet per year
- In a Phase 3 Water Emergency the City could reduce the City water allotment to 22 ac-feet
- The estimated demand for both parcels is 57.4 ac-feet per year (56.9 ac-feet as shown on the Phase 1 Water Availability Analysis plus 0.5 ac-feet per year to keep the house as a residential use as recently discussed)
- In a Phase 3 Water Shortage Emergency year the total groundwater plus City water allotment would be 49.8 ac-feet (27.8 + 22)
- In a Phase 3 Water Shortage Emergency year the estimated demand using County standard water usage estimates will exceed supply by approximately 7.6 ac-ft (57.4 – 49.8)

In order to continue operations while staying within the allotted groundwater and City water allowances during a Phase 3 Water Shortage Emergency year the winery will implement the following contingency plan:

1. Water reducing measures will be employed in all winery production operations. The County standards for estimating winery production water use are conservatively based on 7 gallons of water used per gallon of wine produced. At the production level of 2,000,000 gallons of wine there are efficiencies of scale and it is reasonable to expect a 20% reduction in water usage rate resulting in approximately 5.5 gallons of water per gallon of wine with implementation of water saving practices. This will reduce the estimated demand by approximately 9.2 ac-feet for a total demand of 48.2 ac-feet (57.4 – 9.2) which is less than the Phase 3 Water Shortage Emergency year total allotment from groundwater and City supplies (49.8 ac-feet).
2. Water use can further be curtailed by using the treated winery process wastewater for irrigation of the vineyards. This can help offset the approximately 3.9 ac-feet of water that is estimated for vineyard irrigation.

In the unlikely event that the City further reduces water supply it is recognized that the winery will have to curtail operations to the extent that they can be supported by the available groundwater and City water allotments.

I hope this helps to clarify. Please let me know if there are any further questions.

Thank you,

Mike Muelrath, P.E.
Principal

From: [Mike Muelrath](#)
To: [St. Claire, Linda](#)
Cc: ["Conner, Chuck"](#)
Subject: RE: Residence at Martini
Date: Wednesday, December 11, 2013 9:07:17 AM

If we base the current winery use on 714,000 gallons of wine production the winery water use estimate would be 18.9 ac-ft per year for winery process, domestic and landscape.

You have a great holiday too Linda!

From: St. Claire, Linda [<mailto:LINDA.STCLAIRE@countyofnapa.org>]
Sent: Wednesday, December 11, 2013 8:57 AM
To: Mike Muelrath
Cc: 'Conner, Chuck'
Subject: RE: Residence at Martini

Exactly. That would be correct. I will ensure the entitlement number continues to be noted in the staff report and environmental doc. Actual use is needed.

I just want to add that I am impressed by the documentation thus far and the great number crunching to show such a high level of h2O responsibility! It's cool. Or maybe I am just a nerd. Yes I am. No fighting it.

Have a great holiday break Mike. You too Chuck.

Linda

From: Mike Muelrath [<mailto:mike@appliedcivil.com>]
Sent: Wednesday, December 11, 2013 8:55 AM
To: St. Claire, Linda
Cc: 'Conner, Chuck'
Subject: RE: Residence at Martini

I'll have to defer to Chuck on that.

The best we could do to estimate current actual use without any meter readings would be to use the County standard numbers and use a production of 714,000 gallons instead of 2,000,000 gallons.

From: St. Claire, Linda [<mailto:LINDA.STCLAIRE@countyofnapa.org>]
Sent: Wednesday, December 11, 2013 8:49 AM
To: Mike Muelrath
Cc: 'Conner, Chuck'
Subject: RE: Residence at Martini

Hi Mike,

Yes, this I understand. By also showing the actual water use today it's a clearer indication of how much water is used when production increases. The Commission may see this and ask, therefore I ask. I understand that Martini may not yet be monitoring their water use since the City changed their agreement to a max amount and I'm sure they don't yet meter the groundwater, so a rough estimate is just fine.

Thanks! Linda

From: Mike Muelrath [<mailto:mike@appliedcivil.com>]
Sent: Wednesday, December 11, 2013 8:47 AM
To: St. Claire, Linda
Cc: 'Conner, Chuck'
Subject: RE: Residence at Martini

Linda,

I think that it is important to note that the "existing" estimate for the winery is based on the full entitled production level and is not an "actual" current water use.

Mike

From: St. Claire, Linda [<mailto:LINDA.STCLAIRE@countyofnapa.org>]
Sent: Wednesday, December 11, 2013 8:37 AM
To: Mike Muelrath
Cc: 'Conner, Chuck'
Subject: RE: Residence at Martini

Thanks Mike. This is super helpful.

Gentlemen, what are thoughts on this: Martini reports that they are currently using almost the same number of a/f that they are proposing to use in the future but the production is only at approx. 714,000 gallons per year and not the 2,000,000 gallons they are entitled to. Why so high right now?

Thanks, Linda

From: Mike Muelrath [<mailto:mike@appliedcivil.com>]
Sent: Tuesday, December 10, 2013 5:08 PM
To: Conner, Chuck; St. Claire, Linda
Subject: RE: Residence at Martini

Chuck and Linda,

The purpose of this email is to outline the contingency plan that will be implemented in the event that the City declares a Phase 3 Water Shortage Emergency and City water is limited to 7,200,000 gallons or 22 ac-feet per year.

Below is a breakdown of our analysis:

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2. Water use can further be curtailed by using the treated winery process wastewater for irrigation of the vineyards. This can help offset the approximately 3.9 ac-feet of water that is estimated for vineyard irrigation.

In the unlikely event that the City further reduces water supply it is recognized that the winery will have to curtail operations to the extent that they can be supported by the available groundwater and City water allotments.

I hope this helps to clarify. Please let me know if there are any further questions.

Thank you,

Mike Muelrath, P.E.
Principal



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Napa, CA 94558

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From: Conner, Chuck [<mailto:Chuck.Conner@ejgallo.com>]

Sent: Tuesday, December 10, 2013 9:27 AM

To: Mike Muelrath

Subject: Fw: Residence at Martini

Chuck D Conner

From: St. Claire, Linda [<mailto:LINDA.STCLAIRE@countyofnapa.org>]

Sent: Monday, December 09, 2013 08:33 AM

To: Conner, Chuck

Subject: RE: Residence at Martini

Hi Chuck,

I need to address the question in the Neg Dec which will be sent out to the Clearinghouse Thursday morning. If you can let me know how will Martini deal with the shortage in this potential droughts, that will suffice?

Thanks, Linda

From: Conner, Chuck [<mailto:Chuck.Conner@ejgallo.com>]

Sent: Thursday, December 05, 2013 5:19 PM

To: St. Claire, Linda

Subject: RE: Residence at Martini

Good afternoon,

I will get to work on this tomorrow. If I understand correctly, you don't need this by next Wednesday in time for the re-notification correct? My civil engineer is on vacation through next Monday which would make it difficult to complete by then. I am confident I can have this to you by the week of Dec. 16th.

Okay?

Thank you,

Chuck

From: St. Claire, Linda [<mailto:LINDA.STCLAIRE@countyofnapa.org>]
Sent: Thursday, December 05, 2013 4:20 PM
To: Conner, Chuck
Subject: Residence at Martini

Hi Chuck,

Attached is the water agreement and Water Availability Analysis for Martini. Will you please modify the Water Availability Analysis to show the residence to remain?

After reading through everything again I have one more question. I cannot remember the answer and I know we talked about it. I didn't even take a note. The Availability Analysis lists total water usage as 58.1 af/yr. The groundwater allotment is 27.8 af/yr. If the City declares a Phase 3 water shortage emergency the max delivery shall be 7,200,000 gallons. 7,200,000 million equals 22 ac/ft. 22 ac/ft plus 27.8 ac/ft equals 49.8 ac/ft. This is less than what was shown as needed in the water availability analysis of 58.1. How will Martini deal with the shortage in this potential time? I need an explanation for the environmental document.

Thanks, Linda