

City of St. Helena "We will conduct city affairs on behalf of our citizens

using an open and creative process."

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OFFICE OF THE DIRECTOR OF PUBLIC WORKS AND CITY ENGINEER

April 6, 2015

David Flanary Chief Financial Officer Markham Vineyards 2812 St Helena Highway North St Helena, California 94574

APR 08 2015

Napa County Planning, Building & Environmental Services

Water Will Serve Letter RE:

Dear Mr. Flanary:

The City has received a request from Markham Vineyards to confirm the amount of City water available to the property. Markham Vineyards has been receiving City water since 1979, and the winery currently has a Use Permit with Napa County that allows annual wine production up to 300,000 gallons (Use Permit U-157879). Markham Vineyards has recently applied to the County for a Use Permit Modification to increase the annual wine production to 429,000 gallons.

The City can continue to provide the property with water. The City is currently in a Phase 1 Water Emergency, which means that new construction or reconstruction cannot increase the water demand from the City water system. As a condition of approval of the recent County Use Permit Modification, Markham Vineyards must provide a report in accordance with the City Water Neutral Policy, and enter into a water agreement with the City. This agreement is subject to approval by the City Council.

Please be aware that the State is in a drought and on April 1, 2015, the Governor issued Executive Order B-29-15 directing the State Water Resources Control Board to implement water use restrictions to achieve a 25% reduction in potable water usage. These water use restrictions have yet to be determined, and they may impact the amount of water delivered to the winery.

Sincerely,

Steven Palmer, PE

Director of Public Works/City Engineer