

From: [Rolando Herrera](#)
To: [Healy, Tim](#); [Tucker, Jeffery \(Jeff\)](#)
Cc: jtechel@cityofnapa.org
Subject: 910 Enterprise Way / Mi Sueño Winery counteroffer to proposal
Date: Thursday, April 13, 2017 12:36:47 PM

Dear Tim,

Scott and I would like to thank you and your staff for taking the time to meet with us last Thursday, and for your time and effort in preparing the proposal you presented. It is gratifying to see that after three years, we are finally getting closer to resolving the issue of our capacity rights.

That being said, with due respect, we still disagree with the basic premise that we should have to pay for capacity rights. As you know, we are in a unique situation as both the landlords and tenants of a building with rights for winery/industrial use from day one under the Master Use Permit and a well-established history of winery and industrial use. Napa Sanitation has twice signed off on winery/industrial use for this building and acknowledged the existence of wineries at this building prior to Mi Sueño. We have invested a great deal of time and money and have hired professionals to advise us and to help us understand the history and rights of our building. After researching and discussing this with experts for three years, we still feel strongly that we should not have to pay for capacity that already belongs to the building, and that the only thing that we should have been discussing was our need (now resolved) to come into the compliance with the Water Act.

Nevertheless, as a show of good faith and our desire to resolve this issue and move forward, we would like to present a counteroffer to your proposal. We believe our offer is fair and reasonable, and will be financially feasible for our small, family-owned businesses.

We accept the 103.91 EDUs calculated using the 2013/2014/2015 data at the construction year rate of \$1350 per EDU for a total of \$140,279. We do not accept the inflation charge, as we do not believe we should be held accountable for NSD not charging capacity fees at the time the building was built and drains installed under the Master Use Permit for wineries/industrial use. We believe any adjustment for inflation would be punishing us for something we had no responsibility for, and showed through evidence that our case is unique by providing documentation.

We thank you and the Board again for coming to the table with a proposal that begins to bring us closer to a resolution. We hope that the Napa Sanitation staff and Board will approve our offer, which we believe is equitable to both sides. We look forward to hearing from you.

Sincerely,

Rolando Herrera

Proprietor/Winemaker

Mi Sueño Winery

910 Enterprise Way, Suite M

Napa, California 94558

Office #: 707-258-6358