

**PLANNING COMMISSION HEARING – OCTOBER 21, 2015
EXHIBIT B – REVISED FINDINGS**

**GIRARD WINERY
USE PERMIT #P14-00053-UP
1077 Dunaweal Lane, Calistoga, CA 94515
APN 020-150-017**

ENVIRONMENTAL DETERMINATION:

The Planning Commission (Commission) has received and reviewed the Revised Negative Declaration pursuant to the provisions of the California Environmental Quality Act (CEQA) and of Napa County's Local Procedures for Implementing CEQA, and finds that:

1. The Planning Commission has read and considered the Revised Negative Declaration prior to taking action on said Revised Negative Declaration and the proposed project.
2. The Revised Negative Declaration is based on independent judgment exercised by the Planning Commission.
3. The Revised Negative Declaration was prepared and considered in accordance with the requirements of the California Environmental Quality Act (CEQA).
4. There is no substantial evidence in the record as a whole, that the project will have a significant effect on the environment.
5. There is no evidence, in considering the record as a whole that the proposed project will have a potential adverse effect on wildlife resources or habitat upon which the wildlife depends
6. The Secretary of the Commission is the custodian of the records of the proceedings on which this decision is based. The records are located at the Napa County Planning, Building, and Environmental Services Department, 1195 Third Street, Room 210, Napa, California.

USE PERMIT MODIFICATION REQUIRED FINDINGS:

The Commission has reviewed the use permit request in accordance with the requirements of the Napa County Code Section 18.124.070 and makes the following findings. That:

7. The Commission has the power to issue a use permit under the zoning regulations in effect as applied to the property.

Analysis: The project is consistent with the AP (Agricultural Preserve) zoning district regulations. A winery (as defined in Napa County Code Section 18.08.640) and uses in connection with a winery (see Napa County Code Section 18.16.030) are permitted in an AP zoned district with an approved use permit. The project complies with the requirements of the Winery Definition Ordinance (Ord. No. 947, 1990) and the remainder of the Napa County Zoning Ordinance (Title 18, Napa County Code) as applicable.

8. The procedural requirements for a use permit set forth in Chapter 18.124 of the Napa County Code (Use Permits) have been met.

Analysis: The use permit application has been filed, noticed and public hearing requirements have been met. A new public hearing notice was posted on July 17, 2015, and copies of the notice were forwarded to property owners within 1,000 feet of the subject parcel and all other interested parties. The CEQA public comment period ran from July 17, 2015 to August 18, 2015.

9. The granting of the use permit, as conditioned, will not adversely affect the public health, safety or welfare of the County of Napa.

Analysis: Various County departments have reviewed the project and commented regarding water, waste water disposal, traffic and access, and fire protection. The Division of Environmental Health reviewed the 9/9/2015 revision to the wastewater feasibility report and found the system adequate to meet the facility septic needs, as conditioned. A hydrogeological study was conducted to determine if the project water use would adversely impact the nearby water wells and it was found to have no impact. Conditions are recommended which will incorporate these comments and findings into the project to assure the ongoing protection of the public health, safety and welfare.

10. The proposed use complies with applicable provisions of the Napa County Code and is consistent with the policies and standards of the Napa County General Plan.

Analysis: The proposed use complies with applicable provisions of the Napa County Code and is consistent with the policies and standards of the Napa County General Plan. The Winery Definition Ordinance (WDO) was established to protect agriculture and open space and to regulate winery development and expansion in a manner that avoids potential negative environmental effects. Additional findings relating to the General Plan consistency were made by the Board of Supervisors when it adopted the WDO that marketing of wine as defined by the Napa County Code is not only necessary to retain agriculture as a major source of income and employment in Napa County, but also will ensure the continued agricultural viability of existing and future Napa Valley vineyards.

The project complies with the requirements of the Winery Definition Ordinance (Ord. No. 947, 1990) and the applicable provisions of the Napa County Zoning Ordinance (Title 18, Napa County Code).

This proposal is consistent with the *Napa County General Plan 2008*. The subject parcel is located on land designated Agricultural Resource (AR) on the County's adopted General Plan Land Use Map. This project is comprised of an agricultural processing facility (winery), along with wine storage, bottling, and other WDO-compliant accessory uses as outlined in and limited by the approved project scope. (See Exhibit 'B', Conditions of Approval.) These uses fall within the County's definition of agriculture and thereby preserve the use of agriculturally designated land for current and future agricultural purposes.

General Plan Agricultural Preservation and Land Use Goal AG/LU-1 guides the County to "preserve existing agricultural land uses and plan for agriculture and related activities as the primary land uses in Napa County." General Plan Agricultural Preservation and Land Use Goal AG/LU-3 states the County should, "support the economic viability of

agriculture, including grape growing, winemaking, other types of agriculture, and supporting industries to ensure the preservation of agricultural lands.”

As approved here, the use of the property for the “fermenting and processing of grape juice into wine” (NCC Section 18.08.640) supports the economic viability of agriculture within the county consistent with General Plan Agricultural Preservation and Land Use Policy AG/LU-4 (“The County will reserve agricultural lands for agricultural use including lands used for grazing and watershed/ open space...”). Policy AG/LU-8 also states, “The County’s minimum agricultural parcel sizes shall ensure that agricultural areas can be maintained as economic units and General Plan Economic Development Policy E-1 (The County’s economic development will focus on ensuring the continued viability of agriculture...). Approval of this project furthers these key goals.

The General Plan includes two complimentary policies requiring that new wineries, “...be designed to convey their permanence and attractiveness.” (General Plan Agricultural Preservation and Land Use Policy AG/LU-10 and General Plan Community Character Policy CC-2). The proposed winery, to the extent that it will be publicly visible, will convey permanence and attractiveness.

Agricultural Policy AG/LU-13 of the County General Plan recognizes wineries, and any use clearly accessory to a winery, as agriculture. The Land Use Standards of the General Plan Policy AG/LU-2 list the processing of agricultural products as one of the general uses recognized by the AR land use designations. The proposed project allows for the continuation of agriculture as a dominant land use within the county and is consistent with General Plan Agricultural Policy AG/LU-13.

The project is also consistent with General Plan Conservation Policy CON-53 and CON-55, which require that applicants, who are seeking discretionary land use approvals, prove the availability of adequate water supplies, which can be appropriated without significant negative impacts on shared groundwater resources. As analyzed below, the proposed winery will not interfere substantially with groundwater recharge based on the criteria established by Napa County Public Works Department.

Finally, the “Right to Farm” is recognized throughout the General Plan and is specifically called out in Policy AG/LU-15 and in the County Code. “Right to Farm” provisions ensure that agriculture remains the primary land use in Napa County and is not threatened by potentially competing uses or neighbor complaints. Napa County’s adopted General Plan reinforces the County’s long-standing commitment to agricultural preservation, urban centered growth, and resource conservation. On balance, this project is consistent with the General Plan’s overall policy framework and with the Plan’s specific goals and policies.

11. The proposed use would not require a new water system or improvements causing significant adverse effects, either individually or cumulatively, on the affected groundwater basin in Napa County, unless that use would satisfy any of the other criteria specified for approval or waiver of a groundwater permit under Napa County Code Section 13.15.070 or Section 13.15.080.

Analysis: The subject property is not located in a “groundwater deficient area” as identified in Section 13.15.010 of the Napa County Code. Minimum thresholds for water use have been established by the Department of Public Works using reports by the

United States Geological Survey (USGS). These reports are the result of water resources investigations performed by the USGS in cooperation with the Napa County Flood Control and Water Conservation District. On June 28, 2011 the Board of Supervisors approved creation of a Groundwater Resources Advisory Committee (GRAC). The GRAC's purpose was to assist County staff and technical consultants with recommendations regarding groundwater, including data collection, monitoring, well pump test protocols, management objectives, and community support. The County completed a county-wide assessment of groundwater resources (Napa County Groundwater Conditions and Groundwater Monitoring Recommendations Report (Feb. 2011)) and developed a groundwater monitoring program (Napa County Groundwater Monitoring Plan 2013 (Jan. 2013)). The County also completed a 2013 Updated Hydrogeologic Conceptualization and Characterization of Groundwater Conditions (Jan. 2013).

Groundwater Sustainability Objectives were recommended by the GRAC and adopted by the Board of Supervisors which acknowledged the important role of monitoring as a means to achieving groundwater sustainability and the principles underlying the sustainability objectives. In 2009 Napa County began a comprehensive study of its groundwater resources to meet identified action items in the County's 2008 General Plan update. The study, by Luhdorff and Scalmanini Consulting Engineers (LSCE), emphasized developing a sound understanding of groundwater conditions and implementing an expanded groundwater monitoring and data management program as a foundation for integrated water resources planning and dissemination of water resources information. The 2011 baseline study by LSCE, which included over 600 wells and data going back over 50 years, concluded that "the groundwater levels in Napa County are stable, except for portions of the MST district". Most wells elsewhere within the Napa Valley Floor with a sufficient record indicate that groundwater levels are more affected by climatic conditions, are within historical levels, and seem to recover from dry periods during subsequent wet or normal periods. The LSCE Study also concluded that, on a regional scale, there appear to be no current groundwater quality issues except north of Calistoga (mostly naturally occurring boron and trace metals) and in the Carneros region (mostly salinity). LSCE prepared the 2014 Annual Groundwater Monitoring Report, presented to the Napa County Board of Supervisors on March 3, 2015, which clearly states that, based on the network of monitored groundwater level in the area, the groundwater levels in the area south of Calistoga are stable, even in context of the current drought. The subject property is located within Napa Valley Floor, Calistoga area.

LSCE concluded that the 1.0 acre-ft/acre criteria on the Valley Floor has proven to be both scientifically and operationally adequate. Any project which reduces water usage or any water usage which is at or below the established threshold is assumed not to have a significant effect on groundwater levels.

Vintage Wine Estates owns and operates the existing "Clos Pegase Water System", serving Clos Pegase Winery, across the street from the proposed Girard Winery parcel. The system currently serves Clos Pegase Winery and the residence located at 1060 Dunaweal Lane. The water system is currently regulated as a Transient Non-Community water system (Always Engineering, Inc. Water System Feasibility Report, 3/26/15), and the existing water system consists of: one active onsite well (Well #2), pressure tanks, sediment filter, softeners, located at 1077 Dunaweal Lane; and, a second active well (Well #1), 58,000 gallon storage tank, ultraviolet disinfection treatment and potable use

located at 1060 Dunaweal Lane. Both wells are supplying the currently permitted transient community water system. Vintage Wine Estates is applying for a use permit to establish a new winery (the proposed Girard Winery) and the "Clos Pegase Water System" will be updated to include additional piping, a new 45,000 gallon storage tank, and service connections for the proposed Girard Winery. The public water system documents must be updated as a result.

A Water Availability Analysis-Phase One Study was prepared by Always Engineering, Inc. (dated 2/18/14, revised 3/26/15, and supplemented 6/18/15) for the proposed Girard Winery on the 26.53 acre parcel (APN:020-150-012) and for the Clos Pegase Winery property, a 20.39 acre parcel (APN:020-150-017). Both parcels are located on the Valley Floor. As stated above, any project which reduces water usage or any water usage which is at or below the established threshold is assumed not to have a significant effect on groundwater levels, and since the project is located on the Valley Floor in an area that has an established acceptable water use criteria of 1.0 acre foot per acre per year, the Allowable Water Allotment for the Girard project property 26.53 af/yr and the Allowable Water Allotment for the Clos Pegase Winery is 20.39 af/yr. These allotments were determined by multiplying the acreage of each parcel by the one af/yr/acre fair share water use factor.

To meet the requirements of a Phase II Water Availability Analysis, O'Connor Environmental, Inc. (OEI) prepared the "Girard Winery Water Availability Analysis" report, dated March 26, 2015. Analysis of the Clos Pegase Winery property was also included in the report. The report included an examination of the surficial geology of the project site, evaluated recent available long-term hydrographs for the Napa Valley Floor – Calistoga subarea, and conducted aquifer testing. Analysis of the resulting time/drawdown data provides a way of estimating aquifer properties, evaluating the extent of lateral drawdown away from the wells, and determining the relative sufficiency of the well for meeting expected water demands. The report concluded that the proposed Girard Winery combined with the existing Clos Pegase Winery would have an approximately 8.23 af/yr total annual water demand. This demand represents only 24% of the parcel-based mean annual groundwater recharge for both parcels, and only ~0.3% of the total recharge to the tuffaceous aquifer up-gradient of the project parcels. Given that mean annual recharge is significantly higher than the proposed demand, it is highly unlikely that the proposed pumping would result in long-term declines in groundwater elevations or depletion of groundwater resources.

The OEI report further concluded that the expected magnitudes of drawdown associated with the proposed pumping were reasonably small and the spheres of influence associated with pumping at the required rates and durations needed to meet the demands do not extend far enough away from the project wells to intersect neighboring wells or the Napa River. These findings coupled with the fact that the project wells draw water from the tuffaceous rocks of the Sonoma Volcanics rather than from the alluvial aquifer (the primary aquifer providing water to many of the wells in the area and the material responsible for baseflow discharge to the Napa River) indicated that the proposed pumping is highly unlikely to result in interference to neighboring wells or impacts to river baseflows.

The Revised Phase 1 Study prepared by Always Engineering (dated 3/26/15; supplemented 6/18/2015) consolidated the all-total allowable water allotment (46.92 af/yr) and analyzed all of the demand of the water resources on the proposed Girard

Winery parcel. The two wineries will have an interrelationship resulting from the consolidation of the transient non-community water system and from the shared used process wastewater system utilizing the irrigation pond located on the proposed Girard Winery parcel. The vineyards and landscaping will be irrigated from the recycled processed wastewater, therefore, the primary demand for groundwater will come from the winery processing, domestic needs (employees, visitors, and the residence), which can be accommodated well within the allowable water allotment for either parcel: Clos Pegase Winery - 3.58 af/yr and the residence - 1.21 af/yr for a total of 4.79 af/yr plus Girard Winery 3.43 af/yr for an overall total of 8.22 af/yr. In summary, the existing yield will be sufficient to serve all uses on the property and the existing wastewater processing system ponds serve to eliminate vineyard and landscaping demands.

Based upon the total demand from the existing uses (4.79 af/yr) plus the new winery, 3.43 af/yr, the project would be well below the established threshold for groundwater use on the property (26.53 af/yr). The project would not interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater level and would not cause significant adverse effects, either individually or cumulatively, on the affected groundwater basin.