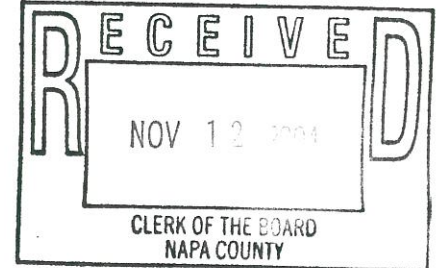




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November 12, 2004



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Via Hand Delivery

The Honorable Mark Luce,
Chairman of the Napa County Board of Supervisors
Members of the Napa County Board of Supervisors
1195 Third Street
Napa, CA 94558

Re: Howell Mountain Mutual Water Company, Inc. Appeal to Outpost Wines,
True Vineyard, LLC - Use Permit Modification Request #P04-0180-MOD Approval

Dear Chairman Luce and Supervisors:

We represent Frank and Kathy Dotzler, owners of Outpost Wines, True Vineyard, LLC ("Outpost") which is the subject of the above referenced appeal. On August 18, 2004, the Napa County Planning Commission unanimously approved, in a 5-0 vote, a use permit modification for the winery owned by Outpost located at 2075 Summit Lake Drive, Angwin. The use permit modification request allows Outpost to increase their production from 20,000 to 30,000 gallons a year, which includes improving the physical layout of the existing winery with new structural development and construction of a specifically designed pressure distribution wastewater system. On August 31, 2004, Duane Dice, an independent consultant for Howell Mountain Mutual Water Company, Inc. ("HMMWC"), filed an appeal of this approval.

At the August 18, 2004 Planning Commission hearing on this application, Mr. Dice had an opportunity to express his concerns regarding the 10,000 gallon a year increase in production. Mr. Dice stated that he was representing the HMMWC. Mr. Dice specifically noted that the HMMWC had no problems with the reconfiguration of the winery or the volume of guests resulting in increased traffic in the area. His only concern was the affect of the increased gallonage capacity on the local watershed. Both the Planning Commission and staff responded to Mr. Dice with a detailed explanation as to how the County had carefully analyzed this issue. The Planning Commission unanimously felt that the relevant agencies and staff had more than adequately addressed these concerns and provided the appropriate conditions to warrant approval of the project.

- Walter J. Fogarty, Jr.
- David W. Meyers
- Francis J. Collin, Jr.
- Charles H. Dickenson
- Paul G. Carey
- Richard P. Mendelson
- Cathy A. Roche
- James W. Terry
- Katherine Ohlandt
- Stan D. Blyth
- Linda Emerson
- Herbert M. Rowland, Jr.
- Thomas F. Carey
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- Megan Ferrigan Healy
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November 12, 2004

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While it is difficult to ascertain from the lack of specific information set forth in the appeal, Mr. Dice appears to be concerned about the impact of the increased production at Outpost on the watershed and the increased traffic caused by the expansion (despite his verbal assurance at the hearing that this was not an issue). Napa County Code Section 2.88.050 provides that a filed Notice of Appeal must include all factual or legal determinations made by the approving authority that are being appealed by the appellant and that any determinations not identified in the Notice of Appeal are thereby waived by the applicant. In addition, as mandated in writing by the Clerk of the Board, Mr. Dice and Outpost were instructed that all additional information to be considered must be submitted by November 12, 2004. At this time, we are not aware of any additional information submitted by Mr. Dice. Accordingly, we understand that, subsequent to this date, any additional information submitted relating this appeal will not be considered. Under County regulations, we are required to limit the information we present to the specific issues raised in the Notice of Appeal. We will therefore limit our comments to the two general issues raised.

1. **Watershed**

It appears that Mr. Dice is concerned about the impact the increased winery capacity has on the watershed. The appellant states that the "winery expansion would directly and seriously impact the quality of water which will run off into the nearby HMMWC lakes". The conditions imposed by the approval of Outpost's application require that all outside work areas be designed so that waste, residue and other materials collected by rainwater or wash water are directed into a wastewater treatment system and not allowed to flow into the watershed. The pressure distribution wastewater system that will be used by Outpost will be located close to 2,000 feet away from the nearest water collection source. The proposed site of the new wastewater system far exceeds the clearance requirement under the Napa County Code, which requirements were instituted by the County to specifically address the type of concerns raised by HMMWC.

Despite the fact the Outpost wastewater system will be nearly 2000 feet away from any HMMWC lake and all wastewater, rain water and other wash water is collected in that wastewater system, Mr. Dice claims there are "objectionable water quality impact[s]" caused by an increase in the winery capacity. Mr. Dice claims these impacts "come primarily from natural nutrients, fertilizers and agricultural chemicals present in grape crush waste materials" and that "this impact may be exacerbated if the expanded winery facility uses grapes imported from outside the basin". The amount of fertilizers and agricultural chemicals on the grapes that will be harvested by the winery are insignificant and hardly measurable. Furthermore, the conditions imposed by the