



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 11/3/2015

Agenda Placement: 6F

NAPA COUNTY BOARD OF SUPERVISORS

Board Agenda Letter

TO: Board of Supervisors

FROM: Rick Marshall for Steven Lederer - Director of Public Works
Public Works

REPORT BY: Richard Thomasser, Watershed and Flood Control Operations Manager - (707)259-8657

SUBJECT: Approval of Project Agreement with Kaanapali Drive Homeowners Association and Silverado Resort- Milliken Creek Fish Passage Improvement and Flood Reduction Project

RECOMMENDATION

Director of Public Works requests approval of and authorization for the Chair to sign the Project Agreement with Silverado Resort and the Kaanapali Drive Homeowners Association for Implementation of the Milliken Creek Flood Reduction and Fish Passage Barrier Removal Project.

EXECUTIVE SUMMARY

The Board of Supervisors approved funding the design of the Milliken Creek Flood Reduction and Fish Passage Barrier Removal Project (the Project) in 2012 using Measure A funds. An Integrated Regional Water Management (IRWM) grant of \$500,000 from the State of California Department of Water Resources (DWR) has been awarded to the County and the benefiting property owners along Kaanapali Drive voted to create a Homeowners Association in January 2014, which includes assessments that will support project construction. The Board approved a design contract in August 2014, which is being funded using the County unincorporated share of Measure A funds to meet the County's minimum grant match of \$185,000 required under the agreement with ABAG. The requested action is approval of the Project Agreement which outlines the roles and responsibilities of each party for implementation of the Project.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No

What is the revenue source?	The Kaanapali Drive HOA assessments, whereby each of 54 property owners will be assessed \$4,500 as their contribution to the Project (\$243,000 total). \$152,000 revenue will be collected in Fiscal Year 2015-16 and \$56,000 in Fiscal Year 2016-17.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	In 2012, the Board approved the Project the use of County unincorporated area Measure "A" funds.
Is the general fund affected?	No
Future fiscal impact:	The Project is a multi-year project. Currently, Measure "A" funds are being used to design the Project and match a grant from the State Department of Water Resources. The grant funds will not be used until construction of the project begins in Fiscal Year 2016-2017. Upon completion of the design, it is anticipated that additional Measure "A" funds will be needed to support the grant funding and funds to be provided by the Kaanapali Drive HOA in accordance with the terms of the proposed Project Agreement.
Consequences if not approved:	Loss of grant revenue from the State of California and homeowners for flood reduction activities along Milliken Creek near Kaanapali Drive.
Additional Information:	Under the terms of the proposed Project Agreement, the Silverado Resort will design and construct a replacement bridge over Milliken Creek at their sole cost as their contribution to the Project. The County will design and construct the fish passage barrier removal, stream restoration and flood reduction elements using the \$500,000 grant from the State, matched with Measure "A" funds and a portion of the revenue obtained from the Kaanapali Drive HOA assessments. The Kaanapali Drive HOA will retain \$35,000 of the assessment revenue for administration and insurance purposes and a portion of the assessments paid to the County will be used to pay Silverado Resort \$150,000 for the loss of stream crossing access as a result of the Project. The remaining \$58,000 will be used to offset the County's Project construction costs. Budgetary changes for the current fiscal year will be brought forward for the Board's approval with the Fall Fiscal Status Report provided by the County Executive Officer.

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: Environmental review, including preparation of an Initial Study/Mitigated Negative Declaration is underway. By execution of the proposed Project Agreement, the County is not committing itself to proceed with the Project, is not precluding any alternatives or mitigation measures that would ordinarily be part of the CEQA review, and shall not be construed as approval of the Project.

BACKGROUND AND DISCUSSION

In December 2005, the Kaanapali Drive neighborhood, northeast of the intersection of Atlas Peak Road and Hillcrest Drive, experienced unprecedented flooding that resulted in damage to several homes. In response to the flooding, the County entered into an agreement with the Silverado Property Owner's Association (SPOA) to cost share a flood reduction and stream bank stabilization study of Milliken Creek from Atlas Peak Road to Westgate

Drive. The firm chosen by the SPOA was Hydrologic Systems Inc (HSI). The study was completed in December 2007 and focused on the hydrology, geomorphology, and hydraulics of the Milliken watershed and identified preliminary alternatives to reduce flooding in the study area; it also identified portions of Kaanapali Drive as areas subject to flooding from a 100-year flood event. A hydraulic model was developed by HSI to study flooding at various flood frequencies. Potential flood reduction alternatives identified included increasing culvert capacities, redirecting certain drainage courses, construction of berms to detain overbank flows in existing or created impoundment areas, modifications to the upstream Milliken Dam to attenuate flood flows, and several combinations of these alternatives that would maximize the reduction of possible flooding.

As a result of the study, County staff worked with FEMA to map a Special Flood Hazard Area (SFHA) on Kaanapali Drive. The original study did not contain enough information to establish base flood elevations (BFEs) for the SFHA, so in August 2010 the County continued the hydrology and hydraulic analysis of the Milliken Creek watershed to its termination into the Napa River. The purpose of the new study was not only to establish BFEs, but also to evaluate possible additional improvements for additional flood reduction possibilities.

In March 2010, the County hired Riechers Spence and Associates (RSA) to perform a cost benefit analysis for the project alternatives identified in the original report. RSA was able to incorporate existing known data into their analysis, and also evaluated several additional flood reduction alternatives. In December 2011, RSA completed their cost-benefit analysis; based on their evaluations, the following alternatives were recommended for this Project:

1. Removal of the existing summer impoundment (dam) and restoration of the Milliken Creek channel.
2. Restoration of the overland release path through Hillcrest Drive and Atlas Peak Road.
3. Strategic other flood proofing measures in the vicinity of Kaanapali Drive to be determined through additional design studies.

Based on the recommendations in the RSA report and a request for support from several Kaanapali Drive homeowners, the Board approved the use of Measure A funds in 2012 to implement a flood reduction project. Staff also began work to secure grant funding to support construction of the Project from the State of California Department of Water Resources. The County was notified that the Project was selected for a grant of \$500,000 as part of the Bay Area Integrated Regional Water Management (IRWM) Plan Round 2 Implementation grant program. During 2013, staff worked with property owners and Silverado Resort to reach concurrence on project objectives and awaited the property owner's formation of a Homeowners Association (HOA), which could enter into an agreement with the County and the Resort. The Kaanapali Drive HOA was approved by the property owners in January 2014. A Request for Proposals for design of the above flood reduction improvements was issued on January 31, 2014. Interviews were held on March 19 and 20, and based on previous experience with similar projects, Mead & Hunt out of Sacramento was chosen as the most qualified firm. The Board approved a professional services agreement with Mead & Hunt on August 19, 2014 to begin design work.

On September 23, 2014, the Board approved the Local Project Sponsor Agreement with the Association of Bay Area Governments (ABAG) to secure the \$500,000 in grant funds for project construction.

As design work has progressed through 2015, the County, Silverado Resort and the HOA have been working toward entering into a project agreement for implementation of the project. The parties have now reached agreement on the roles and responsibilities of each party. Under the terms of the proposed Project Agreement, the Silverado Resort will design and construct a replacement bridge over Milliken Creek at their sole cost as their contribution to the Project. The County will design and construct the fish passage barrier removal, stream restoration and flood reduction elements using the \$500,000 grant from the State, matched with Measure "A" funds and a portion of the revenue obtained from the Kaanapali Drive HOA assessments, whereby each of 54 property owners will be assessed \$4,500 as their contribution to the Project (\$243,000 total). The Kaanapali Drive HOA is retaining \$35,000 of the assessment revenue for administration and insurance purposes and a portion of the

assessments paid to the County will be used to pay Silverado Resort \$150,000 for the loss of stream crossing access as a result of the Project. The remaining \$58,000 will be used to offset the County's Project construction costs. The required budgetary changes will be brought forward for the Board's approval with the Fall Fiscal Status report provided by the County Executive Officer.

It is estimated that the design will be completed to allow for construction to commence in summer 2016. However, the construction schedule is dependent on several factors, including Silverado resort completing construction of the replacement bridge and receipt of all required Project permits. If as a result of such factors, construction is delayed until summer of 2017, the Project funding would not be in jeopardy.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Liz Habkirk