



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 2/27/2018

Agenda Placement: 6J

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Steven Lederer - Director of Public Works
Public Works

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

SUBJECT: Amendment No.27 to Agreement No. 4202 with Napa County Flood Protection and Watershed Improvement Authority for County Unincorporated Area Measure "A" Projects

RECOMMENDATION

Director of Public Works requests the following actions related to the County unincorporated area share of Measure "A" sales tax revenues:

1. Approval of and authorization for the Chair to sign Amendment No. 27 to Agreement No. 4202 with Napa County Flood Protection and Watershed Improvement Authority, extending the term of the agreement through June 30, 2019, and adding appropriations totaling \$6,016,135 for a new total of \$45,310,635, with the following funding allocations for existing and new approved projects in the County unincorporated area:
 - a. Increase the allocation for the Angwin Water Supply Reliability Project (Program 05002) by \$1,768,820;
 - b. Increase the allocation for the Napa River Restoration Project - Oakville Crossroad to Oak Knoll Avenue Reach (Program 07002) by \$2,100,000;
 - c. Increase the allocation for the Milliken Creek Flood Reduction and Fish Passage Project (Program 13045) by \$150,000;
 - d. Increase the allocation for the Lake Berryessa Watershed Improvement Program (Program 11012) by \$1,936,891; and
 - e. Allocate \$60,424 to new Airport Flood Reduction Project (Program 18025)
2. Approval of Budget Transfer No. DPW052 appropriating \$6,016,135 in the Public Works Capital Improvement Program budget each with offsetting revenues from Measure "A" sales tax funds:
 - a. Increase revenue and expenditure by \$1,768,820 in Program 05002;
 - b. Increase revenue and expenditure by \$2,100,000 in Program 07002;
 - c. Increase revenue and expenditure by \$150,000 in Program 13045;
 - d. Increase revenue and expenditure by \$1,936,891 in Program 11012; and
 - e. Increase revenue and expenditure by \$60,424 in Program 18025.

(4/5 vote required)

EXECUTIVE SUMMARY

Measure "A" has been used to fund fourteen approved projects in the County unincorporated area. Staff has prepared Amendment No. 27 to the County-Flood Authority Measure "A" Funding Agreement for approval by the Board to increase appropriations for approved projects and adding one new project. This will be the final amendment of the agreement and has been prepared consistent with direction of the Auditor Controller to distribute the final revenues from the Measure "A" sales tax, which expires on June 30, 2018.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	County unincorporated area share of Measure "A" sales taxes.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The activities being funded are the type of projects authorized within the County Unincorporated area for the use of Measure "A" funds.
Is the general fund affected?	Yes
Future fiscal impact:	The projects being funded will extend into FY 2018-2019. Unspent funds at the end of the current fiscal year will be rolled forward into future fiscal year project budgets.
Consequences if not approved:	The projects funded by the amendment would not be able to be implemented.
Additional Information:	Amendment No. 27 will be the final amendment for Agreement No. A-4202 with the Flood Authority. The amendment has been prepared to acknowledge that the actual funding will be pending the final audited tax revenues collected through June 30, 2018. The amounts provided in this Amendment are the Auditor's best estimate of total revenues to be allocated in accordance with the Measure A Ordinance and the Joint Powers Agreement (JPA).

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Measure "A" Background

In March 1998, voters approved a half cent sales tax increase for flood control purposes known as Measure "A". The County and each City and Town are entitled to the proceeds from Measure "A" generated within their political boundaries for projects that were specified in the ballot measure. For the County, the Measure reads:

Unincorporated Areas of Napa County:

1. County unincorporated area flood damage reduction projects including elevating/relocating structures, including bridges, in the floodway and floodplain; and
2. Agricultural watershed and stormwater runoff management improvements planned jointly by the agricultural industry, the County, the Napa County Resource Conservation District and the Department of Fish and Game, including projects which will:
 - a. Reduce the amount of storm runoff and sediment in the Napa River System from agricultural lands; and
 - b. Increase flood storage of the River system by the setback of active land uses from river and tributary banks.

Community of Angwin/Deer Park:

1. Stabilization and enhancement of existing water reservoirs which shall be for the purpose of flood protection and water reliability; and
2. Stabilize water quality.

Evaluation of Types of Projects and Benefits

Measure "A" does not identify specific projects for the County unincorporated area (including the Angwin/Deer Park and Berryessa sub areas), but rather specifies that projects must meet the above stated objectives. In January 2008, staff presented and received approval from the Board on the Measure "A" Project Benefits and Priorities Matrix, which outlines the types of projects and benefits that meet the required Measure "A" objectives. The matrix also provides a relative priority ranking of projects based upon the ability of a particular project to meet the Measure "A" objectives, while also considering the overall benefit to the public by applying the following criteria, as follows in order of relative importance:

1. Projects which provide protection for health and safety;
2. Projects which provide protection against possible future damage to property and/or the environment or protect natural resources; and
3. Projects which enhance the environment.

The approved criteria are consistent with the intent of the measure and with previous direction from the Board. The evaluation of projects also considers the ability of Measure "A" funds to leverage other sources of funding for projects which meet the Measure "A" objectives. In this regard, project opportunities that come forward with supplemental funding from grants or from benefiting property owners, that only need to be matched with Measure "A", support a previously stated Board objective of stretching the Measure "A" dollars. Similarly, if other sources of funds are readily available for certain project types, this may factor into the relative importance of using Measure "A" funds for a particular activity.

Measure "A" Funding Agreement

In August 1999, a Funding Agreement was entered into between the County and the Napa County Flood Protection and Watershed Improvement Authority (NCFPWIA), and is the mechanism for the County to receive Measure A funding to conduct projects as specified in the Measure "A" Ordinance. The Funding Agreement is amended to

provide funding on an annual basis, or if necessary, as additional projects or tasks on previously approved projects are identified. The County Funding Agreement was last amended on June 20, 2017; as of this 26th amendment, the NCFPWIA had authorized a total of \$39,294,500 towards fourteen approved Measure "A" projects in the County unincorporated area.

Staff is now requesting approval of Amendment No. 27, which adds a total of \$6,016,135 in additional funding allocations for existing projects and new projects as described below. Upon approval of Amendment No. 27, the total authorized funding for approved projects in the County unincorporated area will be \$45,310,635. This approval is contingent upon the Flood Authority adoption of this same action at their meeting later today. As this is the final amendment of Agreement A-4202 with the Flood Authority, the actual final revenues available for approved projects is pending the actual revenues collected by the Authority through June 30, 2018. Therefore the amendment has been prepared to acknowledge the actual total amount has been estimated and may be more or less than stated herein. The future budgets for each project that remains active following the distribution of all Measure A funds will reflect the actual amounts available. It is anticipated that expenditures on the approved projects will extend into future fiscal years as discussed below.

Existing Active Projects and New Funding Allocations in Amendment No. 27

Fourteen projects have been previously approved. All projects but the following four have been completed:

Angwin Water Supply Reliability Program - This program receives 17% of the County's share of Measure "A" revenues in accordance with the JPA. Amendment No. 27 adds \$1,768,820 as the final estimated total share of the tax revenues for the Angwin area. These funds are available for distribution to Angwin area water purveyors based on the Memorandum of Understanding which sets forth the relative share of revenues available to each purveyor and the types of projects that may be funded on a cost reimbursement basis. The actual sub-projects and funding is approved for each purveyor via individual MOUs that will be approved by the Board of Supervisors at future meetings.

Lake Berryessa Watershed Improvement Program - The Lake Berryessa watershed receives 7% of the County's share of Measure "A" revenues in accordance with the JPA. This amendment adds a total of \$1,936,891 as the final estimated total share of the tax revenues for the Lake Berryessa watershed. The sub-projects funded to date include watershed improvement projects benefiting the entire watershed such as completion of a sanitary survey and installation of stream gages and rainfall gages linked to the County's OneRain website. In 2017, the County circulated a call for projects and awarded three grants (Oat Hill Mine Road Erosion Control, Pope Creek Weed Management and Restoration in the UC Davis McLaughlin Reserve). Amendment No. 27 allocates the total remaining Measure "A" revenues for the Lake Berryessa Watershed of \$1,936,891 in the following manner: \$750,000 is allocated to fund Erosion Control and Storm Damage Repairs for the Lake Berryessa Resort Improvement District. \$100,000 of additional funding is provided to continue funding for the County's participation in the West Sacramento Valley Integrated Watershed Management Program (estimated to cover 5 years of costs). The balance of funding, \$1,086,891, is allocated to the Lake Berryessa Watershed Improvement Program Grant Program created in 2017 and will be awarded to sub-projects through future calls for projects and awards by the Board of Supervisors according to the previously-approved Grant Program guidelines.

Napa River Restoration - Oakville to Oak Knoll Reach Project - To date, \$8,068,000 has been allocated to this project which is being designed and constructed in four phases to restore approximately 9 miles of the Napa River. The project is being jointly funded by multiple grants from the US EPA, the State of California Department of Fish and Wildlife, State Water Resources Control Board, California Coastal Conservancy. Measure "A" funds have been used for project design and as grant match for construction. To date the Project is approximately half constructed. Amendment No. 27 allocates \$2,100,000 of funding to support final design and construction of the final two phases, Groups B and D. Three newly awarded grants are in the process of being awarded that partially fund these final phases of the project.

Milliken Creek Flood Reduction and Fish Passage Improvement Project - This project provides flood reduction in the Kaanapali Drive neighborhood of Silverado Resort and in-stream restoration and fish passage in Milliken Creek. The project was jointly planned and funded according to an agreement with the Kaanapali Drive Homeowners Association and Silverado Resort. Project construction began in summer 2017 and is nearing completion. All in-stream improvements have been completed in Milliken Creek. The final element of construction, storm drain improvements in the Kaanapali, Hillcrest Drive and Atlas Peak Road area were delayed due to the recent fires and also due to utility conflicts are underway and should be completed by the end of March 2018. The total Measure "A" funding to date for this project is \$1,620,000. Amendment No. 27 allocates an additional \$150,000 to this project for construction contingency to ensure adequate funding is available through the end of the construction contract. This additional funding would also support vegetation establishment in the newly restored section of Milliken Creek.

New Projects in Amendment No. 27

Airport Measure A Flood Reduction Project - Amendment No 27 allocates \$60,424 to be used to support a drainage and flood reduction improvement at Napa County Airport to comply with a Federal Aviation Administration (FAA) ruling on the use of sales tax revenues from the sale of aviation fuels. Staff are working with the Airport Manager on the best use of these revenues and a project proposal will be brought forward for Board of Supervisors approval that meets both Measure "A" and FAA guidelines for these revenues.

An updated Measure "A" revenues and expenditures forecast for the unincorporated area is attached.

SUPPORTING DOCUMENTS

A . Measure A Revenue and Expenditures Forecast

CEO Recommendation: Approve

Reviewed By: Bret Prebula