



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 3/2/2010
Agenda Placement: 7G

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Felix Riesenbergs for Don Ridenhour - Director
Public Works

REPORT BY: Felix Riesenbergs, DEP DIR PW-FLOOD CTRL & WATER - 259-8620

SUBJECT: Agreements for Services Between County and Resort Improvement Districts (Lake Berryessa and Napa Berryessa) for Districts' Water and Sewer Operations

RECOMMENDATION

Director of Public Works requests approval of and authorization for the Chair to sign the following agreements for the term March 2, 2010 through June 30, 2010 with provision for automatic renewal, to provide administration and support services for water and sewer operations:

1. Agreement with Napa Berryessa Resort Improvement District; and
2. Agreement with Lake Berryessa Resort Improvement District.

EXECUTIVE SUMMARY

The Napa Berryessa Resort Improvement District (NBRID) was established in 1965 to provide potable water and sewer services to the Steele Park Resort and a planned recreational and residential development along the southern shoreline of Lake Berryessa. The Lake Berryessa Resort Improvement District (LBRID) was established in 1965 to provide potable water and sewer services to a planned residential and recreational community along the northwestern shoreline of Lake Berryessa at Putah Creek. To assist in the development of the area, the Board of Supervisors agreed to serve as both Districts' governing body and initially to provide operation and administrative services for both NBRID and LBRID.

The Napa County Public Works Department currently provides the administrative and operational services for NBRID's and LBRID's potable water and sewer systems. In addition to the day-to-day administration and operations support services provided by Napa County Public Works, financial services are provided by the elected County Auditor-Controller and County Treasurer-Tax Collector and legal services provided by County Counsel. All services currently being provided by Napa County to NBRID and LBRID have been continuously provided without benefit of a formal agreement between the parties.

Counsel for each District and Counsel for the County have recommended that the relationship between the Districts and County be formalized to reflect the separate status of the two entities. Notwithstanding that the Board of Supervisors also serves as the Board of Directors of each District, the legal status of the two parties is that they are separate and distinct governmental entities and the relationship between the two entities needs to be clearly delineated.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Public Works, Auditor-Controller, Treasurer-Tax Collector. Departments will budget revenue from NBRID and LBRID to cover costs of services provided, including those directly billed such as ITS and County Counsel.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	These services are currently needed to provide support services for each District's water and sewer operations.
Is the general fund affected?	Yes
Future fiscal impact:	NBRID and LBRID will continue to need these support services in the future and will need to budget accordingly, whether the County is retained to provide these services or outside consultant or other service providers are utilized.
Consequences if not approved:	County staff would not provide the services as outlined in the agreement and each District would need to find other similar service providers.
Additional Information:	Public Works, County Counsel, Auditor-Controller and Treasurer-Tax Collector budget and anticipate reimbursement for services provided to the District. ITS charges have been and will continue to be directly billed to the District and therefore are not part of this agreement. Along with typical computer systems and equipment for District staff, the ITS services provided also include access to automated financial and human resources systems.

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

The Napa Berryessa Resort Improvement District's (NBRID) formation was proposed by the Berryessa Highlands Development Company and the Lake Berryessa Development Company. Prior to proposing formation of the District, the Berryessa Highlands Development Company had approached the County of Napa to express its interest in developing a subdivision in the Lake Berryessa area. It was anticipated that the subdivision, to be known

as "Berryessa Highlands," would be developed in phases and include approximately 2,000 units. The Lake Berryessa Development Company, operator of the Steele Park Resort, also supported formation of the District in order to provide water and sewer service for its approximate 510-acre resort.

The Lake Berryessa Resort Improvement District (LBRID) was established in 1965 to provide potable water and sewer services to a planned residential and recreational community along the northwestern shoreline of Lake Berryessa at Putah Creek. The formation of the District was proposed after the Labry Corporation had approached the County of Napa to express its interest in developing a subdivision at Putah Creek.

To assist in the development of the area, the Board of Supervisors supported the formation of both Districts and agreed to serve as their governing body and to provide operation and administrative services for each District.

All services currently being provided by Napa County to the NBRID and LBRID have been continuously provided without benefit of a formal agreement between the parties. The Napa County Public Works Department currently provides the administrative and operational services for each Districts' potable water and sewer systems. The County employs one full-time operator to run each District's day-to-day operations. In addition to the full-time operator, the two Districts share a full-time licensed water and sewer treatment supervisor. All financial functions for each District, including customer inquiries regarding billing and service questions, are directed to the Public Works Department. Engineering support, including project design and construction administration, assistance with regulatory reporting, grant writing assistance and purchasing support are also provided by the County's Public Works Department. Extra help is made available to each District on a need basis.

In addition to the day-to-day administration and operations support services provided by Napa County Public Works, financial services are provided by the Elected County Auditor-Controller and County Treasurer-Tax Collector and legal services provided by County Counsel.

Historically the annual budget for each District has been prepared and recommended to each District Board by the Public Works Department and rates to support the budget calculated and recommended as well by staff of Public Works. The budget and concomitant rates have been structured to reflect the cost of services provided by Public Works operations, engineering and administrative/accounting staff and also include estimated costs for services to be provided by the Auditor-Controller, Treasurer-Tax collector and County Counsel.

Counsel for each District and Counsel for the County have recommended that the relationship between each District and County be formalized to reflect the separate status of the entities. Notwithstanding that the Board of Supervisors also serves as the Board of Directors of both Districts, the legal status between the County and each District is that they are separate and distinct governmental entities. This is especially important to remind regulatory bodies in matters pertaining to responsibility for District operations and conformance with governing regulations, facility operating permits and accountability for violations, i.e., the County's liability exposure ought to be limited to professional errors and omissions and the ultimate disposition of each District's financial assets and liabilities is the sole responsibility of each District.

Attachments "A" through "D" of the agreement describes in more detail the services and costs for services provided by the Auditor-Controller, Treasurer-Tax Collector, County Counsel and Public Works respectively.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Helene Franchi