



Agenda Date: 3/4/2008
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NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Peterson, Robert - Director
Public Works
REPORT BY: Richard Thomasser, Watershed and Flood Control Operations Manager - (707)259-8657
SUBJECT: Update on Measure A Tax Revenues and Expenditures

RECOMMENDATION

Director of Public Works to provide an update on current and projected Measure A tax revenues and expenditures on Board approved projects and studies related to flood damage reduction and watershed management in the unincorporated area of the County and water supply reliability in the Angwin/Deer Park community.

EXECUTIVE SUMMARY

This presentation will provide an update as to the status of Measure "A" revenue available to the unincorporated area, expected cash flow for projects approved by the Board of Supervisors, and the estimated annual and total fund balance that is presently uncommitted that may be available for additional project expenditures.

Procedural requirements:

No action required

FISCAL IMPACT

Is there a Fiscal Impact? No

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

This presentation will provide an update as to the status of Measure "A" revenue available to the unincorporated area, expected cash flow for projects approved by the Board of Supervisors, and estimated fund balance that is presently uncommitted that may be available for additional project expenditures. The attached forecast provides information regarding the financial impact of approved projects in future fiscal years, and to illustrate the degree to which Measure "A" tax revenues have been earmarked towards these projects in future fiscal years, even though these future expenditures have not yet been formally approved by the Board. These amounts are shown in italics. The amounts remaining in the ending balance by fiscal year illustrate the capacity for potential additional project expenditures.

Further detail of Measure "A" and existing funded projects is presented below.

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.

Joint Powers Agreement

In November, 1998 a Joint Powers Agreement (JPA) was entered into by the County, Flood Authority, Flood District and each city. The purpose of this JPA was to set forth a whole host of operating policies and criteria regarding the equitable distribution of the sales tax revenues to each agency, debt financing for projects in the plan, and how to handle additional revenue in the event of sales tax growth, and the possibility of State flood control subventions for the Napa Flood Project. The JPA made specific arrangements for each agency to loan a portion of its Measure "A" funds in the first seven years to the City of Napa for use in constructing its flood control project, to be paid back with interest during the remaining 13 years of the tax. In addition, the County agreed to allocate all of its sales tax revenue from the vicinity of the City of Napa to the City's flood project with reimbursement to come only if additional revenues are available after the project is paid off. The "Napa Vicinity" allocation accounts for about 60% of the County's tax revenue.

Revenues and Actual Expenditures

In accordance with the JPA, the County share of sales tax distributions was set at 9.6% through the end of FY 2005-2006, and then varies according to the actual percentage of the taxes collected within the unincorporated area as compared to the entire County. The actual 2006-2007 percentage for the unincorporated area was 16.94% and the forecast for 2007-2008 is 17.94%.

At the end of FY 2006-2007, the County share of accumulated sales taxes was \$10.5 million (M), with an available cash balance of \$3.97M after taking into consideration the loans to the Napa Project and expenditures on projects in the unincorporated area. By the end of the current Fiscal Year 2007-2008, it is anticipated that the County will have an available cash balance of \$6.1 million. Assuming the most recent percentage (17.94% of total taxes collected), the County unincorporated area should receive approximately \$40M in Measure "A" tax revenues by the year 2018. Based on the current projects authorized by the Board and anticipating the funds needed to take those projects to successful completion, it appears that no more than \$20 million will eventually be expended, leaving room for the Board to approve additional projects or programs in the future.

The JPA established a specific formula for allocating the unincorporated County portion of the revenue to three different geographical areas based generally on the amount of revenue generated in those areas. They are:

- | Angwin/Deer Park - 17%
- | Berryessa Watershed - 7%
- | Balance of County - 76%

The County has expended approximately \$1.69M through the end of FY 2006-2007. A summary of the expenditures and previously approved levels of funding by project is provided below, along with staff's projections of future expenditures needed to complete the project:

Angwin/Deer Park Projects (\$6.8M Projected Available):

Angwin/Deer Park Water Supply Reliability Plan - \$121,542 in expenditures to date. This is an ongoing project, with total funding of \$429,000 authorized to date. At this time we are projecting a future expenditure of \$2 million for the installation of the major trunk line that is currently in the planning stage.

Berryessa Watershed Projects (\$2.8M Projected Available)

No projects conducted to date.

Balance of County Unincorporated Area (\$30.4M Projected Available)

Total of \$1,563,793 expended on the following projects:

St Helena Deer Park Road/Silverado Trail FS - \$178,839. This project is completed.

Lewelling Ave Outfall - \$797,600. This project is completed.

Millken-Sarco-Tulocay Recycled Water Plan - \$129,577 spent. This is an ongoing project, with total funding of \$529,000 authorized to date. An additional \$350,000 will be requested in the upcoming FY09 budget to perform the project's CEQA studies.

Rutherford Dust Project - \$362,594 spent through the end of FY 2006-2007 from the approved budget of \$1,292,000 for Preliminary Design (Phase 1) and to cover the projected cost of the County's matching share of Final Design and construction of Reaches 1 and 2 during FY 2006-2007 (a portion of Phases 2 and 3). An additional \$5 million is projected to be needed over the next 6 years in order to complete construction of the remaining phases of the project, assuming that a like amount of grant monies will be secured.

Special Flood Studies in the County Unincorporated Area - \$21,010 spent through the end of FY 2007-2008 from the approved budget of \$200,000. These studies are beginning to yield area specific information and appear to be valuable. Staff capability appears to be limited to expending no more than \$100,000 per year and therefore we have projected a continuation of this program at that expenditure level through the end of the Measure A program. It is expected that the outcome of these studies will result in recommendations regarding improvements to be made. Whether those improvements can be funded entirely, partially or not at all with Measure A funds has yet to be determined and may have to be decided on a case by case basis. Because of this uncertainty and the eventual need for policy direction from the Board, no projections for implementation costs have been made in this report.

Oakville Cross Road to Oak Knoll Avenue Sediment Reduction and Habitat Enhancement Project- \$74,173 spent through the end of FY 2007-2008 from the approved budget of \$190,000. This project is in its very early stages but it is similar in nature to the Rutherford Dust project. Therefore we have anticipated eventual construction costs totaling \$8.6 million (to be matched one for one) over the remaining time period of Measure A.

SUPPORTING DOCUMENTS

A . Measure A Cash Flow 2007-2018

CEO Recommendation: Approve

Reviewed By: Helene Franchi