



A Tradition of Stewardship  
A Commitment to Service

Agenda Date: 4/8/2014

Agenda Placement: 7C

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors

**FROM:** Steven Lederer - Director of Public Works  
Public Works

**REPORT BY:** Kevin Berryhill, ENGINEERING MGR-WATER RESOURCE - (707)299-1755

**SUBJECT:** Memorandum of Understanding between Napa County and Linda Falls Terrace Mutual Water Company

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### **RECOMMENDATION**

Director of Public Works requests approval of and authorization for the Chairman to sign a Memorandum of Understanding (MOU) with Linda Falls Terrace Mutual Water Company for a maximum of \$19,146 for the term August 15, 2011 through 60 days following notification to Napa County that the project for improved water quality and reliability has been completed.

### **EXECUTIVE SUMMARY**

On August 31, 1999, Napa County (County) and Napa County Flood Protection and Watershed Improvement Authority (NCFPWIA) entered into a funding agreement whereby the NCFPWIA provided funding from the proceeds of the Napa County Flood Protection Sales Tax (also referred to as "Measure A") for eligible county projects. One approved use of Measure A funding is to benefit the Angwin/Deer Park community, and includes projects that will improve the water reservoirs, water quality, and water system reliability.

In 2004, the County Board of Supervisors approved a water resources work plan that included the Angwin/Deer Park Area. Since 2004, there have been several amendments to the NCFPWIA agreement, allocating funds to the County to spend on several Measure A eligible water system improvement projects in the Angwin/Deer Park Area.

In 2011, the County Board of Supervisors approved a Memorandum of Agreement (MOA) with Howell Mountain Mutual Water Company, St. Helena Hospital, Pacific Union College, La Tierra Heights Mutual Water Company, Linda Falls Terrace Mutual Water Company, Linda Vista Mutual Water Company and Rancho La Jota Mutual Water Company for the purpose of formalizing the suballocation of Measure A funding made available to the Angwin/Deer Park area.

County Counsel has recommended that the County enter into a Memorandum of Understanding (MOU) with the various Angwin/Deer Park area water purveyors on a project-by-project basis to establish the protocol for providing Measure A funds. Each MOU defines the responsibilities of each party in the project design and/or construction process, and establishes the method for reimbursement.

The MOU being considered at this time will reimburse the Linda Falls Terrace Mutual Water Company (Company) for a project that replaced sections of eroded water pipe to prevent further depletion of their water supply and to ensure its viability and reliability. Due to the significant leaks in the Company's water system, the project was started on an emergency basis. The project was started in 2011 and is largely complete, but a notice of completion has not been received by the County as of March 26, 2014.

### **FISCAL IMPACT**

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|-----------------------------------|--|
| Is there a Fiscal Impact?         | Yes  |
| Is it currently budgeted?         | Yes  |
| Where is it budgeted?             | PW Projects Fund 1000, Subdivision 1220500, Program 05002, Measure A funded.   |
| Is it Mandatory or Discretionary? | Discretionary  |
| Discretionary Justification:      | This project is within the Company's share of the approximately \$6 million dollars of Measure A funds that will be available for water projects in the Angwin/Deer Park area. This project was started in 2011 as an emergency project for the Company and addresses issues related to water supply reliability, as well as water quality.  |
| Is the general fund affected?     | No   |
| Future fiscal impact:             | This expenditure (along with all future approved projects) will decrease the remaining Measure A funds available to the Angwin/Deer Park area for water supply reliability projects.   |
| Consequences if not approved:     | The Company will not be reimbursed for their project with Measure A funding. This would force the Company to have to pay for their project using their own funds, possibly impacting their fiscal health and/or requiring an increase in water rates.  |
| Additional Information:           | There is currently approximately \$150,000 of unused appropriations in this account available for use this fiscal year. This amount covers the proposed scope of work although the County's obligation for reimbursement shall be limited to only those funds available to the County and to the Company through the Memorandum of Agreement (Angwin/Deer Park Measure A Funding Suballocation), Napa County Agreement No.7680. Funds not spent this year will be rolled over for use in the next fiscal year. |

**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**

On August 31, 1999, the County and the NCFPWIA entered into a funding agreement (Agreement No. 4202) whereby the NCFPWIA provided funding from the proceeds of Measure A for eligible county projects. One approved use of Measure A funding is to benefit the Angwin/Deer Park community, and includes projects that: 1) Stabilize and enhance existing water reservoirs for the purpose of flood protection and water reliability; and 2) Stabilize water quality. Agreement No. 4202 with the NCFPWIA has been amended a number of times since it was approved to allocate funds for projects meeting Measure A guidelines to Angwin/Deer Park water purveyors. Since 2006, a variety of projects have been completed by water purveyors in the Angwin/Deer Park community and reimbursed using Measure A funds.

On October 11, 2011, the County Board of Supervisors approved an MOA with Howell Mountain Mutual Water Company, St. Helena Hospital, Pacific Union College, La Tierra Heights Mutual Water Company, Linda Falls Terrace Mutual Water Company, Linda Vista Mutual Water Company and Rancho La Jota Mutual Water Company for the purpose of formalizing the suballocation of Measure A funding made available to the Angwin/Deer Park area. The County's obligation for reimbursement shall not exceed the amount shown in the MOA, and shall be limited to only those Measure A funds available to County and to Company through the Memorandum of Agreement (Angwin/Deer Park Measure A Funding Sub-Allocation), Napa County Agreement No. 7680.

County Counsel has recommended that the County enter into a Memorandum of Understanding (MOU) with Angwin/Deer Park area water purveyors on a project-by-project basis to establish the protocol for providing Measure A funds. Each MOU defines the responsibilities of each party in the project design and/or construction process, and establishes the method for reimbursement. Projects have been carried out with some of the water purveyors, and the 2011 MOA discussed above has formalized the allocation of Measure A funds based on the number of service connections. Each water purveyor can use their share of the monies for any project(s) that meet the eligibility requirements for Measure A funding up to the proportional amount that has accrued for the respective water purveyor at any given point in time (the total amount of money made available to the Angwin/Deer Park water purveyors is the area's proportional share of the County sales tax revenues, less 17% for County Charges for staff time to administer the program).

The project that the Company is proposing to fund with Measure A funds will help ensure the reliability of water supply to Company customers and is consistent with the Measure A language for funding eligibility. It is the intent of the Company to ensure water supply reliability and stabilize water quality through the replacement of two portions of degraded pipeline. In August of 2011, the Company discovered a major leak in the water system piping. The system piping was located in the front yard of a private home. The home is no longer serviced by the Company. The leak was substantial and was causing significant erosion. The piping that was exposed to locate and repair the leak was degraded to the point that repairing was not a viable option and a portion of the water main needed to be replaced with new pipe of the same size. Once the first leak was repaired, it was discovered there was a second, large leak on the same property. Oakville Pump Service facilitated the work necessary to identify and stop the second leak. As with the piping uncovered to repair the first leak, the piping in the second leak was old and degraded. In order to maintain sole control of the Company's piping to ensure the integrity of the water system, the Company trenched and installed a new pipe run of the same size along Linda Falls Terrace Road. The project ensures the Company's water supply reliability by positioning the new piping in an area accessible to the Company (off private property) and its contracted operators and the new pipes help ensure water quality. Due to the significant leaks in the Company's water system, the project was started on an emergency basis. The project was

started in 2011 and is largely complete, but a notice of completion has not been received by the County as of the writing of this staff report. This MOU was delayed due to back and forth between County staff and the Company on details of the MOU. MOU documents with water companies in the Angwin/Deer Park Area have been back dated in the past when emergency projects occur.

**SUPPORTING DOCUMENTS**

None

CEO Recommendation: Approve

Reviewed By: Molly Rattigan