



Agenda Date: 5/22/2007  
Agenda Placement: 6H

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors  
**FROM:** Michael Stoltz for Robert Peterson - Director  
Public Works  
**REPORT BY:** Felix Riesenber, Principal Water Resources Engineer, 259-8620  
**SUBJECT:** Memorandum of Understanding between Napa County and Howell Mountain Mutual Water Company

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### **RECOMMENDATION**

Director of Public Works requests approval of and authorization for the Chair to sign a Memorandum of Understanding (MOU) with the Howell Mountain Mutual Water Company, for the purpose of defining responsibilities in the Lake Henne project design and construction process, and to establish the reimbursement methodology for Measure A funding, for the term January 1, 2007 until sixty days following the filing of the Notice of Completion for the Lake Henne project.

### **EXECUTIVE SUMMARY**

On August 31, 1999, the 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 and water system reliability.

In 2004, the County Board of Supervisors approved a water resources work plan that included a water system reliability study for the Angwin/Deer Park area to identify and rank potential projects. Before completing the development of the project list, it was determined beneficial to test a small project to identify and work through the steps required to deliver Measure A funding from the County to the private water companies in the Angwin/Deer Park area. It was determined that the Lake Henne Project with Howell Mountain Mutual Water Company (HMMWC) was a good test project. This project involves repairing an intake line in Lake Henne that has outlived its useful life, and making some improvement to a pump station. These improvements will allow HMMWC to again use Lake Henne and to deliver water to its water treatment facility more efficiently.

County Counsel recommended that the County should enter into a Memorandum of Understanding (MOU) with HMMWC to establish the protocol for providing Measure A funds. The MOU defines the responsibilities of each party in the project design and construction process, and establishes the method for reimbursement.

**FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	The funds required to reimburse the HMMWC for the Lake Henne Project were approved in Amendment No. 9 of NCFPWIA Agreement No. 13 and County of Napa Agreement No. A-4202. Funding in the amount of \$429,000 was originally established for the Angwin/Deer Park Water Supply Reliability Plan in the initial agreement between the County and NCFPWIA. Amendment No. 9 specifically authorized the expenditure of up to \$75,000 of the budgeted funds for the Lake Henne Project.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	This project is a relatively small project and represents a very small percentage of the approximately \$4 million dollars of Measure A funds that will be available for water projects in the Angwin/Deer Park area. The Lake Henne Project addresses an immediate need of HMMWC and improves the water supply reliability for a large portion of the Angwin community, while allowing the County to test the recommended procedures for distributing Measure A funds to the private water companies that exist in the area. The Memorandum of Understanding developed for this project will be a model for future projects.
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:	HMMWC will not be able to construct the Lake Henne Project with already authorized Measure A funding. This would either force HMMWC to continue taking water from its back-up reservoir that doesn't re-fill readily, negatively impacting its long-term water supply reliability, or it would have to pay for the Lake Henne Project improvements using their own funds, possibly impacting its fiscal health and/or requiring an increase in water rates.
Additional Information:	

**ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: **Categorical Exemption Class 1:** It has been determined that this type of project does not have a significant effect on the environment and is exempt from the California Environmental Quality Act. [See Class 1 ("Existing Facilities") which may be found in the guidelines for the implementation of the California Environmental Quality Act at 14 CCR §15301; see also Napa County's Local Procedures for Implementing the California Environmental Quality Act, Appendix B.]

**BACKGROUND AND DISCUSSION**

On December 14, 2004 the Board of Supervisors approved a Water Resources Work Plan for the County to begin addressing high priority water resources planning efforts in the County. On February 1, 2005, the Board of Supervisors approved Amendment No. 5 to Agreement No. 4202 with the NCFPWIA allocating \$958,000 of the County's share of Measure A funds for the Milliken-Sarco-Tulocay Recycled Water Plan (\$529,000) and the Angwin/Deer Park Water Supply Reliability Plan (\$429,000). On December 5, 2006 Agreement No. 4202 with the NCFPWIA was amended to allocate a portion of the funds approved for the Angwin/Deer Park Water Supply Reliability Plan to construct the Lake Henne Project. This relatively small project (not to exceed \$75,000) is to be used as a "test case" project to ensure procedures required for reimbursing the small private water companies with Measure A funding are sufficient.

The Lake Henne Project was selected because it is a relatively simple project, modest in overall scope, would solve an immediate water supply reliability problem for HMMWC, and is supported by various water representatives in the Angwin/Deer Park area. The Lake Henne Project involves replacing a flexible pipeline in Lake Henne that had outlived its useful life, so that HMMWC can take water from the proper water depth to avoid water quality problems, and to make certain pump station improvements to allow water to be effectively delivered to the water treatment plant.

The project timeframe defined in the MOU is from January 1, 2007 until sixty days following the filing of the Notice of Completion for the project. The beginning date of January 1, 2007 has been provided to allow reimbursement for any project activities conducted prior to execution of this MOU.

#### **SUPPORTING DOCUMENTS**

None

CEO Recommendation: Approve

Reviewed By: Helene Franchi