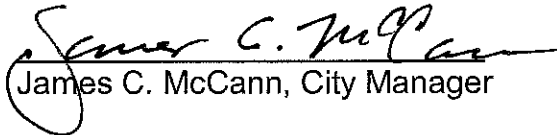


City of Calistoga

Staff Report

TO: Honorable Mayor and City Council
FROM: James M. Smith, Senior Civil Engineer
VIA: Dan Takasugi, Public Works Director/City Engineer
DATE: March 17, 2009
SUBJECT: Consideration of Resolutions Approving Amendment No. 8 and Amendment No. 9 to the Water Supply Contract with the Napa County Flood Control and Water Conservation District Agreement No. 1926 to Participate in Funding Certain Costs Related to the Delta Habitat Conservation and Conveyance Program and the North Bay Aqueduct Alternate Intake project, Respectively

APPROVAL FOR FORWARDING:


James C. McCann, City Manager

1 **ISSUE:** Consideration of Resolutions approving Amendment No. 8 and
2 Amendment No. 9 to the Water Supply Contract with the Napa County Flood
3 Control and Water Conservation District Agreement No. 1926 to participate in
4 funding certain costs related to the Delta Habitat Conservation and Conveyance
5 Program and the North Bay Aqueduct Alternate Intake project, respectively.

6
7 **RECOMMENDATION:** Adopt the Resolutions.

8
9 **BACKGROUND:** On March 3, 2009, the City Council received a presentation
10 from Felix Riesenbergs with the Napa County Flood Control and Water
11 Conservation District regarding the Delta Habitat Conservation and Conveyance
12 Program (DHCCP) and the North Bay Aqueduct Alternate Intake project. The
13 City's participation (as very small percentages of the overall projects) would help
14 the long-term reliability of our State Water Project/North Bay Aqueduct water
15 source. The proposed amendments cover cost considerations for planning,
16 environmental analysis, and conceptual design of the projects. Please see the
17 attached staff report that was presented at the March 3rd City Council meeting for
18 complete background information about these two special projects. Note that the

19 City may participate in either or both of the special projects independently;
20 although staff recommends participation in both projects, the Council may
21 choose to participate in neither, both, or either one.

22

23 Please also note that the attachments that are referenced in the attached
24 Amendment No. 8 and Amendment No. 9 may be reviewed at the City Clerk's
25 office.

26

27 **FISCAL IMPACT:** Calistoga's proportional share of costs for planning,
28 environmental analysis, and conceptual design for the Delta Habitat
29 Conservation and Conveyance Program are estimated at \$12,200 for FY 08/09;
30 \$14,700 in FY 09/10 and \$7,325 in FY 10/11.

31

32 Calistoga's proportional share of costs for planning, environmental analysis, and
33 conceptual design for the NBA Alternate Intake project are estimated at \$11,300
34 for FY 08/09; \$10,300 in FY 09/10; \$51,400 in FY 10/11 and \$18,800 in FY
35 11/12. The costs included herein are for Calistoga's proportional cost share on
36 the basis and assumption that \$4.5 million of Proposition 84 funds from the State
37 are allocated to the total cost of the project, with a proportional benefit from this
38 outside funding accruing to the City of Calistoga. If the Proposition 84 funds are
39 not available to defray Calistoga's costs (the City's share would approximately
40 double without the Prop 84 contribution), then the revised budget figures will be
41 brought back to the City Council for further consideration.

42

43 Funds for these special projects were previously approved in the Water
44 Distribution account 02-4131-4402 for FY 08/09. Funding for subsequent years'
45 needs will be included in FY 09/10, FY 10/11, and FY 11/12 budget requests.

46

47 **ATTACHMENTS:**

48

- 49 1. March 3, 2009 Staff Report
- 50 2. Resolution for Amendment No. 8
- 51 3. Amendment No. 8 to Water Supply Contract
- 52 4. Resolution for Amendment No. 9
- 53 5. Amendment No. 9 to Water Supply Contract


54

City of Calistoga

Staff Report

TO: Honorable Mayor and City Council
FROM: James M. Smith, Senior Civil Engineer
VIA: Dan Takasugi, Public Works Director/City Engineer
DATE: March 3, 2009
SUBJECT: Presentation Regarding Upcoming Opportunities for Calistoga to Participate in Two Special Projects for the State Water Project – North Bay Aqueduct Alternate Intake Project and Delta Habitat Conservation and Conveyance Plan

APPROVAL FOR FORWARDING:


James C. McCann, City Manager

1
2 **INTRODUCTION:**
3

4 The Napa County Flood Control and Water Conservation District (Napa County FCWCD) and
5 the Solano County Water Agency (Solano) both bought into the State of California's State Water
6 Resources Development System, commonly known as the State Water Project (SWP), in the
7 early 1960's. These two agencies represent the "North Bay Aqueduct (NBA)" contractors and
8 (direct) users of the SWP in the North Bay Area. The City of Calistoga, along with the cities of
9 American Canyon and Napa, currently participate in the project, as subcontractors to the Napa
10 County FCWCD.

11
12 Since the original construction of the NBA, drinking water quality regulations have become more
13 rigorous, and the NBA water quality has been found to be relatively poor. In addition, recent
14 environmental litigation related to the overall Sacramento-San Joaquin River Delta (Delta)
15 condition, including fisheries concerns, has complicated operations of all SWP facilities,
16 including the NBA. Hence, various studies and investigations of water supply systems and the
17 health of the Delta have been initiated over the years. Two new investigations of these matters
18 are now getting underway, and the City of Calistoga, along with the other Napa and Solano
19 County interests, are being asked to consider participating in these projects, including paying for
20 a proportionate financial contribution toward the project costs.

21
22 Regarding the first project, the NBA Alternate Intake, investigations are just getting started to
23 evaluate the potential for relocating the existing NBA facilities to an upstream location to
24 improve the long-term water supply reliability and water quality of this important source of water
25 to Napa and Solano County residents. The second project is referred to as the Delta Habitat
26 Conservation and Conveyance Plan (DHCCP); it is a program to develop alternatives for

27 conveying State Water Project and Central Valley Project water across the Delta in an
28 environmentally superior manner.

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RECOMMENDATION:

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BACKGROUND/DISCUSSION:

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General Information

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Water Quality

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Environmental Considerations

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In 1993, the Delta Smelt was officially listed as a Threatened Species by the United States Fish and Wildlife Service (USFWS). Thus far, the water supply impacts on the NBA have been

76 minimal. The USFWS has issued a series of Biological Opinions (BO's) on the SWP and the
77 Central Valley Project's impact on Delta Smelt. The most recent BO was released on
78 December 15, 2008. It has been determined that the NBA has minimal impact on Delta Smelt
79 and finds that the existing fish screens are adequate to protect all life stages. There are no
80 pumping restrictions on the NBA at the present time. However, there may be increased
81 monitoring of NBA impacts in the future.

82
83 In addition to the Delta Smelt, the recent (Fall 2008) State listing of Longfin Smelt under the
84 California Endangered Species Act could add some additional flow requirements to the Delta
85 Smelt BO flow regime. These will not be known until the California Department of Fish and
86 Game develops a California Endangered Species Act take permit for the SWP. It is hoped that
87 the Delta Smelt BO will provide adequate coverage for Longfin Smelt; however this has not yet
88 been determined and could be a future point of contention.

90 **Special Projects**

91 **Alternate Intake Project**

92
93
94 In 2002, CALFED awarded Solano County an \$188,560 grant to perform a feasibility study on
95 an NBA alternate intake. The study was completed in 2003 with the conclusion that the project
96 was feasible. On August 14, 2008 Solano approved a funding agreement with DWR to start
97 environmental review, permitting, and preliminary design of the NBA alternate intake project.

98
99 The total estimated cost to prepare the environmental documentation and supporting
100 preliminary design work is approximately \$9 million dollars from now through May 2012 and
101 would be shared 69% Solano – 31% Napa if both agencies participate. In addition, Solano has
102 been awarded a \$4.5 million grant for DWR's work on the NBA Alternate Intake Project. Solano
103 has indicated that Napa County FCWCD would benefit relative to our 31% contribution, as these
104 funds would be used to offset DWR costs and would not be attributed to either Solano or Napa
105 County FCWCD directly. This grant, which would effectively cut the project costs in half, should
106 be available in the middle of 2009.

107
108 Another point to note is that the recently completed Delta Vision process recommended
109 relocating various major water supply diversions to improve municipal drinking water quality and
110 to eliminate the direct pumping impacts that can occur. The NBA is specifically named as a
111 recommended diversion relocation project.

112 **Benefits of Participation in Alternate Intake Project**

- 113
114
115 1. Direct participation in decision-making regarding alternatives for any proposed new
116 alternate intake facilities. These decisions will have major cost implications for Napa
117 County agencies, and it is very important to make sure our interests are fairly
118 represented.
- 119 2. Failure to participate could limit Napa County FCWCD to using only Barker Slough in
120 the future. Barker Slough may be subject to future pumping restrictions.
- 121 3. Because of the recognized benefits of relocating the NBA (Delta Vision), it is possible
122 that significant funding assistance could be provided by the State or Federal
123 governments. Being "ready to go" will be helpful should this opportunity arise. If
124 Napa County FCWCD declined to participate in this early phase of the project, and

- 125 the design proceeded without considering the needs of Napa County agencies, Napa
126 County FCWCD would not be able to take advantage of any funding that might be
127 made available.
- 128 4. Because Solano has secured \$4.5 million in Proposition 84 funding that they have
129 indicated is to be shared with Napa County FCWCD, this presents an appreciable
130 financial benefit to Napa County.
- 131 5. Participating in this process will keep Napa County FCWCD and our local agencies
132 informed and involved in the planning and environmental process. Napa County
133 FCWCD would then be better able to evaluate whether or not to participate in actual
134 project construction when that time comes. By participating in this phase, we are not
135 committed to continuing with actual construction if it is too expensive or if there is no
136 funding assistance available.

137 **Disadvantages of Participation in Alternate Intake Project**

138
139
140 The primary argument against participation is the costs, both of these initial efforts (planning,
141 preliminary design and environmental work) and actual construction.

142 **Schedule and Costs**

143
144
145 The environmental review, planning and preliminary design phase of this NBA Alternate Intake
146 Project is expected to be completed in May 2012. Costs are described in general terms above.
147 A table showing total anticipated cash flow requirements for each Napa County FCWCD
148 Member Agency is attached; Calistoga's share would be \$91,700 over four years. This table
149 shows the cost-sharing scenario based on the Proposition 84 grant funding being available to
150 benefit Napa County. If the grant funding were not included, all costs would be approximately
151 double those indicated.

152 **Delta Habitat Conservation and Conveyance Plan (DHCCP)**

153
154
155 The DHCCP is a program to develop alternatives for conveying State Water Project and Central
156 Valley Project water across the Delta in an environmentally superior manner. The project will
157 include the preparation of an Environmental Impact Report/Environmental Impact Statement
158 (EIR/EIS) and a preliminary program design to support the EIR/EIS. Participation in this
159 process would be via the Delta Specific Project Committee (DSPC), which is a sub-committee of
160 the State Water Project Contractor's Authority – a joint powers authority established by the
161 State Water Contractors – to allow participating contractors to be involved in the decision-
162 making process.

163
164 Napa County's existing "straw" in the Delta (the NBA) is likely to be impacted by the DHCCP,
165 and our participation in the plan allows our concerns to be heard. This plan is also important
166 since the proposed NBA Alternative Intake Project could potentially be lumped into an overall
167 Delta solution and be incorporated into this DHHCP; this could be potentially advantageous
168 regarding funding and future repayment of any new NBA facilities.

169 **Benefits of Participation in DHCCP**

- 170
171
172 1. Direct participation in the decision-making process. Decisions made during this process
173 could impact NBA users. Conversely, there is an opportunity to have a positive

- 174 influence on the outcome. Direct participation will give Napa and Solano Counties a
175 larger voice.
176 2. Be in position to receive funding help – large-scale solutions to solving the current Delta
177 problems will be good candidate projects to receive state or federal funding assistance.
178 3. It helps the overall strength of the State Water Contractors position in this process if
179 more SWC agencies participate.
180

181 **Disadvantages of Participation in DHCCP**

182
183 The primary argument against participation is the costs, both of these initial efforts (planning
184 and environmental work) and actual construction of improvements.
185

186 **Schedule and Costs**

187
188 The DHCCP work plan identified to date is scheduled to be completed by 2011, and the total
189 cost of the effort is approximately \$140 million. As indicated in the attached cost work sheet,
190 the total costs is shared among all Federal and State water contractors, and Calistoga's share
191 would be \$34,200 over three years. Note – if a project is approved and goes to construction,
192 the initial planning and environmental review costs will be reimbursed to the agencies. NBA
193 users would likely not be asked to share costs of construction, unless our NBA Alternative
194 Intake Project is included.
195

196 **FISCAL IMPACT:**

197
198 The potential costs are described above and in the attachments.
199

200 **ATTACHMENTS**

201
202 (2) Cost Estimate Worksheets

DHCCP Cost Estimates as of December 2008

Total Estimated Costs of the DHCCP effort are \$140,000,000 to be shared evenly with the Federal CVP Contractors.

	2008		2009		2010		2011		Total
	Jan-Dec	Jan-June	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec	
DWR 50% Share	\$12,670,000	\$12,250,000	\$15,050,000	\$14,980,000	\$15,050,000	\$14,980,000			\$70,000,000
Napa County Share 0.737%*	\$93,378	\$90,283	\$110,919	\$110,403	\$110,919	\$110,403			\$515,900

	Local Share**	2008		2009		2010		2011		Total
		Jan-Dec	Jan-June	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec	
American Canyon	0.1792	\$16,733	\$16,179	\$19,877	\$19,784	\$19,877	\$19,784			\$92,449
Napa	0.7545	\$70,454	\$68,118	\$83,688	\$83,299	\$83,688	\$83,299			\$389,247
Calistoga	0.0663	\$6,191	\$5,986	\$7,354	\$7,320	\$7,354	\$7,320			\$34,204
Total	1.0000	\$93,378	\$90,283	\$110,919	\$110,403	\$110,919	\$110,403			\$515,900

* Assumes 95% of SWP Table A participation for entire project (current estimates are at 98%)

** Napa County Cost Share Based on Total Ultimate Annual Entitlements (29,025 AF)

NBA Alternate Intake Cost Estimates as of December 2008 - For Preliminary Design, Planning and Environmental Work through NOD

Total Estimated Costs of the NBA. Alternate Intake planning effort are \$8,961,000 to be shared evenly with Solano County Water Agency. DWR did not provide a breakdown of expenses by year - these have been assumed to be fairly consistent from year to year. The table below assumes Proposition 84 Grant Funds are available for Napa County.

	2008 Jan-Dec*	2009		2010		2011		2012		Total
		Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec	
Total Costs	\$550,000	\$0	\$0	\$0	\$500,000	\$1,250,000	\$1,250,000	\$911,000	\$4,461,000	
Prop 84 Grant	\$550,000	\$1,250,000	\$1,250,000	\$1,250,000	\$750,000	\$862,500	\$862,500	\$628,590	\$4,500,000	
Solano County WA	0.69	-\$170,500	\$0	\$0	\$345,000	\$862,500	\$862,500	\$628,590	\$3,078,090	
Napa County	0.31	\$0	\$170,500	\$0	\$155,000	\$387,500	\$387,500	\$282,410	\$1,382,910	

	Local Share**	2008		2009		2010		2011		2012		Total
		Jan-Dec	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec		
American Canyon	0.1792	\$0	\$30,554	\$0	\$27,776	\$69,440	\$69,440	\$50,608	\$247,817			
Napa	0.7545	\$0	\$128,642	\$0	\$116,948	\$292,369	\$292,369	\$213,078	\$1,043,406			
Callistoga	0.0663	\$0	\$11,304	\$0	\$10,277	\$25,691	\$25,691	\$18,724	\$91,687			
Total	1.0000	\$0	\$170,500	\$0	\$155,000	\$387,500	\$387,500	\$282,410	\$1,382,910			

* Solano County WA provided initial \$550,000 to DWR. Napa will be required to reimbursement 31% of that total upon executing funding agreement (assumed to occur in first half of 2009).
 ** Napa County Cost Share Based on Total Ultimate Annual Entitlements (29,025 AF)

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RESOLUTION 2009- _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA,
COUNTY OF NAPA, STATE OF CALIFORNIA, APPROVING AMENDMENT NO. 8
TO THE WATER SUPPLY CONTRACT WITH THE NAPA COUNTY FLOOD
CONTROL AND WATER CONSERVATION DISTRICT AGREEMENT NO. 1926 TO
PARTICIPATE IN FUNDING CERTAIN COSTS RELATED TO THE DELTA HABITAT
CONSERVATION AND CONVEYANCE PROGRAM**

WHEREAS, the City of Calistoga has contracted with the Napa County Flood Control and Water Conservation District (District) for the purpose of delivery of water from the State Water Project (SWP); and

WHEREAS, the SWP is administered and operated by the California Department of Water Resources (DWR), and the District is a State Water Contractor under contract with DWR; and

WHEREAS, the California Department of Water Resources (DWR), in cooperation with other state and federal agencies, has been directed by the Governor to initiate the public environmental review process necessary for the Bay Delta Conservation Plan (BDCP), which is a collaborative effort between public water agencies, environmental organizations and state and federal agencies to map out a comprehensive long-term conservation plan for the deteriorating Sacramento-San Joaquin River Delta (Delta); and

WHEREAS, DWR is beginning the environmental analysis and preliminary engineering studies for the BDCP, including conveyance alternatives, by means of the Delta Habitat Conservation and Conveyance Program (DHCCP); and

WHEREAS, the District and the City of Calistoga receive benefits from the North Bay Aqueduct (NBA) facilities of the State Water Project (SWP), the NBA is located in the defined boundary of the Delta, and the Delta may be changed in ways that impact the NBA as part of the Bay Delta Conservation Plan and Delta Habitat Conservation and Conveyance Program action items; and

WHEREAS, the District is a member of the State Water Project Contractor Authority (SWPCA); a joint powers authority, created in 2003, and comprised of 24 public water agencies that receive water from the SWP ; and

WHEREAS, the SWPCA will coordinate the activities of its members to support the DHCCP and ensure that the DHCCP's costs and management are responsive to the needs of the SWPCA members and ultimately to California's water rate payers, including the SWPCA's Member Units and their constituents; and

WHEREAS, the SWPCA has formed a Delta Specific Project committee (DSPC) for the purpose of making recommendations related to the management of DHCCP to the SWPCA Board; and

48 **WHEREAS**, participating in the DSPC and the DHCCP is voluntary, and has
 49 significant cost components, but would allow District participation in the decision-making
 50 process for items that may affect the District and the City of Calistoga; and

51
 52 **WHEREAS**, the parties believe that it is in the best interest of District and the
 53 City to amend the Agreement No. 1926 to authorize District to become a member of the
 54 SWPCA's Delta Specific Project Committee and to sign a Funding Agreement with
 55 DWR for the costs of environmental analysis, planning and conceptual design for the
 56 Delta Habitat Conservation and Conveyance Program.

57
 58 **NOW, THEREFORE BE IT RESOLVED** that the City Council of the City of
 59 Calistoga hereby approves Amendment No. 8 to the Water Supply Contract with the
 60 Napa County Flood Control and Water Conservation District in substantially the form
 61 attached hereto as Exhibit "A", and authorizes and directs the Mayor and/or the City
 62 Manager of the City of Calistoga to execute Amendment No. 8 and related documents
 63 on behalf of the City contingent upon review and approval by the City Attorney.

64
 65 **BE IT FURTHER RESOLVED** that this Resolution and Amendment No. 8 are
 66 approved with the understanding that each of the Cities in Napa County that participate
 67 in the SWP will approve similar amendments with the District, and will be responsible for
 68 their own proportional shares of the project costs. If any of said other Napa County
 69 cities decline to participate in the subject project, this approval shall be void and of no
 70 binding effect, pending further affirmative action by this City Council.

71
 72 **PASSED, APPROVED, AND ADOPTED** by the City Council of the City of
 73 Calistoga at a regular meeting held this **17th day of March 2009**, by the following vote:

74
 75 **AYES:**

76
 77 **NOES:**

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 79 **ABSTAIN/ABSENT:**

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JACK GINGLES, Mayor

ATTEST:

SUSAN SNEDDON, City Clerk

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**AMENDMENT NO. 8 OF
NAPA COUNTY FLOOD CONTROL AND WATER
CONSERVATION DISTRICT AGREEMENT NO. 1926**

(WATER SUPPLY CONTRACT WITH THE CITY OF CALISTOGA)

THIS AMENDMENT NO. 8 OF NAPA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT AGREEMENT NO. 1926, hereinafter referred to as "Agreement", is made as of this _____ day of _____, 2009, by and between the NAPA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, hereinafter referred to as "Agency", and the CITY OF CALISTOGA, hereinafter referred to as "City";

RECITALS

WHEREAS, Agency is party to a water supply agreement ("State Water Supply Agreement") with the State of California that specifies the amount of water available to Agency for disbursement to its Member Units (defined by Agreement No. 1926, Paragraph 1(f)) in any given year and a number of component charges for water allocated and delivered through the North Bay Aqueduct; and

WHEREAS, City and Agency entered into Agreement No. 1926 as of June 15, 1982, subsequently modified by Amendment No. 1 as of December 21, 1982, and by Amendment No. 2 as of December 15, 1998, and by Amendment No. 3 as of September 19, 2000, and by Amendment No. 4 as of December 7, 2004, and by Amendment No. 5 as of December 7, 2004, by Amendment No. 6 as of November 7, 2006, and by Amendment No. 7 as of April 15, 2008, under which Agency disburses to City as a member unit, a portion of the water allocated to Agency under the State Water Supply Agreement; and

WHEREAS, the California Department of Water Resources (DWR), in cooperation with other state and federal agencies, has been directed by the Governor to initiate the public environmental review process necessary for the Bay Delta Conservation Plan (BDCP), which is a collaborative effort between public water agencies, environmental organizations and state and federal agencies to map out a comprehensive, long-term conservation plan for the deteriorating Sacramento-San Joaquin River Delta (Delta); and

WHEREAS, DWR is beginning the environmental analysis and preliminary engineering studies for the BDCP, including conveyance alternatives, as directed by the Governor under the Delta Habitat Conservation and Conveyance Program (DHCCP); and

WHEREAS, Agency and City receive benefits from the North Bay Aqueduct (NBA) facilities of the State Water Project (SWP), the NBA is located in the defined boundary of the Delta, and the Delta may be changed in ways that impact the NBA as part

46 of the Bay Delta Conservation Plan and Delta Habitat Conservation and Conveyance Plan
47 action items, and

48
49 **WHEREAS**, Agency is a member of the State Water Project Contractors
50 Authority (SWPCA); a joint powers authority (JPA), created in 2003, and comprised of
51 24 public water agencies that receive water from the SWP; and

52
53 **WHEREAS**, the SWPCA will coordinate the activities of its members to support
54 the DHCCP and ensure that the DHCCP's costs and management are responsive to the
55 needs of the SWPCA members and ultimately to California's water rate payers, including
56 the Agency's Member Units and their constituents; and

57
58 **WHEREAS**, the SWPCA has formed a Delta Specific Project Committee
59 (DSPC) for the purpose of making recommendations related to the management of the
60 DHCCP to the SWPCA Board; and

61
62 **WHEREAS**, participating in the DSPC and the DHCCP is voluntary, and has
63 significant cost components, but would allow District participation in the decision-
64 making process for items that may affect the Agency and City; and

65
66 **WHEREAS**, the parties believe that it is in the best interest of Agency and City to
67 amend the Agreement No. 1926 to authorize Agency to become a member of the
68 SWPCA's Delta Specific Project Committee and to sign a Funding Agreement with
69 DWR for the costs of environmental analysis, planning and design for the Delta Habitat
70 Conservation and Conveyance Plan (hereinafter referred to as "Funding Agreement"),
71 attached hereto as Exhibit A, and

72
73 **WHEREAS**, pursuant to Agreement No. 1926, Agency requires City to reimburse
74 Agency not only for City's proportionate share of the charges to Agency under the State
75 Water Supply Agreement but also for Agency's expenses incurred in the administration
76 and management of the State Water Supply Agreement and Agreement No. 1926,
77 including participation in this DSPC and this DHCCP funding agreement with DWR.

78
79 **TERMS**

80
81 **NOW, THEREFORE, IT IS MUTUALLY AGREED** by Agency and City that
82 the Agreement No. 1926 shall be amended as follows:

83
84 1. Paragraph 20 is added to the Agreement No. 1926 for Water Supply from North Bay
85 Aqueduct between Agency and City as part of Amendment No. 8, as follows:

86
87 "20. Agreement for Funding Between the Department of Water Resources
88 and Napa County Flood Control and Water Conservation District
89 (Agency) For the Costs of Environmental Analysis, Planning and Design
90 of Delta Conservation Measures, Including Delta Conveyance and

91 Participation in the State Water Project Contractors Authority Delta
92 Specific Project Committee
93

94 (a) Agency shall sign the “Agreement for Funding Between the
95 Department of Water Resources and Napa County Flood Control and
96 Water Conservation District For the Costs of Environmental Analysis,
97 Planning and Design of the Delta Conservation Measures, Including Delta
98 Conveyance Options” (hereinafter “Funding Agreement”). A copy of this
99 Funding Agreement is attached hereto as Exhibit A.

100
101 (b) In addition to the funding set forth in subsection (a) above,
102 Agency shall also sign a Specific Project Agreement for participation in
103 the State Water Project Contractors Authority Delta Specific Project
104 Committee, and shall share costs of participation as described in the
105 SWPCA DSPC Specific Project Agreement. A copy of this Specific
106 Project Agreement is attached hereto as Exhibit B.

107
108 (c) (i) City shall reimburse Agency for its proportionate share
109 of costs incurred under the provisions of subsections (a) and (b) above,
110 including but not limited to, Agency administrative costs. These costs
111 shall be apportioned among all “Member Units” (defined by Agreement
112 No. 1926, paragraph 1(f)) directly proportional to their ultimate Table A
113 amount annual entitlements, including water purchased from Kern County
114 Water Agency in 2000 (29,025 AF total for Napa County).

115
116 (ii) City shall pay its share of the costs described in
117 subsection (c) (i) not later than fifteen (15) days after receipt of Agency’s
118 invoices. Agency’s invoices shall be in amounts sufficient to allow
119 Agency to pay City’s proportionate share of Agency’s current obligations
120 of the Funding Agreement no sooner than thirty (30) days prior to the date
121 the same become due.

122
123 (d) Agency shall keep City informed of the status of Delta Habitat
124 Conservation and Conveyance Plan work and shall confer with City in all
125 related decision-making.
126

127
128 2. Regarding Paragraph 1 above, Agency and City acknowledge that it is the intent
129 of the parties that the other Member Units (defined by Agreement No. 1926, Paragraph
130 1(f)) within the service area of Agency under the State Water Supply Agreement will also
131 be amending their respective Agreements with Agency in substantially the same manner
132 as set forth above.
133

134 3. Except as provided in (1) and (2) above, all of the terms and provisions of the
135 Agreement shall remain, after the effective date set forth above, in full force and effect as
136 previously approved and last amended.
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IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 8 of Napa County Flood Control and Water Conservation District Agreement No. 1926 (FC) as of the date first above written.

CITY OF CALISTOGA

**NAPA COUNTY FLOOD CONTROL
AND WATER CONSERVATION
DISTRICT**

By _____
JACK GINGLES
Mayor

By _____
DEL BRITTON
Chair of the Board

ATTEST:

ATTEST:

By _____
City Clerk

By _____
GLADYS I. COIL
District Secretary

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By _____
City Attorney

By _____
ROBERT WESTMEYER
District Legal Counsel

COUNTERSIGNED:

By _____
Finance Director

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RESOLUTION 2009- _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA,
COUNTY OF NAPA, STATE OF CALIFORNIA,
APPROVING AMENDMENT NO. 9 TO THE WATER SUPPLY CONTRACT WITH THE
NAPA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
AGREEMENT NO. 1926 TO PARTICIPATE IN FUNDING CERTAIN COSTS
RELATED TO THE NORTH BAY AQUEDUCT ALTERNATE INTAKE PROJECT**

WHEREAS, the City of Calistoga has contracted with the Napa County Flood Control and Water Conservation District (District) for the purpose of delivery of water from the State Water Project (SWP); and

WHEREAS, the SWP is administered and operated by the California Department of Water Resources (DWR), and the District is a State Water Contractor under contract with DWR; and

WHEREAS, SWP water is diverted into the North Bay Aqueduct from the Sacramento-San Joaquin Delta at the authorized point of diversion pursuant to water rights for the SWP, including but not limited to, Permit 016483 (A01754A); and

WHEREAS, diminished water quality, maintenance problems and other issues at the current authorized point of diversion have prompted District and Solano County Water Agency (SCWA), which shares portions of the North Bay Aqueduct facilities, to request DWR to initiate a program for development of an alternate point of diversion for the North Bay Aqueduct; and

WHEREAS, the District and SWCA desire that DWR be the lead agency of a proposed project under the California Environmental Quality Act (CEQA) for development of an alternate intake at the North Bay Aqueduct and that DWR hire an environmental consultant to do the environmental work and prepare the documentation necessary under CEQA; and

WHEREAS, the District and SWCA, following completion of the environmental review process, will decide whether to execute amendments to the two agencies' long-term water supply contracts with DWR to enable DWR to proceed with final design and construction and file a Petition for Change in Point of Diversion from the State Water Resources Control Board; and

WHEREAS, City desires that District participate in the North Bay Aqueduct Alternate Intake Project studies for purposes of improved water quality and water supply reliability; and

WHEREAS, the parties believe that it is in the best interest of District and the City to amend the Agreement No. 1926 to authorize signing a Funding Agreement with SCWA and DWR for the costs of environmental analysis, planning and conceptual

47 design of the North Bay Aqueduct Alternate Intake Project, and to authorize the District
48 to participate in updating a related feasibility study prepared by SCWA in 2003 (See
49 attached Exhibit "A").

50
51 **NOW, THEREFORE BE IT RESOLVED** that the City Council of the City of
52 Calistoga hereby approves Amendment No. 9 to the Water Supply Contract with the
53 Napa County Flood Control and Water Conservation District in substantially the form
54 attached hereto as Exhibit "A", and authorizes and directs the Mayor and/or the City
55 Manager of the City of Calistoga to execute Amendment No. 9 and related documents
56 on behalf of the City contingent upon review and approval by the City Attorney.

57
58 **BE IT FURTHER RESOLVED** that this Resolution and Amendment No. 9 are
59 approved with the understanding that each of the Cities in Napa County that participate
60 in the SWP will approve similar amendments with the District, that each City will be
61 responsible for their own proportional shares of the project costs, and that \$4.5 million
62 of Proposition 84 funding will be available to defray Calistoga's proportional cost of this
63 project. If any of said other Napa County cities decline to participate in the subject
64 project, or if said Proposition 84 funds are not available for proportional beneficial use
65 by the City of Calistoga, this approval shall be void and of no binding effect, pending
66 further affirmative action by this City Council.

67
68 **PASSED, APPROVED, AND ADOPTED** by the City Council of the City of
69 Calistoga at a regular meeting held this 17th day of March 2009, by the following vote:

70
71 **AYES:**

72
73 **NOES:**

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75 **ABSTAIN/ABSENT:**

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78
79 JACK GINGLES, Mayor

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81
82 **ATTEST:**
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84
85 SUSAN SNEDDON, City Clerk

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**AMENDMENT NO. 9 OF
NAPA COUNTY FLOOD CONTROL AND WATER
CONSERVATION DISTRICT AGREEMENT NO. 1926**

(WATER SUPPLY CONTRACT WITH THE CITY OF CALISTOGA)

THIS AMENDMENT NO. 9 OF NAPA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT AGREEMENT NO. 1926, hereinafter referred to as "Agreement", is made as of this _____ day of _____, 2009, by and between the NAPA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, hereinafter referred to as "Agency", and the CITY OF CALISTOGA, hereinafter referred to as "City";

RECITALS

WHEREAS, Agency is party to a water supply agreement ("State Water Supply Agreement") with the State of California that specifies the amount of water available to Agency for disbursement to its Member Units (defined by Agreement No. 1926, Paragraph 1(f)) in any given year and a number of component charges for water allocated and delivered through the North Bay Aqueduct; and

WHEREAS, City and Agency entered into Agreement No. 1926 as of June 15, 1982, subsequently modified by Amendment No. 1 as of December 21, 1982, and by Amendment No. 2 as of December 15, 1998, and by Amendment No. 3 as of September 19, 2000, and by Amendment No. 4 as of December 7, 2004, and by Amendment No. 5 as of December 7, 2004, by Amendment No. 6 as of November 7, 2006, by Amendment No. 7 as of April 15, 2008, and by Amendment No. 8 as of the same date as this Amendment under which Agency disburses to City as a member unit, a portion of the water allocated to Agency under the State Water Supply Agreement; and

WHEREAS, State Water Project (SWP) water is diverted into the North Bay Aqueduct from the Sacramento-San Joaquin Delta at the authorized point of diversion pursuant to water rights for the SWP, including, but not limited to, Permit 016483 (A01754A); and

WHEREAS, diminished water quality, maintenance problems and other issues at the current authorized point of diversion have prompted Agency and Solano County Water Agency (SCWA), which shares portions of the North Bay Aqueduct facilities, to request DWR to initiate a program for development of an alternate point of diversion for the North Bay Aqueduct; and

WHEREAS, the Agency and SCWA desire that DWR be the lead agency of a proposed project under the California Environmental Quality Act (CEQA) for development of an alternate intake at the North Bay Aqueduct and that DWR hire an

46 environmental consultant to do the environmental work and prepare the documentation
47 necessary under CEQA; and

48
49 **WHEREAS**, the Agency and SCWA, following completion of the environmental
50 review process, will decide whether to execute amendments to the two agencies' long-
51 term water supply contracts with DWR to enable DWR to proceed with final design and
52 construction, and a Petition for change in Point of Diversion from the State Water
53 Resources Control Board, and

54
55 **WHEREAS**, City desires that Agency participate in the North Bay Aqueduct
56 Alternate Intake Project studies for purposes of improved water quality and water supply
57 reliability; and

58
59 **WHEREAS**, the parties believe that it is in the best interest of Agency and City to
60 amend the Agreement No. 1926 to authorize Agency to sign a Funding Agreement with
61 SCWA and DWR for the costs of environmental analysis, planning and design of the
62 North Bay Aqueduct Alternate Intake Project, attached hereto as Exhibit A, and to
63 authorize the Agency to participate in updating a related feasibility study prepared by
64 SCWA in 2003, the scope of work for which is attached hereto as Exhibit B, and

65
66 **WHEREAS**, pursuant to Agreement No. 1926, Agency requires City to reimburse
67 Agency not only for City's proportionate share of the charges to Agency under the State
68 Water Supply Agreement but also for Agency's expenses incurred in the administration
69 and management of the State Water Supply Agreement and Agreement No. 1926,
70 including this North Bay Aqueduct alternate intake project funding agreement with
71 SCWA and DWR, and related studies.

72
73 **TERMS**

74
75 **NOW, THEREFORE, IT IS MUTUALLY AGREED** by Agency and City that
76 the Agreement No. 1926 shall be amended as follows:

77
78 1. Paragraph 21 is added to the Agreement No. 1926 for Water Supply from North Bay
79 Aqueduct between Agency and City as part of Amendment No. 9, as follows:

80
81 "21. Agreement for Funding Among the Department of Water Resources,
82 Solano County Water Agency and Napa County Flood Control and Water
83 Conservation District (Agency) for the Costs of Environmental Analysis,
84 Planning and Design of the North Bay Aqueduct Alternate Intake Project

85
86 (a) Agency shall sign the "Agreement for Funding Among the
87 Department of Water Resources, Solano County Water Agency and Napa
88 County Flood Control and Water Conservation District For the Costs of
89 Environmental Analysis, Planning and Design of the North Bay Aqueduct

90 Alternate Intake Project” (hereinafter “Funding Agreement”). A copy of
91 this Funding Agreement is attached hereto as Exhibit A.

92
93 (b) In addition to the funding set forth in subsection (a) above,
94 Agency shall also share costs of a North Bay Aqueduct Alternate Intake
95 feasibility study update with Solano County Water Agency. A copy of the
96 work scope and budget for this work is attached hereto as Exhibit B.

97
98 (c) (i) City shall reimburse Agency for its proportionate share
99 of costs incurred under the provisions of subsections (a) and (b) above,
100 including but not limited to, Agency administrative costs. These costs
101 shall be apportioned among all “Member Units” (defined by Agreement
102 No. 1926, paragraph 1(f)) directly proportional to their ultimate Table A
103 amount annual entitlements, including water purchased from Kern County
104 Water Agency in 2000 (29,025 AF total for Napa County).

105
106 (ii) City shall pay its share of the costs described in
107 subsection (c) (i) not later than fifteen (15) days after receipt of Agency’s
108 invoices. Agency’s invoices shall be in amounts sufficient to allow
109 Agency to pay City’s proportionate share of Agency’s current obligations
110 of the Funding Agreement no sooner than thirty (30) days prior to the date
111 the same become due.

112
113 (d) Agency shall keep City informed of the status of North Bay
114 Aqueduct Alternate Intake Project work and shall confer with City in all
115 related decision-making.

116
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118 2. Regarding Paragraph 1 above, Agency and City acknowledge that it is the intent
119 of the parties that the other Member Units (defined by Agreement No. 1926, Paragraph
120 1(f)) within the service area of Agency under the State Water Supply Agreement will also
121 be amending their respective Agreements with Agency in substantially the same manner
122 as set forth above.

123
124 3. Except as provided in (1) and (2) above, all of the terms and provisions of the
125 Agreement shall remain, after the effective date set forth above, in full force and effect as
126 previously approved and last amended.

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129 **IN WITNESS WHEREOF**, the parties hereto have executed this Amendment
130 No. 9 of Napa County Flood Control and Water Conservation District Agreement No.
131 1926 (FC) as of the date first above written.

132

133

134 **CITY OF CALISTOGA**

**NAPA COUNTY FLOOD CONTROL
AND WATER CONSERVATION
DISTRICT**

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139 By _____

By _____

140 JACK GINGLES

DEL BRITTON

141 Mayor

Chair of the Board

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146 **ATTEST:**

ATTEST:

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149 By _____

By _____

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151 City Clerk

GLADYS I. COIL

District Secretary

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156 **APPROVED AS TO FORM:**

APPROVED AS TO FORM:

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159 By _____

By _____

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161 City Attorney

ROBERT WESTMEYER

District Legal Counsel

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166 **COUNTERSIGNED:**

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169 By _____

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171 Finance Director