

# 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:** October 6, 2009  
**SUBJECT:** Consideration of a Resolution Approving Amendment No. 10 to the Water Supply Contract with the Napa County Flood Control and Water Conservation District Agreement No. 1926 to Accelerate the City's Annual State Water Project Allotment to Ultimate Table A Amounts by the Year 2010

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**APPROVAL FOR FORWARDING:**

  
 James C. McCann, City Manager

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1 **ISSUE:** Consideration of a Resolution approving Amendment No. 10 to the Water  
 2 Supply Contract with the Napa County Flood Control and Water Conservation District  
 3 (District) Agreement No. 1926 to accelerate the City's annual State Water Project  
 4 allotment to ultimate Table A amounts by the year 2010.  
 5

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

8 **BACKGROUND:** The City of Calistoga relies on the State Water Project (SWP) for  
 9 about 50% to 60% of its drinking water for the community. The amount of water  
 10 allocated to us is shown in Table A of an agreement between the Department of Water  
 11 Resources (DWR) and the District, who acts on behalf of several Napa County water  
 12 agencies including the City of Calistoga. Depending on statewide hydrologic conditions,  
 13 DWR establishes the amount of water actually available in any given year, and the City  
 14 of Calistoga receives a percentage of its Table A allocation.  
 15

16 The attached Amendment #10 to Agreement No. 1926 between the City and the District  
 17 to request that DWR accelerate our annual Table A allotments so we reach our full water  
 18 entitlement in 2010, rather than in 2019 as the current schedule allows. At present, the  
 19 City's SWP allocation for 2010 was scheduled to be 1,700 acre feet, and the entitlement  
 20 was scheduled to increase in 25 AF per year increments through 2019. However, with  
 21 this Amendment the City's entitlement for 2010 will increase to 1,925 acre feet and

22 continue at this fixed rate for each year thereafter. With Amendment #10, the City's  
 23 Table A allotments would change as follows:  
 24

Year	<u>Current Allotment</u> (per existing terms of the Contract)	<u>Revised Allotment</u> (per the proposed Amendment 10 terms)	Difference
2010	1,700 AF	1,925 AF	225 AF
2011	1,725 AF	1,925 AF	200 AF
2012	1,750 AF	1,925 AF	175 AF
2013	1,775 AF	1,925 AF	150 AF
2014	1,800 AF	1,925 AF	125 AF
2015	1,825 AF	1,925 AF	100 AF
2016	1,850 AF	1,925 AF	75 AF
2017	1,875 AF	1,925 AF	50 AF
2018	1,900 AF	1,925 AF	25 AF
2019	1,925 AF*	1,925 AF*	0 AF
2020	*	*	----
2021	*	*	----

\*And each succeeding year thereafter for the term of the contract as a maximum entitlement

25  
 26  
 27  
 28 The City could benefit from the immediate escalation of Table A water in dry years with  
 29 an increase in annual allocations from 1,700 acre feet to 1,925 acre feet. This change in  
 30 entitlement schedule is allowed if it does not impair the financial feasibility of the SWP  
 31 project facilities, which DWR has determined it does not. All other terms and provisions  
 32 of the agreement remain in full force and effect.  
 33

34 **ENVIRONMENTAL IMPACT**

35  
 36 The proposed action is not a project as defined by 14 California Code of Regulations  
 37 15378 (State CEQA Guidelines); therefore; CEQA is not applicable.  
 38

39 **FISCAL IMPACT:**

40  
 41 The proposed revision to the City's Table A allotments will result in minor increases to  
 42 the Delta Water Charge, Transportation Charge, and Water System Revenue Bond  
 43 Surcharge.  
 44

45 However, our proportional use of facilities factors (“puff’s”), which are the basis for the  
46 ‘fixed’ portion of our billing, are based on our Full Table A amounts already, so the costs  
47 will not increase. Our actual transportation variable (operation, maintenance, power and  
48 replacement – OMP&R) expenditures should only change as the amount of water  
49 delivered increases. That is, our operating costs will be based on the amount of water  
50 we actually use, and therefore, there should not be a major increase in costs based on  
51 this contractual revision.  
52

53 In 2010 and beyond, City staff will continue to explore opportunities to sell water, on a  
54 year-by-year basis (which would not permanently alter our water rights) to other parties  
55 that may need water in that year. Any such sales would be with the consent of the  
56 council, and only if the City’s needs for water were fully met that year.  
57

58 Funds for this project are available in Water Distribution account 02-4132-4503 for FY  
59 09/10.  
60

61 **ATTACHMENTS:**  
62

- 63 1. Resolution approving Amendment No. 10  
64 2. Amendment No. 10 to Water Supply Contract 1926

RESOLUTION NO. 2009 - \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF CALISTOGA, STATE OF CALIFORNIA,  
APPROVING AMENDMENT NO. 10**

**TO THE WATER SUPPLY AGREEMENT WITH THE NAPA COUNTY FLOOD  
CONTROL AND WATER CONSERVATION DISTRICT (AGREEMENT NO. 1926)  
FOR THE PURPOSE OF ACCELERATING THE CITY'S ANNUAL STATE WATER  
PROJECT ALLOTMENT TO ULTIMATE TABLE A AMOUNTS BY THE YEAR 2010**

1           **WHEREAS**, in 1982 the City of Calistoga entered into a water supply agreement  
2 (Agreement No. 1926 ) with the Napa County Flood Control and Water Conservation  
3 District (District), and;  
4

5           **WHEREAS**, an amendment to the agreement is needed to allow the City and  
6 District to enter into a Joint Representation Agreement to accelerate the City's annual  
7 State Water Project allotment to ultimate Table A amounts by the year 2010; and  
8

9           **WHEREAS**, the State Water Supply Agreement provides that changes in Annual  
10 Table A amounts are permissible under Article 7(a) if such changes do not impair the  
11 financial feasibility of Project facilities, which has been confirmed by the Department of  
12 Water Resources; and  
13

14           **WHEREAS**, the City would benefit from the immediate escalation of Table A  
15 water in dry years with an increase in annual allocations from 1,700 acre feet to 1,925  
16 acre feet;  
17

18           **NOW, THEREFORE, BE IT RESOLVED** that City Council of the City of Calistoga  
19 hereby authorizes the Mayor to sign Amendment No. 10 to Napa County Flood Control  
20 and Water Conservation District Agreement No. 1926 for the purpose of accelerating  
21 the City's annual State Water Project allotment to ultimate Table A amounts from the  
22 State Water Project (SWP) Department of Water Resources, subject to the concurrence  
23 of the City Attorney.  
24

25           **PASSED, APPROVED AND ADOPTED** at a regular meeting of the City Council  
26 on the 6<sup>th</sup> day of October, 2009, by the following vote:  
27

28 **AYES:**

29 **NOES:**

30 **ABSTAIN:**

31 **ABSENT:**  
32

33 \_\_\_\_\_  
34 **Jack Gingles, Mayor**

35 **ATTEST:**  
36

37 \_\_\_\_\_  
38  
39 **Susan Sneddon, City Clerk**  
40

**AMENDMENT NO. 10 OF  
NAPA COUNTY FLOOD CONTROL AND WATER  
CONSERVATION DISTRICT AGREEMENT NO. 1926**

**(WATER SUPPLY CONTRACT WITH THE CITY OF CALISTOGA)**

**THIS AMENDMENT NO. 10 OF NAPA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT AGREEMENT NO. 1926**, hereinafter referred to as “Amendment No. 10”, 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**

1           **WHEREAS**, Agency is party to a water supply agreement (“State Water Supply  
2 Agreement”) with the State of California that specifies the amount of water available to  
3 Agency for disbursement to its Member Units (as that term is defined within Agreement  
4 No. 1926, at Paragraph 1(f)) in any given year and a number of component charges for  
5 water allocated and delivered through the North Bay Aqueduct; and  
6

7           **WHEREAS**, City and Agency entered into Agreement No. 1926 as of June 15,  
8 1982, subsequently modified by Amendment No. 1 as of December 21, 1982, and by  
9 Amendment No. 2 as of December 15, 1998, and by Amendment No. 3 as of September  
10 19, 2000, and by Amendment No. 4 as of December 7, 2004, and by Amendment No. 5 as  
11 of December 7, 2004, by Amendment No. 6 as of November 7, 2006, by Amendment No.  
12 7 as of April 15, 2008, by Amendment Nos. 8 and 9 as of August 4, 2009, under which  
13 Agency disburses to City as a member unit, a portion of the water allocated to Agency  
14 under the State Water Supply Agreement; and  
15

16           **WHEREAS**, City has requested that Agency amend its entitlement schedule, as  
17 shown in Table A, and Tables B-1 and B-2 (attached hereto and incorporated herein as  
18 Exhibit A); and  
19

20           **WHEREAS**, Agency’s State Water Supply Agreement with the State of  
21 California provides that changes in Annual Table A amounts are permissible under  
22 Article 7(a) if such changes do not impair the financial feasibility of Project facilities; and  
23

24           **WHEREAS**, the State of California’s Department of Water Resources (DWR)  
25 finds that such revisions will not impair the feasibility of Project facilities; and  
26

27           **WHEREAS**, the parties believe that it is in the best interest of Agency and City to  
28 amend the Agreement No. 1926 and for City to authorize Agency to sign Amendment No.  
29 23 to the Agency’s State Water Supply Agreement; and  
30

31 WHEREAS, Agency and City acknowledge that it is the intent of the parties that  
32 the other Member Units (defined by Agreement No. 1926, Paragraph 1(f)) within the  
33 service area of Agency under the State Water Supply Agreement will also be amending  
34 their respective Agreements with Agency in substantially the same manner as set forth  
35 below; and

36  
37 **WHEREAS**, pursuant to Agreement No. 1926, Agency requires City to reimburse  
38 Agency not only for City's proportionate share of the charges to Agency under the State  
39 Water Supply Agreement but also for Agency's expenses incurred in the administration  
40 and management of the State Water Supply Agreement and Agreement No. 1926.

41  
42 **TERMS**

43  
44 **NOW, THEREFORE, IT IS MUTUALLY AGREED** by Agency and City that  
45 the Agreement No. 1926 shall be amended as follows:

46  
47 1. Table A, and Tables B-1 and B-2 of Agreement No. 1926 for Water Supply from  
48 North Bay Aqueduct between Agency and City are replaced with the revised tables shown  
49 in Exhibit A to this Amendment No. 10.

50  
51 2. Except as provided in (1) above, all of the terms and provisions of the Agreement  
52 shall remain, after the effective date set forth above, in full force and effect as previously  
53 approved and last amended.  
54

55 **IN WITNESS WHEREOF**, the parties hereto have executed this Amendment  
56 No. 10 of Napa County Flood Control and Water Conservation District Agreement No.  
57 1926 (FC) as of the date first above written.

58  
59  
60 **CITY OF CALISTOGA**

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

61  
62  
63  
64  
65 By \_\_\_\_\_  
66 JACK GINGLES  
67 Mayor

By \_\_\_\_\_  
DEL BRITTON  
Chair of the Board

68  
69  
70  
71  
72 **ATTEST:**

**ATTEST:**

73  
74  
75 By \_\_\_\_\_  
76  
77 City Clerk

By \_\_\_\_\_  
GLADYS I. COIL  
District Secretary

78  
79  
80  
81  
82 **APPROVED AS TO FORM:**

**APPROVED AS TO FORM:**

83  
84  
85 By \_\_\_\_\_  
86  
87 City Attorney

By \_\_\_\_\_  
ROBERT WESTMEYER  
District Legal Counsel