CITY OF ST. HELENA

RESOLUTION No. 2009-40

APPROVING AMENDMENT No. 1 TO
WATER SUPPLY AGREEMENT BETWEEN
THE CITY OF NAPA AND THE CITY OF ST. HELENA

RECITALS

A. Resolution 2006-131 adopted Water Supply Agreement between the City of Napa and the City of St. Helena in September 2006 to provide a minimum annual delivery of 200 acre-feet of water to St. Helena; and

B. St. Helena has requested an additional minimum annual delivery of 200 acre-feet of water in order to meet dry year demand deficits as specified in the 2050 Study; and

C. City of Napa’s purchase of 1,100 acre-feet of State Water Project water entitlements from Yountville will provide Napa’s base supply to support an additional minimum annual delivery of 200 acre-feet of water to the City of St. Helena; and

D. A Notice of Intent to adopt a Negative Declaration for the project referred to as “Amendment to Water Supply Agreement between City of Napa and City of St. Helena” was circulated by the City of Napa for public review from March 11, 2009 to March 31, 2009; and

E. The Napa City Council held a noticed public hearing on the project on April 7, 2009, and considered all information related to this matter, as presented at the public meeting of the City Council and determined that the adoption of the amended agreement, as analyzed in the Initial Study titled “Amendment to Water Supply Agreement between City of Napa and City of St. Helena” and dated March 6, 2009, will have no significant effect on the environment; and the City Council adopted said negative declaration and the proposed amendment; and

F. Staff has determined the additional water delivery is significant because the minimum 400 acre-feet represents 17-percent and the maximum 800 acre-feet represents 34-percent of the total storage in Bell Canyon Reservoir. The year-round season of delivery is very significant because it provides for water delivery during the peak demand summer months and it provides sufficient time for our pumps to move the volume of water.

RESOLUTION

NOW, THEREFORE, the City Council of the City of St. Helena resolves as follows:

1. Amendment No. 1 to the Water Supply Agreement between the City of Napa and the City of St. Helena is approved.
Approved at a Regular Meeting of the St. Helena City Council on April 14, 2009 by the following vote:

AYES: Councilmembers Schoch, Sklar, Sanchez, Crull, Mayor Britton
NOES: None
ABSENT: None
ABSTAIN: None

APPROVED:

[Signature]
Delford Britton
Mayor

ATTEST:

[Signature]
Della Guijosa
City Clerk
AMENDMENT NO. 1 TO
WATER SUPPLY AGREEMENT BETWEEN
THE CITY OF NAPA AND THE CITY OF ST. HELENA
(City of Napa Agreement No. 9381)
(City of St. Helena Agreement No. 2006-131)

THIS AMENDMENT NO. 1 TO WATER SUPPLY AGREEMENT BETWEEN THE CITY OF NAPA AND THE CITY OF ST. HELENA (City of Napa Agreement No. 9381 and City of St. Helena Agreement No. 2006-131), hereinafter referred to as “Water Supply Agreement”, is made and entered into this \( \text{thru} \) day of \( \text{April} \), 2009, by and between the City of Napa, a municipal corporation (hereinafter referred to as “Napa”) and the City of St. Helena, a municipal corporation (hereinafter referred to as “St. Helena”).

RECITALS

A. Napa and St. Helena entered into Water Supply Agreement on September 12, 2006 (“2006 Agreement”) to provide St. Helena with a minimum delivery of 200 acre-feet annually (afa) of water from Napa; and

B. The 2050 Napa Valley Water Resources Study (2050 Study) completed in 2005, predicts St. Helena to experience a water supply deficit of nearly 400 acre-feet annually (afa) in multiple dry-years (6 years of below normal rainfall) currently and through the year 2020 and over 500 afa in multiple dry-years by 2050. The 2050 Study also predicts St. Helena to experience a water supply deficit of over 600 afa in a single dry-year currently through 2050; and

C. St. Helena has determined that an additional minimum delivery of 200 afa, for a total minimum delivery of 400 afa, of water from Napa is the preferred solution to meet the majority of dry-year water demand deficits as specified in the 2050 Study; and

D. Napa purchased 1,100 AF of State Water Project water entitlements from the Town of Yountville, and Napa’s purchase of an additional 1,000 AF of State Water Project water entitlements from St. Helena referenced in Recitals J and K, and paragraphs 2, 6a, and 16 of the 2006 Agreement has been completed; and  
Napa is willing to use this additional water supply to support an additional minimum delivery of 200 afa to St. Helena; and

E. Napa entered into an agreement with the Napa County Flood Control and Water Conservation District, hereinafter referred to as "NCFCWCD", on April 5, 1966 in order to receive State Water Project water entitlements and has entitlement to conveyance capacity in the North Bay Aqueduct system; and
F. Napa owns and operates treatment and transmission facilities sufficient to deliver potable water to St. Helena in the quantities specified in the Water Supply Agreement and this Amendment; and

NOW THEREFORE, the parties mutually agree that the Water Supply Agreement (City of Napa Agreement No. 9381 and City of St. Helena Agreement No. 2006-131) shall be amended as follows:

1) Paragraph 4 is replaced in its entirety by the following:

4) Quantity of Water Deliveries: The quantity of water to be made available and delivered each fiscal year to St. Helena under this Agreement is in part dependent on the allocation of water from the State Water Project to NCFCWCD, as announced by the California Department of Water Resources in its Notice to State Water Project Contractors (hereinafter “DWR Notice”). The DWR Notice identifies the percentage of State Water Project Allocations available to SWP Contractors under “Table A.” For the purpose of this Agreement, the latest DWR Notice issued on or before April 15 of each year shall be the “Effective DWR Notice” used to determine the quantity of water to be made available and delivered for each subsequent fiscal year, as follows:

i) **Tier A Water** – Napa shall deliver and St. Helena shall accept 400 Acre-feet of water annually regardless of the State Water Project allocation of water to NCFCWCD.

ii) **Tier B Water** – Napa shall deliver and St. Helena shall accept an additional 200 Acre-feet of water for each fiscal year when the Effective DWR Notice identifies a State Water Project Allocation of 30% or greater of the SWP Contractors’ Table A amounts. If the State Water Project Allocation on the Effective DWR Notice is less than 30%, Tier B water will be unavailable for the subsequent fiscal year.

iii) **Tier C Water** – St. Helena may request, and Napa shall deliver, subject to St. Helena’s written request for a specified quantity of “Tier C Water” received by May 1st, up to an additional 200 Acre-feet of water for each fiscal year when the Effective DWR Notice identifies a State Water Project Allocation of 50% or greater of the SWP Contractors’ Table A amounts. If the State Water Project Allocation on the Effective DWR Notice is less than 50%, Tier C water will be unavailable for the subsequent fiscal year.
2) Paragraph 8 is replaced in its entirety by the following:

8) **Time of Delivery:**

   a) Water shall be made available to St. Helena at the point of delivery during the following time periods:

      i) **Tier A Water** – Tier A water shall be made available during the period from September 1st through May 31st.

      ii) **Tier B Water** – Tier B water shall be made available during the period from July 1st through June 30th.

      iii) **Tier C Water** – Tier C water shall be made available during the period from July 1st through June 30th.

   b) Entitlement to water not used within the first allowable period of delivery may not be carried over into ensuing delivery periods.

   c) No water shall be taken by St. Helena except in compliance with this paragraph, except as separately authorized in writing by Napa (i) for temporary emergencies as provided for in paragraph 13 hereof or (ii) for replacement supplies to make up for interruptions in deliveries as provided for in paragraph 10 hereof.

3) Paragraph 10 is replaced in its entirety by the following:

10) **Interruption of Delivery:** Napa may temporarily discontinue or reduce water deliveries as herein provided for the purposes of investigation, inspection, maintenance, repair or replacement of its water system facilities necessary for the delivery of water to St. Helena, as well as due to outages in, or reduction in capabilities of such facilities beyond Napa’s control, or in the event of an emergency. Napa shall provide notice as far in advance as practicable of any such interruption, except in the case of emergency in which case no advance notice will be required, but notice will be given as promptly as feasible. Napa will use its best efforts to avoid and minimize any such temporary interruption of deliveries, and shall resume deliveries as soon as Napa determines, in its sole and exclusive discretion, that it is practically feasible to do so. In the event of a delivery interruption, Napa shall make water available to St. Helena to make up for the loss of water deliveries during the interruption, on a reasonable schedule coordinated with St. Helena. Time of delivery shall be July 1st through June 30th. Interruption in deliveries shall not affect St. Helena’s payment obligation set forth herein.
4) Except as provided in (1), (2), and (3) above, all of the terms and provisions of the Water Supply Agreement shall remain, after the effective date set forth above, in full force and effect as previously approved.

IN WITNESS WHEREOF, St. Helena and Napa do hereby agree to the full performance of the terms set forth herein.

By St. Helena this 27th day of May, 2009

and By Napa this 17th day of April, 2009

CITY OF NAPA, a municipal corporation

BY: Jill Techele
Jill Techele, Mayor

ATTEST: By
City Clerk

APPROVED AS TO FORM:
Michael Barrett, City Attorney

COUNTERSIGNED:
Scott Nielsen, City Auditor

CITY OF ST. HELENA, a municipal corporation

BY: Mayor

ATTEST: By
City Clerk

APPROVED AS TO FORM:

COUNTERSIGNED:
Karen Scott, Finance Director