



# Napa County

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## Legislation Text

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**File #:** 23-0341, **Version:** 1

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**TO:** Napa County Flood Control and Water Conservation District

**FROM:** Richard M. Thomasser, District Manager

**REPORT BY:** Annamaria Martinez, Assistant Engineer

**SUBJECT:** Approval of Letter of Agreement establishing a reimbursable account with the Bureau of Reclamation to Begin Contract Renewal Negotiations for Solano Project Water from Lake Berryessa

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### **RECOMMENDATION**

District Manager requests approval of and authorization for the District Manager to sign a Letter of Agreement (LOA) establishing a reimbursable account with United States Bureau of Reclamation (Bureau) in an amount not to exceed \$75,000 for the renewal of Bureau Contract No. 14-06-200-1290R between the Bureau and the Napa County Flood Control and Water Conservation District (District) providing for Solano Project Water within the Putah Creek Watershed upstream of Monticello Dam.

### **EXECUTIVE SUMMARY**

On March 2, 1999 the District and Bureau entered into Bureau Contract No. 14-06-200-1290R/District Contract No. A-38 under which the Bureau agreed to allocate no more than 1,500 acre-feet of Lake Berryessa water to the District and its customers annually for municipal, domestic, and stock-watering uses within the Putah Creek Watershed upstream of Monticello Dam through February 2024.

A condition of the Contract, requires the District to request contract renewal negotiations two years prior to end of the contract term - which the District did on February 25, 2022. Before the Bureau will begin negotiating renewal of the contract with the District, the Bureau requires that all costs incurred by Bureau staff resulting from the renewal process be reimbursed by the District through the establishment of a reimbursable account.

Execution of the LOA will allow the District to make the required initial deposit of \$50,000 into the reimbursable account and begin the renewal negotiations in earnest.

### **FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes

Where is it budgeted?	8001500
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Creation of the reimbursable account with the Bureau is necessary to begin renewal negotiations for the contract that provides Solano Project Water to various water systems and parcels around Lake Berryessa.
Is the general fund affected?	No
Future fiscal impact:	The contract renewal project will span multiple fiscal years, but is projected to be funded in full by current customers.
Consequences if not approved:	The contract between the Bureau and the District may not be renewed, putting water supply to current District customers - including several water systems along Lake Berryessa at risk of outage.

## **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**

As described in their 2004 Comprehensive Water Service Study, the Local Agency Formation Commission of Napa County (LAFCO) wrote, “Lake Berryessa was developed by the United States Department of the Interior, Bureau of Reclamation, as part of its Solano Project. The Solano Project originally intended to provide Napa, Yolo, and Solano Counties with a reliable source of water for agriculture and domestic uses. After concluding that the Berryessa Valley would be an ideal location for the creation of a water reservoir by damming Putah Creek, the Bureau of Reclamation approached all three counties about participating in a joint project. However, both Napa and Yolo decided against participating in the project, leaving Solano County as the sole participant. The Monticello Dam was completed in 1957, and the formation of Lake Berryessa was finished by 1964.”

While Solano County maintains the majority of water rights to Lake Berryessa (total capacity of 1.6M acre-ft), the Napa County Flood Control and Water Conservation District (District) is entitled to 1,500 acre-ft annually through contract 14-06-200-1290R with the Bureau. The District subcontracts this entitlement to various property owners and Special Districts located within the Putah Creek Watershed upstream of Monticello Dam. Water uses allowed under the contract include municipal, domestic, and stock-watering. As of January 1, 2023, the District has contracted with eight (8) subcontractors around the lake, including three Special Districts that provide water to residential subdivisions - Lake Berryessa Resort Improvement District, Napa Berryessa Resort Improvement District and the Spanish Flat Water District. Total water allocation committed to these eight sub-contractors is approximately 775 acre-feet. Leaving approximately 725 acre-feet remaining for potential future sub-contractors.

The contract with the Bureau was first executed in the mid-1960s, and last renewed in 1999 with a term extending to February 2024. As required by the contract, the District requested to begin contract negotiations in February 2022 - two years prior to contract expiration. Since the renewal request was made, District staff has been in regular contact with Bureau staff to determine the process for contract renewal, and before renewal negotiations can begin in earnest, the Bureau requires the execution of a Letter of Agreement (LOA)

establishing a reimbursable account, with an additional deposit of \$50,000 from the District.

Bureau expenses identified for reimbursement include preparation of a draft and final renewal contract, negotiations, development and/or review of all environmental documentation necessary for compliance with the National Environmental Policy Act and the Endangered Species Act, meetings, consultations and research, and other activities required to ensure compliance with state and Federal law, and administrative and overhead costs expended by the Bureau. Total reimbursable costs are not expected to exceed \$75,000.

It is expected that the revenue received by the District from its sub-contractors will be sufficient to cover the cost of the Bureau's reimbursable account.

Based on the above information, and the necessity to continue to provide water to the District's established sub-contractors, the District Manager requests approval of and authorization to sign the LOA with the Bureau to continue contract renewal negotiations for Solano Project Water.