

NAPA BERRYESSA RESORT IMPROVEMENT DISTRICT

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Office of the Chair

May 17, 2022

Board of Supervisors
1195 3rd Street, Room 310
Napa California 94559

Re: *Request for an \$869,000 Loan Renewal Pursuant to Government Code Section 25214.4.*

Dear Members of the Board of Supervisors:

The Napa Berryessa Resort Improvement District ("District") is a special district of the State of California organized in 1965 under the Resort Improvement District Law (Public Resources Code Section 13000 et seq.) for the provision of water and sewer service in an unincorporated portion of Napa County ("County").

Beginning in 1995, the District's infrastructure suffered significant deterioration due to many components reaching the end of its useful life. In response, staff initiated small-scale rehabilitation projects whenever permissible within the confines of available funding. However, many necessary repairs were beyond the District's budgetary capacity and critical facility deficiencies resulted in enforcement action by the Regional Water Quality Control Board ("Regional Board").

The decline of the facilities and the mandates imposed by the Regional Board prompted a series of requests for loans from Napa County for various repair and improvement projects between 2008 and 2013. The District currently has four active loans from the County totaling \$3,594,000. Loan No. 1 for \$869,000 and Loan No. 2 for \$625,000 are the result of the consolidation of five smaller loans issued between 2008 and 2012, Loan No. 3 for \$1,100,000 is an original loan from 2013, and Loan No. 4 for \$1,000,000 is an original loan from 2021.

District residents have approved several rate increases since 2007 and established special assessments in 2012 to cover the costs of numerous repairs, but these actions have not allowed the District to build enough budgetary reserves to repay certain loans. Presently, the District is unable to satisfy the payment for Loan No. 1 for \$869,000, which was issued on May 7, 2013, then renewed for a third term on June 4, 2019 and is currently coming due. Thus, the District respectfully requests the Napa County Board of Supervisors renew Loan No. 1 for \$869,000, pursuant to Government Code Section 25214.4, for a fourth, three-year term ending on June 30, 2025, which will enable the District to satisfy the payment owed on the third term of Loan No. 1.

Sincerely,

Ryan Gregory, Chair of the Governing Board
Napa Berryessa Resort Improvement District