

Napa County

Board Agenda Letter

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Board of Supervisors		Agenda Date: 12/17/2024	File ID #: 24-2128	
то:	Members of the 0	Foverning Board		
FROM:	Christopher Silke, District Engineer			
REPORT BY:	Annamaria Martinez, Assistant Engineer			
SUBJECT:	NBRID Financial Plan Update			

RECOMMENDATION

Receive an update on the Napa Berryessa Resort Improvement District community meeting held on November 13, 2024 where various funding options were presented to the community, and provide direction to staff to advance one of the funding scenarios outlined in the financial plan to boost revenue to bring fiscal stability to the operating budget. (No Fiscal Impact)

BACKGROUND

On October 29, 2024, the Napa Berryessa Resort Improvement District (NBRID) District Engineer in collaboration with Robert D. Niehaus, Inc. (RDN), NBRID's financial consultant, presented an updated operations budget financial plan to the Board for their information, and presented potential revenue generating options outlined in the financial plan to boost revenue such that the District would be fiscally sustainable. Fiscal stability is a requirement for NBRID to qualify for funding programs and grants to perform necessary capital improvements to district facilities.

Staff was directed to present the same material to customers and property owners in the District at a community meeting that was scheduled for November 13, 2024 at the Capell Valley Volunteer Fire Station and return to the board to discuss possible stakeholder endorsement of one of the funding scenarios. The previous presentation on October 29, 2024 included the history of the District's finances.

The following is a summary of the funding scenarios. The numbers have been adjusted from those presented at the October 29, 2024 board meeting and the November 13, 2024 community meeting to account for revised assumptions regarding the allocation of costs over the next 10 years. All but Scenario Zero include a fund balance target of \$1.2M at the end of 10 years.

Scenario Zero, or do nothing - Under this scenario, the current and future operating revenue neither fully funds operating expenses nor achieves the target fund balance, resulting in an approximate \$500k deficit each year.

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The District operations budget will rely on County loans every two to three years if no action is taken or District customers/property owners reject all proposals.

Scenario A - Adjusts Water and Sewer User Rates upward by 105 percent over the course of five years, then increase by an assumed 4% CPI increase for an additional five years through Fiscal Year 2034. The Governing Board previously opposed any further action on this approach.

Scenario B - Proposes a User Rate increase of 77 percent coupled with a 10-year Special Tax assessment of \$560 for developed parcels and \$160 for undeveloped parcels. The Special Tax will be in addition to the existing availability charge of \$240 (\$120 for water, \$120 for sewer) that is currently collected on the tax roll for all parcels in the District.

Scenario C - Does not adjust user rates, but rather proposes a 10-year Special Tax assessment of \$1,560 on each of the 552 parcels in the District. As with Scenario B, the Special Tax will be in addition to the existing availability charge of \$240 (\$120 for water, \$120 for sewer) that is currently collected on the tax roll for all parcels in the District.

At the end of five years (FY 2030), the total average yearly utility payments (User Rates, USDA Bond Assessment, Special Tax or Availability Charge) from active water/sewer utility customers would increase by approximately \$3,500 for Scenario A, \$3,300 for Scenario B and \$2,000 for Scenario C. The impact to undeveloped parcels would be \$0 for Scenario A, \$160 for Scenario B, and \$1,560 for Scenario C.

The District Engineer will update the Board on the response from customers and property owners at the November 13, 2024 community meeting, and will request direction from the Board to take the next steps to advance either Scenario B or C to boost revenue until re-development of a recreational resort, housing rebuilds, and utility infrastructure upgrades can bring fiscal stability to the operating budget.

PROCEDURAL REQUIREMENTS

- 1. Staff report
- 2. Board questions for staff
- 3. Public comment
- 4. Provide direction to staff as appropriate

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?

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

No