

Napa County Agreement No. 160113B-16

**AMENDMENT NO. 2 TO AGREEMENT NO. 160113B-16 BETWEEN NAPA COUNTY
AND THE NAPA SANITATION DISTRICT REGARDING THE DESIGN AND
ENGINEERING OF AN EXPANSION OF RECYCLED WATER PIPELINE IN THE
MST AREA**

This AMENDMENT NO. 2 (“Amendment No. 2”) to Napa County Agreement No. 160113B-16 (“AGREEMENT”) is entered into and effective as of _____, 2023, by and between Napa County, a political subdivision of the state of California (“County”) and the Napa Sanitation District, a County Sanitation District, formed pursuant to Health & Safety Code sections 4700, et seq. (“District”).

WHEREAS, District is the sole producer and purveyor of recycled water in the City of Napa and the MST area of Napa County, and part of its operations includes the construction, operation, and management of recycled water pipelines; and

WHEREAS, in December 2012, the County and the District entered into a Joint Community Facilities Agreement (County Agreement No. 7858) establishing duties and obligations associated with the County’s Community Facilities District (“CFD”) and the District’s agreement to build and maintain the Project; and

WHEREAS, in June 2016, the County and the District subsequently entered into Agreement No. 160113B-16 regarding the design, engineering, and construction of an expansion of the recycled water project in the Milliken-Sarco-Tulocay Groundwater Area (“MST Project”); and

WHEREAS, in April 2017, the County and the District amended County Agreement No. 160113B-16 (“AMENDMENT NO. 1”) to include construction of the MST Expansion Project and updated the funding sources; and

WHEREAS, the financial obligations of the CFD are now close to being satisfied, and therefore the County has determined that additional annexations to the CFD will by necessity end when sufficient funds are committed by CFD members to fully pay off debt service incurred to finance construction of the MST Project; and

WHEREAS, the County and the District would like to continue to install recycled water meters for parcels that annex into the CFD to connect to the MST recycled water pipeline, and funding the cost of such connections is consistent with MST Project as appurtenances to the system; and

WHEREAS, grant funds that have been used by District to cover additional connections have been expended; therefore, County and District desire to amend the AGREEMENT to address the installation expenses of recycled water meters for final CFD annexations.

NOW, THEREFORE, in consideration of the foregoing, the mutual agreements of the parties, and other valuable consideration the sufficiency of which is hereby acknowledged, the parties hereby agree to amend the AGREEMENT as follows:

1. Section 1.A. of the AGREEMENT is modified as follows:

Project Definition.

A. *The MST Expansion Project. The MST Recycled Water Pipeline Expansion Project (“the Project”) is the design, engineering, and construction of a recycled water pipeline from the existing MST recycled water distribution pipeline according to the Project Map (attached to the Agreement as “Exhibit A”). The Project includes the design and construction of a recycled water truck filling station along the Coombsville Road pipeline extension. It also includes the construction and installation of public services and water meters on the existing MST Recycled Water Distribution pipeline for parcels that annex into the CFD.*

2. Section 2.E. of the AGREEMENT is modified as follows:

Project Construction.

E. *Connection of New Recycled Water Customers. The District shall be responsible for working with new recycled water customers that are identified by County to make physical connection to the existing MST recycled water distribution pipeline as part of this Project, including inspection of connections and use agreements. County will reimburse District for the costs associated with performing such responsibilities. Recycled Water customers are responsible for all costs associated with all improvements made on the recycled water customer’s side of the meter, except for those costs identified in the Project that are associated with providing customer connection to the Project.*

3. Section 3.D. of the AGREEMENT is modified as follows:

Project Financing.

D. *Connection of Future Users. Once the County determines that it has sufficient funds committed to pay off the financial obligations of the CFD, the County will cease new annexations to the CFD. County will notify District when all financial obligations are fully paid, and at that time authorize District to work directly with future users of the Project. Future users shall be responsible for all direct and indirect costs associated with future connections to the Project, including connection to the recycled water main, public service installation, water meters, inspections, and all private infrastructure improvements.*

4. Section 4.A.(4) of the AGREEMENT is modified as follows:

Project Cost, Payments, and Grant Reimbursements.

A. Project Cost Paid by County.

4) **Service Connections.** County shall reimburse District for the direct cost of service connections for properties annexed into the CFD, using CFD funds when other funding sources identified by the District have been expended. District shall provide County with its proposed budget for connections to be made at least once each year for fiscal planning purposes.

5. This AMENDMENT NO. 2 shall be in effect as of the Effective Date first set forth, above.

6. Except as provided in Paragraphs 1 through 5 above, the terms and conditions of the AGREEMENT and AMENDMENT NO. 1 shall remain in full force and effect as previously approved.

7. This AMENDMENT NO. 2 may be executed in counterparts, each of which shall be an original, but all counterparts shall constitute one AMENDMENT.

IN WITNESS WHEREOF, this AMENDMENT NO. 2 to AGREEMENT NO. 160113B-16 was executed by the parties hereto as of the date first above written.

NAPA COUNTY, a political subdivision of the State of California

By: _____
BELIA RAMOS,
Chair of the Board of Supervisors


“COUNTY”

APPROVED AS TO FORM Office of County Counsel By: <u>Shana A. Bagley</u> Deputy County Counsel Date: <u>January 12, 2023</u>	APPROVED BY THE NAPA COUNTY BOARD OF SUPERVISORS Date: _____ Processed By: _____ Deputy Clerk of the Board	ATTEST: NEHA HOSKINS Clerk of the Board of Supervisors By: _____
---	--	--

NAPA SANITATION DISTRICT

By: _____
SCOTT SEDGLEY,
Chair of the Napa Sanitation District Board

“DISTRICT”

<p>APPROVED AS TO FORM Napa Sanitation District Counsel</p> <p>By: _____  JOHN BAKKER</p> <p>Date: <u>January 19, 2022</u></p>	<p>ATTEST: CHERYL SCHUH Napa Sanitation District Board Secretary</p> <p>By: _____</p>
---	---

5274034.1