



**Napa Berryessa  
Improvement District**  
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June 2, 2026

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

*Re: Request for Loan forgiveness in the amount of \$5,000,000  
Pursuant to Government Code 24214.4*

Dear Members of the Board of Supervisors:

The Napa Berryessa Resort Improvement District (“District”) is a special district of the State of California organized 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 the County of Napa (“County”), which includes Unit 1 and 2 of the Berryessa Highlands and the Oakridge Estates.

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”), including a sewer connection moratorium.

The decline of the facilities, mandates imposed by the Regional Board, and the 2020 LNU Lightning Complex Fire that destroyed over 100 homes in the community, prompted a series of requests for loans from Napa County for various repair and improvement projects between 2008 and 2025. The District currently has four active loans from the County totaling \$5,000,000 - Loan No. 6 for \$1,000,000 is an original loan from 2022, Loan No. 7 for \$1,625,000 is a consolidation of Loan No. 2 (\$625,000) from 2011 and 2012 and No. 4 (\$1,000,000) from 2021, Loan No. 8 for \$1,160,366 is an original loan from 2024, and Loan No 9 in 2025 for \$1,214,634, which was a consolidation of No. 1 (\$869,000) from 2008 and 2009 and Loan No. 5 (\$345,634 ) from 2022.

District property owners previously approved an assessment for capital improvements in 2012 which will be paid with annual property tax installments through 2052. Additionally, District residents agreed to a rate increase (~12%) effective December 1, 2021, and while the additional revenue received as part of this rate increase did help the District’s financial situation, it was not sufficient to cover prior expected and future anticipated annual deficits that increased after the wildfire. Additionally, due to the consistent annual operations budget deficits, the District has not been able to build budgetary reserves to satisfy principal repayment of any of the loans or interest incurred by the outstanding debt, let alone for capital improvement projects.

The District was certified as an economically disadvantaged community (DAC) in April 2024 and at that time District residents paid up to 6% of their annual income on water and sewer related charges – well above the 3% benchmark for EPA’s estimated affordable rates. As a DAC the District is eligible for grant and or principal forgiveness loans from Federal and State funding programs, however in order to meet funding requirements, the funding programs require a balanced operations budget and zero unsecured debt.

To balance the budget, registered voters in the District with water and sewer laterals stubbed to the property approved a special tax ballot measure – Measure A – in January 2026. The proceeds from the 10-year special tax of \$1,560 per parcel annually are projected to balance the operations budget as required by most funding programs and provide sufficient fund balance to undertake necessary small projects as they arise while District staff proceeds with planning for large-scale capital improvements. With the newly passed special tax, District residents will now pay up to 9% of their annual income towards the water and sewer system – again much larger than the affordability criteria published by the EPA.

The District cannot qualify for the grant funds that would remedy the District’s infrastructure problems as long as its budget reflects the unsecured County loans. As Measure A was intended as a limited term special tax to balance the District’s budget and build a small reserve, the only way to repay the County loans would be to request an additional increase to water and sewer rates, which would exacerbate an already severe economic hardship to District residents.

Government Code section 25214.4 authorizes the Board of Supervisors to waive repayment of these loans if it finds that repayment would result in an economic or fiscal hardship to the property owners or residents in the District. The District respectfully requests the Board of Supervisors find that repayment of the loans would create an economic hardship to the District customers and waive repayment of the loans in the amount of \$5,000,000 plus accrued interest.

We appreciate the Board of Supervisor’s willingness to help the District work through these difficult problems it is currently facing.

Very truly yours,

Amber Manfree, Chair of the Governing Board  
Napa Berryessa Resort Improvement District