



CITY of NAPA

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August 18, 2010

The Honorable Stephen T. Kroyer
Presiding Judge
Superior Court of the State of California
County of Napa
825 Brown Street
Napa, CA 94559

FILED

AUG 30 2010

Clerk of the Napa Superior Court
By: C. Brennan
Deputy

Subject: **City of Napa Response to Napa County Grand Jury 2009-2010
Final Report on Water Our Precious, Critical Resource**

Dear Judge Kroyer and Members of the Grand Jury:

The City of Napa has received and reviewed the subject Grand Jury report. Pursuant to California Penal Code Section 933, this letter serves as the City's response to findings and recommendations as noted below.

Finding 1 – *Water quality testing in all municipalities in Napa meets current California Department of Public Health and EPA Clean Drinking Water Act requirements. Water Quality Reports are available annually from all Napa County municipalities.*

Response – Agree with respect to City of Napa meeting current regulations and producing annual water quality reports.

Finding 2 – *In the event of supply disruption from the NBA, the County and its municipalities will depend on water from municipal reservoirs and water storage facilities.*

Response – Agree with respect to City of Napa.

Finding 3 – *The Current County Emergency Response Plan (ERP) provides a general framework for a regional response to all emergencies. The Cities of American Canyon and Napa have their own ERP's; other municipalities do not.*

Response – Agree with respect to the City of Napa having an Emergency Response Plan (ERP).

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Finding 4 – *A major earthquake would likely cause a significant disruption to water delivery infrastructure throughout Napa County.*

Response – Disagree partially. While a major earthquake could cause significant disruption to water delivery infrastructure, there are many variables associated with the earthquake such as size, intensity, type, location, and proximity to significant infrastructure that would determine the extent of damage to the water system. The potential for disruption to Napa's ability to delivery water is mitigated by the fact that the City has two separate full scale treatment plants (Hennessey in the north and Barwick Jamieson Canyon in the south) separated by 20 miles. Each individual plant and transmission system is capable of supplying adequate water to the community.

Finding 5 – *State law requires the City of Napa and American Canyon to have UWMP's in place and to update them every five years. At present, these are current and are being updated to comply with current law and regulations.*

Response – Agree with respect to City of Napa UWMP.

Finding 7 – *Napa County has not completed a detailed hydro-geological study of its groundwater resources since 1973.*

Response – Disagree partially. The City is responding to this finding to the extent that it pertains to matters under the control of the City. While this finding implies that Napa County is solely responsible for groundwater resources, in fact the City of Napa is responsible for groundwater resources underlying City owned property and within the City limits. Historically, the City has voluntarily honored County policies related to groundwater, and the City has not approved the use of groundwater as a primary source for urban development within the City limits. Currently, the City is exploring groundwater options for dry-year and emergency back-up. This is a necessary step to ensure locally controlled water sources are available in the event of an emergency or when State water is unavailable.

Finding 8 – *Recycled water is a non-potable supply option to alleviate demands on potable water programs.*

Response – Agree.

Finding 12 – *As more City of Napa water customers convert to using recycled water the revenues for Napa City Water Department decline since recycled water is delivered to customers at a lower rate than potable water.*

Response – Agree. The City's rate base is reduced when potable water customers convert to recycled water. Pursuant to an agreement with Napa Sanitation District (NSD), the City receives a reimbursement for lost revenue from NSD that eases the City towards the lower rate base. Typically, within two to three years the reimbursement declines to zero. The City has factored the rate base adjustment and NSD reimbursement into the rate setting process; therefore there are no financial barriers for the City to allow water customers to convert to recycled water pursuant to the terms of the agreement with NSD.

Finding 13 – *Napa Sanitation District and the City of Napa have agreements to manage transition from using potable to recycled water for new users.*

Response – Agree with respect to users within the City of Napa water service area.

Finding 14 – *None of Napa County's public water systems fluoridate their water supplies.*

Response – Agree with respect to water delivered by the City of Napa.

Finding 16 – *AB 733 mandates fluoridation of public water systems having 10,000 or more connections.*

Response – Disagree partially. AB 733 or more specifically California Code of Regulations Title 22, Division 4, Chapter 15, Article 4.1, Section 64433 and California Health and Safety Code Section 116409 – 116415 requires public water systems with 10,000 service connections or more to fluoridate their water IF funding is offered pursuant to a binding contractual offer from an outside source for capital and operating costs associated with the fluoridation system. Health and Safety Code Section 116415 describes "outside source" as follows – *As used in this section, "outside source" means a source other than the system's ratepayers, shareholders, local taxpayers, bondholders, or any fees or charges levied by the water system.*

Finding 17 – *Annual savings in oral healthcare to County residents is projected to exceed the estimated costs of operating water fluoridation systems at the County public water systems.*

Response – Disagree partially. While capital and operating costs for a fluoridation system can be accurately calculated, annual savings in oral healthcare is difficult to determine definitively. The responsibility of the Water Division is to provide safe and dependable water delivery to the community. Treatment and distribution programs are focused on those goals. While adding fluoride to the water supply may be beneficial to a small percentage of the population, this is a medical or public health issue unrelated to the primary mission of delivering water to the community. The health related benefits and costs of fluoridation should be better handled and, if appropriate, be funded through the Department of Health and Social Services. If they wish to accept responsibility for the planning and funding of such an effort we will be happy to cooperate.

Finding 18 – *No County municipalities have applied for funding to fluoridate their public water systems.*

Response – Agree with respect to City of Napa.

Recommendation 1 – *Municipalities within the County develop, expand, and formalize agreements to provide water allocations to address a catastrophic loss of water.*

Response – This recommendation has been implemented. The City of Napa has formal agreements with St. Helena and Yountville to deliver water in the event of an emergency so long as the City's system is in a position to do so. The City also has treat and wheel agreements with Calistoga and American Canyon to convey their State Water Project water. All agencies participate in the Water Technical Advisory Committee which meets on a monthly basis to ensure cooperation among agencies. The City would be open to modifying current agreements with other agencies for water delivery in an emergency if those agencies feel it is important and Napa could accommodate the modifications without adverse impact to its customers.

Recommendation 2 – *All County municipalities evaluate means to increase the capacity, and enhance the survivability, of municipal reservoirs and water storage facilities.*

Response – This recommendation has been implemented through previous actions and on-going efforts. The City has completed seismic upgrades on

all of the large (greater than 1-million gallons) water storage tanks. The City recently completed over \$1-million worth of improvements to Milliken Dam to meet Division of Safety of Dams (DSOD) requirements related to a maximum credible earthquake. As part of this project, an option to expand the reservoir by upgrading the dam was explored but rejected due to cost. DSOD regularly inspects the City's two dams to ensure they are operated correctly and safely. Expansion of Conn Dam has been considered, however significant cost and environmental concerns render it infeasible at this time. On-going inspection, preventative maintenance, and upgrades of water storage facilities ensure they are in the best condition practical to enhance survivability.

Recommendation 4 – *Each County municipality prepare a plan to ensure rapid repair of the water delivery system and include procedures for emergency water delivery to facilities responsible for providing immediate health and safety aid to the community's population, especially local hospitals, shelters and emergency centers.*

Response – This recommendation has been implemented. The City has a well planned Emergency Operation Center and is well versed in meeting the needs of the community as evidenced by responses to numerous floods and the 2000 earthquake. The Water Division has an emergency response plan that includes numerous resources and action plans for ensuring delivery of potable water to the public. The plan includes a chapter on "sensitive customers" including Queen of the Valley Hospital, numerous other health care facilities, and schools so that emergency responders can take this into account when addressing the repair of the water system. The City has taken the proactive step to convert the distribution system serving the Queen of the Valley Hospital to include multiple feeds from the City's base pressure zone.

Recommendation 5 – *Cities of American Canyon and Napa are encouraged to complete their updated UWMP plans on schedule and train appropriate city and County officials to carry out their specific responsibilities. St. Helena is encouraged to update their UWMP plan on a periodic basis.*

Response – This recommendation is in the process of being implemented. The City is on schedule to update and submit the Urban Water Management Plan (UWMP) to the State prior to the deadline of June 30, 2011. A request for qualifications is currently being circulated to assist the City in the UWMP update.

Recommendation 6 – *NCFCWCD conduct a countywide hydro-geologic groundwater survey and develop a management plan as a County priority.*

Recommendation 7 – *BOS develop regulations to ensure adequate groundwater supply for future needs.*

Response – These recommendations require further analysis as it relates to the City's groundwater resources. The City is responding to these recommendations to the extent that they pertain to matters under the control of the City. While these recommendations imply that Napa County is solely responsible for groundwater resources, in fact the City of Napa is responsible for groundwater resources underlying City owned property and within the City limits. Historically, the City has voluntarily honored County policies related to groundwater, and the City has not approved the use of groundwater as a primary source for urban development within the City limits. Currently, the City is exploring groundwater options for dry-year and emergency back-up. This is a necessary step to ensure locally controlled water sources are available in the event of an emergency or when State water is unavailable. Hydro-geologic studies and management plans will be required as part of the City's future use of groundwater.

Recommendation 8 – *The City of Napa and NSD identify a process for, and develop an implantation plan to, integrate NSD and PWD into a single department.*

Response – This recommendation requires further analysis. While the City of Napa agrees that there may be significant merit to the consolidation of services, the City is not in a position to implement this recommendation unilaterally. The City is willing to explore the potential benefits of consolidation (i.e. economies of scale, coordination of services, planning) that could result from a merger. If the Napa Sanitation District wishes to participate in a joint effort to identify the feasibility and advisability of a consolidation the City could begin such an effort within the next six months.

Recommendation 9 – *The County and all municipalities continue development and expansion of recycled water projects to alleviate future water shortages.*

Response – This recommendation has been implemented. The City of Napa encourages the use of recycled water where feasible and cost effective to offset potable water use. In 1998, the City and NSD entered into an agreement for NSD to convey water in the southern portion of the City's service area. This area includes many of the City's large irrigation customers such as Kennedy Golf Course, Kennedy Park, Napa Valley College, Napa Valley Corporate Park and Napa State Hospital. To date, many of these customers have converted to recycled water saving the City over 300 acre-feet of water per year. The City has planned for the conversion of Napa State Hospital in the near future. The approval of the

Ritz Carlton project included a water mitigation requirement that can be met by converting the irrigation system at the Napa Valley Corporate Park to recycled water. The proposed St. Regis project includes provisions for converting the project as well as irrigation on the Stanly Ranch property to recycled water. The City is fully in support of this requirement.

Recommendation 10 – *The County, all municipalities, and NSD investigate the process and economics for the formation of a countywide utility district to benefit the County residents and holistically manage the availability, distribution, and economics of potable and recycled water.*

Response – The City does not intend to implement this recommendation since it is not warranted. The City understands the underlying goal of this recommendation is to establish systems that would more effectively manage potable and recycled water throughout the County, and the City certainly agrees with this goal. However, in order to effectively manage water resources and water use, and meet the expectations of residence within the community, it is important to be able to coordinate land use planning with the construction of necessary public improvements. If a countywide utility district was formed, it would create a disconnect between the agency responsible for regulating land use (the City) from the agency responsible for providing public improvements to the residents and businesses generated from the land use decisions (the utility district). The City agrees that all municipalities, the County, and NSD should work cooperatively to communicate, coordinate, and implement joint projects and/or countywide efforts as it relates to water resources. Monthly Water Technical Advisory Committee meetings provide the forum for this to occur. In addition, each municipality is represented on the Napa County Flood Control and Water Conservation District Board which functions in part as the countywide district related to water issues.

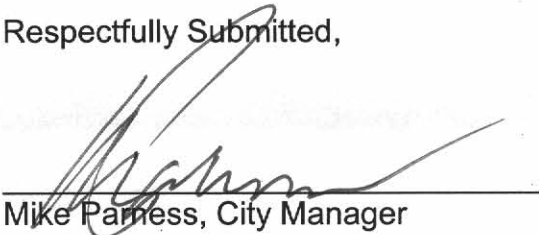
Recommendation 13 – *That within six months the City of Napa apply for funding sources for capital improvements to fluoridate water supplies for its three treatment plants in compliance with AB 733.*

Response – The City does not intend to implement this recommendation since it is not warranted. The responsibility of the Water Division is to provide safe and dependable water delivery to the community. Treatment and distribution programs are focused on those goals. Requests for capital funding are prioritized for treatment technology to meet water quality regulations, upgrades to the distribution system that is more than 100 years old in some areas, and investment in water supplies to ensure adequate water is available to the community through 2050. Less than one percent of the water treated by the City of Napa is consumed by the population. Of this one percent, only a small percentage includes children that get the most benefit from fluoride in the water. Of that small percentage, an even smaller percentage is children that don't get fluoride from

other sources such as toothpaste and mouthwash. Funds would be better applied directly to those needing treatment, rather than spending over \$1-million to treat 100% of the water with fluoride when far less than 1% of the water reaches the intended beneficiary of the treatment. The Department of Health and Social Services is in a better position to distribute fluoride through clinics and dental outlets if there are real benefits to be achieved

The City of Napa thanks you for your efforts on the 2009-2010 Grand Jury. We strongly agree with you that water is our precious and critical resource. We take our responsibility to deliver safe and reliable water to the citizens of Napa very seriously and strive to do it in a prudent, efficient, and cost effective manner. If you have any questions regarding the City's response, please contact Joy Eldredge, Water General Manager, at 257-9319 or Phil Brun, Deputy Director of Public Works, at 257-9316.

Respectfully Submitted,



Mike Parness, City Manager

cc: Michael Barrett, City Attorney
Jacques LaRochelle, Public Works Director
Phil Brun, Deputy Director of Public Works
Joy Eldredge, Water General Manager