

RESOLUTION R2014-180

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
NAPA, STATE OF CALIFORNIA, APPROVING AN
AGREEMENT IN PRINCIPLE CONCERNING EXTENSION
OF THE STATE WATER PROJECT WATER SUPPLY
CONTRACT**

WHEREAS, in 1963 the California State Department of Water Resources (DWR), in an effort to minimize the total number of contracts in Napa County, established the State Water Project (SWP) Agreement with the Napa County Flood Control and Water Conservation District (District); and

WHEREAS, there are three entities (member units) that own SWP Entitlements in Napa County: City of Napa, City of American Canyon and City of Calistoga; and

WHEREAS, the member units subcontract SWP Entitlements through the District contract with DWR; and

WHEREAS, the City of Napa SWP Entitlements are a major portion of its annual water supplies; and

WHEREAS, the SWP contract with DWR expires in 2035; and

WHEREAS, DWR and the SWP Contractors have identified numerous capital and operational improvement projects that need to be constructed to maintain current system reliability and these projects are typically financed through bonds issued by DWR and repaid by SWP Contractors; and

WHEREAS, DWR cannot issue bonds beyond the current contract expiration date and issuing bonds with shorter terms would result in annual debt service to the SWP Contractors that could not be supported without significant and substantial water rate increases to their water customers; and

WHEREAS, DWR and the SWP Contractors desire to reduce the financial burden associated with compressed debt service schedules and improve fiscal transparency between DWR and the SWP Contractors; and

WHEREAS, DWR and the SWP Contractors have held twenty-two public meetings to develop the terms of an Agreement in Principle (AIP) to extend the SWP Contract to 2085 and the AIP is the first step in preparing the SWP Contract extension and the necessary CEQA documents; and

WHEREAS, as a Member Unit, it is necessary for the City of Napa to approve the AIP in order for the District to execute the AIP on behalf of the Napa County Member Units; and

WHEREAS, the City Council has considered all information related to this matter, as presented at the public meetings of the City Council identified herein, including any supporting reports by City Staff, and any information provided during public meetings.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Napa, as follows:

1. The City Council hereby finds that the facts set forth in the recitals to this Resolution are true and correct, and establish the factual basis for the City Council's adoption of this Resolution.


2. The City Council hereby determines that the Recommended Action described in this Agenda Report is not in-and-of-itself a project (pursuant to CEQA Guidelines Section 15378) since it does not result in a physical change in the environment. However, the actual SWP agreement extension will undergo a full CEQA analysis by DWR.

3. The City Council hereby approves the terms of the "Agreement in Principle Concerning Extension of the State Water Project Water Supply Contracts," dated June 18, 2014, between the California Department of Water Resources and the State Water Project Contractor, Napa County Flood Control and Water Conservation District ("Flood District"), and authorizes the City Manager to execute any documents that may be necessary to authorize the Flood District to sign the Agreement in Principle.


4. This Resolution shall take effect immediately upon its adoption.

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the City Council of the City of Napa at a public meeting of said City Council held on the 18th day of November, 2014, by the following vote:

AYES: Inman, Mott, Pedroza, Sedgley, Techel
NOES: None
ABSENT: None
ABSTAIN: None

ATTEST: 
Dorothy Roberts
City Clerk

Approved as to form:


Michael W. Barrett
City Attorney