CITY OF AMERICAN CANYON

November 15, 2024

Shea Rouda
Gateway 24 Napa, LLC
220 Montgomery St. #1069
San Francisco, CA 94014

SUBJECT: Request for Water Service "Will-Serve" Letter
Gateway 24 Napa, LLC Winery and Office Building
Gateway Road East, Napa, CA 94558
(APN 057-200-039)

Dear Mr. Rouda,

The City of American Canyon has received your request, as the Property Representative, for a Will-Serve Letter for water service to the property located on Gateway Road East (Assessor's Parcel Number 057-200-039, referred to herein as the "Property"). The 4.33-acre Property is subject to approval of a pending Use Permit, P24-00134 from Napa County's Planning, Building & Environmental Services Department, for the development of the property consisting of a 54,770 square-foot winery and office building with associated site improvements.

It is the City's understanding that the Property is located within its Extraterritorial Water Service Area[1] and that a Will-Serve Letter for water service to the Property is required prior to the County's approval of a Use Permit. In general, the City reviews the impacts of such requests for service taking into account the overall demand within its system and known supplies available to meet this demand.

The City's understanding of the current request is based on water demand estimates attached to the Will-Serve Application dated August 23, 2024. At present, the Property does not have any existing structures.

As Table 1 shows, the requested annualized Average Daily Demand (ADD) is 2,631 gal/day. Table 2 details the requested Maximum Daily Demand (MDD) of 7,080 gal/day for the Property.

[1] As defined by Napa County Local Agency Formation Commission Policy 07-27.

Table 1 – Requested Average Day Demand

Average Daily Water Demand (ADD) in gallons per day:	
Domestic:	165 gpd
Irrigation:	0[2] gpd
Industrial:	2,466 gpd
Total:	2,631 gpd

Table 2 – Requested Maximum Day Demand

Maximum Daily Water Demand (MDD) in gallons per day:

Domestic:	330 gpd
Irrigation:	0[2] gpd
Industrial:	6,750 gpd
Total:	7,080 gpd

The City's Zero Water Footprint (ZWF) Policy requires new developments to offset all of its water demands in order to prevent reduction in the reliability of existing water supplies or increases in water rates to existing customers. In light of the information submitted in the Application, the City has determined that the Property will not have a Zero Water Footprint because, once complete, the Property's proposed ADD (2,631) will be greater than the established baseline ADD (0 gpd). Because the Owner is requesting service greater than the established baseline demand, the Property will potentially reduce the reliability of existing water supplies and increase costs to existing customers. In accordance with this Policy, a more detailed Water Supply Report has been prepared and is attached hereto and made a part of this "Will-Serve" Letter. In order to comply with the ZWF Policy and offset the Property's demand, the applicant shall contribute to the City's ZWF Mitigation Fund, whereby the City will continue to undertake water conservation efforts to offset the requested ADD increase of 2,631 gpd. Such efforts will result in this Property achieving a net zero impact to the City's water system, therefore adhering to the ZWF Policy.

This Will-Serve Letter supersedes any other purported service commitments to the Property for any use. By way of this Will-Serve Letter, the City is offering to meet the water service demands shown in Tables 1 & 2. The City's offer is contingent upon the occurrence and/or satisfaction of the following conditions and the continued existence of the following described conditions:

[2] The project site is located within the Napa Sanitation District' (Napasan) recycled water service area.

1. Owner shall be subject to all City's rules and regulations, including all fees and charges.

2. At no cost to the City, the Owner shall construct all facilities necessary to serve the Property in accordance with all City standards.

3. As part of the application process, the owner/developer shall submit a Developer Deposit Project Setup Form and pay the required deposit of $2,000. The deposit will be retained and the owner will receive a monthly statement of charges for the cost of processing the application, including writing water service will-serve, plan review, and inspections. At the close of the project, the last statement will be deducted from the deposit and the remainder will be refunded to the owner.

4. The City has experienced potential reduction and/or curtailment of its primary sources of water supply during times of drought. When these reductions occur, the City's demands may exceed available supplies. In an effort to reduce this undesirable imbalance, the City is taking steps to reduce customer demands while also seeking to acquire additional supplies. The cost of these additional supplies is unknown at this time and is not included in the current City water rates. The City is considering implementing potential changes to its rate structure which would be applied in a uniform manner in order to acquire such supplies. The Owner agrees to waive any protest to changes to current City water rates necessary to acquire additional water supplies during their formulation, implementation, and review under the California Environmental Quality Act, Public Resources Code section 21000 et seq. ("CEQA") as long as such changes are initiated during the term of this Will-Serve Water Supply Agreement or any extension thereof. Moreover, the Owner acknowledges that the City, during dry years, may be unable to meet the Property's water service demands and that its water service may be uniformly reduced and/or curtailed entirely. Owner further agrees to indemnify, defend, and hold harmless the City, its elected officials, officers, attorneys, employees, or agents for any and all damages or claims of damages stemming from such uniform reductions or curtailments that may occur as long as they are directly related to the City's provision for water to the Property.

5. As a result of *Vineyard Area Citizens for Responsible Growth v. Rancho Cordova* (2007) 40 Cal.4th 412, the County, as lead agency pursuant to CEQA, prior to approval of the Project must, at a minimum during its environmental review:

    a. Present sufficient facts to evaluate the pros and cons of supplying the water that the Project will need,

    b. Present analysis that assumes that all phases of the Project will be built and will need water and includes an analysis, to the extent reasonably possible, of the impacts of providing water to the entire project, and

c. Where it is impossible to determine that anticipated future water sources will be available, some discussion of possible replacement sources or alternatives to use of anticipated water and of the environmental consequences of those impacts must be presented.

6. The Owner agrees its financial obligation for water service is as follows:

   a. Monthly water service charges will be billed at the current rate (commercial rate of $7.54 per unit, 1 unit = 748 gal). At present, the estimated average monthly water service fee will be approximately $795.63[3], plus meter fees and any surcharges. Service charges will be billed at the rates in effect at the time of service and are subject to change.

   b. The water capacity fee for the Property will be $252,968.40[4] based on MDD of 7,080 gpd. Capacity fee will be adjusted based on fees in effect at the time of payment.

   c. The ZWF Mitigation (offset) cost for the Property is $24,286.15[5] in order to achieve compliance with the ZWF Policy.

   d. Capacity fee and mitigation funds are due and payable prior to issuance of a building permit.

7. The Property shall incorporate the following water conservation best management practices:

   - Dual plumb the building to receive recycled water for toilet flushing
   - Motion-sensor faucets
   - Use of recycled water for landscaping
   - On-demand (Instahot) hot water heaters for individual restrooms or the plumbing of hot water return lines with an integral pump if using a centralized tank or tankless unit
   - Education of employees regarding water conservation (offered in both English and Spanish)

8. The City reserves the right to audit the site's water demand as deemed necessary in order to verify that the Owner's water use is in accordance with this Will-Serve Letter.

9. Future changes to the Project with respect to the change in use or water demands shall require that a new Will-Serve Letter be issued.

This Will-Serve Letter will remain valid until November 30, 2026. The City reserves the right to further condition and/or deny the extension of water service if the

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[3] Calculation: (2,631 gpd * $7.54/748 gal) x 30 days/month = $ 795.63/month

[4] Calculation: 7,080 gpd x $35.73/gpd = $252,968.40. This fee based on rates effective January 6, 2024, per Resolution 2023-82. Actual fee to be based on rates in effect at time of payment.

[5] Calculation: 2,631 gpd/65 gpd x $600 = $24,286.15

Project is different from that which presently proposed and authorized or if events out the City's control impact the City's ability to furnish water.

Except to the extent set forth, this letter does not create a liability or responsibility to the Owner or to any third party on behalf of the City. The City does not make determination as to land use entitlements required for the proposed project and the issuance of this Will-Serve Letter shall not be construed to be an expression of the City of a position regarding the use or intensity of use of the development Property or that the County has complied with applicable law in assessing the proposed project under CEQA.

This Will-Serve Letter becomes effective only upon the express acknowledgement and acceptance of the conditions set forth herein as demonstrated by the execution of the acceptance provision set forth below and the transmittal of the executed acceptance to the City.

Sincerely yours,

Erica Ahmann Smithies, P.E.
Public Works Director/City Engineer

cc: Jason Holley, City Manager
William Ross, City Attorney
Utility Billing

ACCEPTANCE
of
City's Conditional Offer of Water Service for

Gateway 24 Napa, LLC
Gateway Road East, Napa, CA 94558
(APN 057-200-039)

I, _____, _____,
(Print Name) (Print Title)

accept the conditions set forth in this communication.

_____ _____
(Signature) (Date)

EXHIBIT A

CITY OF AMERICAN CANYON
PUBLIC WORKS DEPARTMENT

City of American Canyon Will-Serve Application

Owner or Legal Representative's Name: Gateway 24 Napa LLC	**Date:** ~~January 8, 2024~~ August 23, 2024
Company or Legal Entity Name: Gateway 24 Napa LLC	**Applicant's Name:** SHEA ROUDA
Owner Address: 220 Montgomery St, San Francisco, CA 94104, #1069	**Applicant Email:** sroude@pheiffercc.com
Owner Email: same as applicant	**Applicant Phone #:**
Owner Signature:	**Project Engineer:** Paul Schneider. P.E.
Project Name: Gateway 24 Napa	**Project Address:** Gateway 24, Napa, CA
Project APN: 057-200-039-000	

Project Description:
54,770sf winery and office building, with associated parking, dock, and landscape improvements.

Permit Number: P24-00134	**Time of Operation**
Status of Environmental Clearance: Pending	hours/day: ~~12hrs/day~~ 14 hrs/day
Permit Status: Pending	days/week: 7 days/week
Land Use: Industrial	months/year: 12 months/yr
Property Zoning: IP:AC	
Lot Size (acres): 4.33ac	**Building Size (sqft)** : 54,770sf

Anticipated Potable Water Demand

Average Day Demand*	**Maximum (Peak) Day Demand***
Domestic (gpd): 165	Domestic (gpd): 330
Irrigation (gpd): 0gpd	Irrigation (gpd): 0gpd
Industrial (gpd): 2,466	Industrial (gpd): 6,750
Total: 2,631	**Total:** 7,080

***ATTACH CALCULATIONS AND REFERENCES USED**
Average Day Demand (ADD) shall be total demand for one year divided by three hundred sixty-five days/year.
Maximum Day Demand (MDD) shall be the largest single day's demand in a normal year.

Comments:
See above and attached for demand calculations.

Cost of Water Supply Report/Will-Serve Letters – The cost to process a Will-Serve application shall be fully borne by the applicant and will be based on the actual cost of staff time. If the City elects to use consultant services, the applicant shall pay the consultant's rate plus 15% for administrative overhead. An initial deposit of $2,000 shall be included at the time of application submission.

Owner & Applicant Acknowledgements and Notification

I declare under penalty of perjury that I am the owner of said property. I certify that all of the submitted information is true and correct to the best of my knowledge and belief. I understand that any misrepresentation of submitted data may invalidate any approval of this application. I agree to pay all fees and recoverable costs for processing the application.

Property Owner Signature(s) _____ Date 8/23/24

I declare under penalty of perjury that I have the written authority from property owner to file this application. I certify that all of the submitted information is true and correct to the best of my knowledge and belief. I understand that any misrepresentation of submitted data may invalidate any approval of this application. I agree to pay all fees and recoverable costs due to the City for processing the application, whether it is approved, denied, or appealed.

Applicant Signature(s) _____ Date 8/23/24

Partnerships & Corporations

In the case of a partnership, all general and limited partners shall be identified. In the case of a corporation, all shareholders owning 10% or more of the stock and all officers and directors shall be identified.

Name	Address	Signature

Additional recipients of project correspondence

If you desire project correspondence and notice of meetings to be sent to parties other than the Applicant and Property Owner, please list their names, address and telephone numbers below.

Name	Address	Telephone number

Indemnification Agreement by Applicant

The applicant shall defend, indemnify, and hold harmless the City of American Canyon ("City"), its elected officials, officers, employees, attorneys, representatives, boards, commissions, volunteers and agents from and against all claims, actions, including actions to arbitrate or mediate, damages, losses, judgments, liabilities, expenses and other costs, or proceedings against the City, its elected officials, officers, employees, attorneys, representatives, boards, commissions, volunteers, or agents to attack, modify, set aside, void, or annul an approval, conditional approval, permit, entitlement, environmental document, environmental clearance, mitigation plan, or any other document or any of the proceedings, acts, or determinations taken, done, or made prior to granting of such approval, conditional approval, permit, entitlement, environmental clearance, environmental document, mitigation plan, or other document, by the City, including, without limitation, an action against an advisory agency, appeal board, or legislative body within the applicable limitation period.

The obligation to defend, indemnify and hold the City harmless shall include the payment of all legal costs and attorney's fees (including a third party award of attorney's fees), arising out of, resulting from, or in connection with the City's act or acts leading up to and including approval of any environmental document or mitigation plan granting approvals to the applicant, incurred on behalf of, or by, the City, its elected officials, officers, employees, representatives, attorneys, boards, commissions, volunteers and agents in connection with the defense of any claim, action, or proceeding challenging the entire or a portion of an approval, conditional approval, permit, entitlement or any other document of any related claim.

The obligation to defend, indemnify, and hold the City harmless shall include, but not be limited to, the cost of preparation of any administrative record by the City, staff time, copying costs, court costs, or attorney's fees arising out of a suit or challenge contesting the adequacy of a permit, approval, conditional approval, entitlement, environmental document, mitigation plan, environmental clearance, Water Supply Report, Will-Serve Letter or any other document or approval related to the applicant's project.

The City will promptly notify the applicant of any claim, action, or proceeding and will cooperate fully in the defense. If the City fails to promptly notify the applicant of any claim, action, or proceeding, or the City fails to cooperate fully in the defense, the applicant shall not be responsible to defend, indemnify, or hold harmless the City.

In the event a legal challenge to a City permit, approval, conditional approval, environmental document, environmental clearance, mitigation plan, entitlement or any other document, proceeding, determination, or action related to the applicant's project is successful, and an award of attorneys' fees is granted against the City, the applicant shall be responsible to timely pay the full amount of such an award.

SHEA ROUDA	_____	8/23/24
Applicant's printed name	Applicant's signature	Date

SIEGFRIED

MEMORANDUM

To: Shea Rhoda

From: Paul Schneider, P.E.

Date: 9/6/2024

Re: **Napa Gateway**



I. Introduction

Our office has been retained to document the design and operational parameters for the proposed water system for the Gateway Building. This memo is to accompany the will serve application as justification for the water demands and annual usage.

II. Average Daily Demand (ADD)

The anticipated water demand is based on the following assumptions:

Domestic water use is based on the County of Napa domestic use table of 15 gpd per employee. The average number of employees onsite is 11. This yields an average domestic daily use of 165 gpd.

The building is intended to be utilized as a winery production facility that will utilize approximately 3.6 gallons of water to produce 1 gallon of wine. The facility is designed to produce 250,000 gallons of wine, therefore the annual water demand is 900,000 gallons. Approximately 45% or 405,000 gallons of the total demand occurs over a 60 day period and the balance throughout the remainder of the year. This places the ADD for the full year at 2,466 gpd (900,000 gallons/365 days).

The total water usage for the property is 2,631 gallons per day (gpd) as shown in Table A below:

Domestic (gpd)	Industrial (gpd)	Irrigation (gpd)	Total (gpd)
165	2,466	0	2,631

Stockton
3428 Brookside Rd.,
Stockton, CA 95219
t: 209.943.2021

San Jose
111 N. Market St., #300
San Jose, CA 95113
t: 408.754.2021

Sacramento
1164 National Dr., #20
Sacramento, CA 95825
t: 916.520.2777

Modesto
100 Sycamore Ave, #100
Modesto, CA 95354
t: 209.762.3580

III. Maximum Day Demand (MDD)

The MDD for domestic water according to American Canyon Municipal Code is ADD x 2.0, therefore the domestic MDD is 330 gpd. As stated in Section II the MDD for the industrial water is during the 60 day vintage production period where 405,000 gallons are required. This yields a MDD of 6,750 gpd (405,000 gallons/60 days) of industrial demand, the remaining days of the year will be lower at a MDD of 1,623 gpd (495,000 gallons/305 days). The anticipated total water MDD for the property is 7,080 gallons per day (gpd) as shown in Table B below:

Domestic (gpd)	Industrial (gpd)	Irrigation (gpd)	Total (gpd)
330	6,750	0	7,080

IV. Project Demand consistency with UWMP and ACMC 13.10

The City's 2010 Urban Water Management Plan (UWMP) assumes properties such as this one will have up to a maximum average daily demand of 675 gpd per acre. The American Canyon Municipal Code section 13.10 lowers this to 650 gpd per acre. As shown in Table C below the properties average daily demand (ADD) is less than the ACMC 13.10 limit of 650 gpd.

Parcel Size (ac)	UWMP (gpd/ac)	ACMC 13.10 (gpd/ac)	Property ADD (gpd/ac)
4.33	675	650	2,814

The allocated 2,814 gpd ADD per Table C is greater than the calculated water usage of 2,631 gpd ADD per Table A. The project therefore complies with the Zero-Water Footprint requirements and no demand offsets are required.

Exhibit A: Industrial Water Demand Estimate

Converter	Tons/Cases/Gallons of Wine (input blue number)			
	ENTER	Cases	Tons	Gallons of Finished Wine
Tons	1	63		150
Cases	22575	-	358.3	53729
Gallon finished Wine	250,000	105042	1667	-
Total WW/year	3650000	383403	6086	912500

105042	Cases/Year
63	Cases/Ton
2.38	Gal of Wine/Case
4	Gal of PW:Wine Ratio
45	% of Annual PW Used During Vintage
60	Days of Vintage
305	Days/Year
1.1	SF for Peak/Max Daily Flow

250000	**Total Finished Wine/Year**, in Gallons	
1000000	**Total PW/Year**, in Gallons	
450000	**Total Volume of Wastewater Generated During Vintage**, in Gallons	
7500	**Average Daily Wastewater Production During Vintage**, in Gallons	
1803	**Average Daily Wastewater Production During Rest of the Year**, in Gallons	
8250	**Peak Daily Flow During Vintage**, in Gallons	**(System Size Based On This Number)**
16500	**Recommended EQ Capacity (2-Day Minimum)**, in Gallons	

CITY OF AMERICAN CANYON

PUBLIC WORKS DEPARTMENT

4381 BROADWAY, SUITE 201
AMERICAN CANYON, CA 94503

WATER SUPPLY REPORT

FOR

Gateway 24 Napa, LLC

Gateway Road East, Napa, CA 94558
Napa County Assessor's Parcel Number
APN 057-200-039

Prepared by:

Edison Bisnar
Development Services Engineer

Approved by:

_____ _____

Erica Ahmann Smithies, P.E. **Date**
Public Works Director/City Engineer

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PREFACE

This Water Supply Report (WSR) is prepared in response to a request received by the City of American Canyon for a new water service(s) and/or an expansion of existing water service(s). The intent of the WSR is to help inform the discretionary approval process undertaken in conjunction with the request. Chief among its purpose is to:

- Determine if the request is consistent with City ordinances, policies, and practices;
- Determine whether the City's water supply is sufficient to grant the request when compared to existing and other planned future uses, including agricultural and manufacturing uses; and
- To establish a water allocation for the property.

On October 23, 2007, the American Canyon City Council adopted the following definition as the basis for its Zero Water Footprint (ZWF) Policy:

> Zero Water Footprint – No loss of water service reliability or increase in water rates to the City of American Canyon's existing water service customers due to requested increase demand for water within the City's water service area.

The overarching intent of the ZWF Policy is to require all new development (residential or non-residential), or the expansion of existing commercial and industrial development, to mitigate all new water demands with "wet-water" offsets by one or more of the following options:

- Reducing existing potable water demands on-site
- Funding programs or constructing projects that would conserve an equivalent amount of water elsewhere within the water service area
- Funding of and/or constructing projects that would increase an equivalent amount of recycled water use elsewhere within the water service area where potable water is currently used.
- Purchase new water supplies from other water providers

SECTION 1.0 - REQUEST FOR SERVICE

1.1 - Property Description

The property is located on Gateway Road East (Assessor's Parcel Number: 57-200-039) on approximately 4.33 acres referred to herein as the "Property." The Property is zoned Industrial Park (IP) with Airport Compatibility (AC) and is located within the City's Extraterritorial Water Service Area (ETSA)[1].

1.2 - Project Description

The proposed project is to build a 54,770 square foot winery and office building with associated site improvements. Entitlements required include a Use Permit from Napa County (P24-00134) and Will-Serve Letters from the City (for potable domestic water service and fire service) and Napa Sanitation District (for sewer and recycled water)[2].

The project incorporates the following water conservation best management practices:

- Dual plumb the building to receive recycled water for toilet flushing
- Motion-sensor faucets
- Use of recycled water for landscaping
- On-demand (Instahot) hot water heaters for individual restrooms or the plumbing of hot water return lines with an integral pump if using a centralized tank or tankless unit
- Education of employees regarding water conservation (offered in both English and Spanish)

1.3 - Status of Existing Services

The property is currently vacant. The City has no record of historical potable water use at the property. No prior Will-Serve Letters have been issued by the City. The property is located within the Napa Sanitation District's (NSD) recycled water service area. Recycled water is available in the area.

1.4 - Will Serve Application

A Will-Serve Application dated August 23, 2024, was submitted by Shea Rouda, on behalf of the Owner, Gateway 24 Napa, LLC. The submitted application details the anticipated water demands for the Site. City Staff has reviewed the provided application and finds the estimate to be consistent with industry standards for similar uses.

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[1] As defined by Napa County Local Agency Formation Commission Policy 07-27.

[2] The project site is located within the Napa Sanitation District's (Napasan) recycled water service area.

1.5 – Average Day Demand (ADD)

As shown on Table 1, the anticipated "Average-Day" Demand (ADD) for the Property is 2,631 gpd.

Table 1 – Property ADD			
Domestic (gpd)	Industrial (gpd)	Irrigation (gpd)	Total (gpd)
165	2,466	0	2,631

1.6 - Maximum Day Demand (MDD)

As shown in Table 2, the anticipated Maximum Demand (MDD) for the Property is 7,080 gpd.

Table 2 – Property MDD			
Domestic (gpd)	Industrial (gpd)	Irrigation (gpd)	Total (gpd)
330	6,750	0	7,080

SECTION 2.0 - PROJECT WATER FOOTPRINT

2.1 – Project Demand Consistency with UWMP and ACMC 13.10

The City's 2010 Urban Water Management Plan (UWMP) assumes industrially zoned property will have up to a maximum MDD of 675 gpd per acre. American Canyon Municipal Code Section 13.10 further limits industrially zoned property within City limits and the broader City ETSA up to a maximum MDD of 650 gpd per acre. As shown in Table 3 below, the Property's estimated MDD (1,635 gpd per acre) is greater than the maximum allowed by the ACMC 13.10 (650 gpd per acre):

Table 3 – Maximum MDD			
Parcel Size (acres)	UWMP (gpd/acre)	ACMC 13.10 (gpd/acre)	Property MDD (gpd/acre)
4.33	675	650	1,635

2.2 - Baseline Water Footprint

The Property's Baseline Water Footprint is determined as one of the following: a) the approved demand amount specific in a current, (unexpired) Will-Serve Letter, Water Supply Report and/or Water Service Agreement; b) the water demand calculated from an audit of three-years of water use; or c) absent other information, the water demand in 2007. As shown in Table 4 below, the Property's baseline water footprint is 0 gpd.

Table 4 – Baseline Water Footprint			
Approved Demand (gpd)	Audited Demand (gpd)	Historical Demand (gpd)	Baseline Water Footprint
N/A	0	N/A	0

2.3 - Zero Water Footprint Determination

Because the Property ADD (2,631 gpd) exceeds the Property's Baseline Water Footprint, the Property does not have a Zero Water Footprint (ZWF). Because the Property does not have a ZWF, the new demand(s) on the City's water system could potentially result in a loss in water service reliability or increase in water rates to the City's existing customers.

2.4 - Demand Offset

The City has established various programs intended to offset new demand(s) on its water system. The Property has agreed to participate in one such program whereby old plumbing fixtures in existing residences (such as toilets, showers and faucets) are replaced with high-efficiency fixtures. On average the cost to replace the fixtures in a single-family dwelling unit is $600 and results in an on-going savings of 65 gpd. By facilitating the replacement of these fixtures city-wide, the Property's new demand is offset by water which is saved elsewhere. The Property has agreed to contribute $24,286.15[3] to the City's Zero Water Footprint Mitigation Fund. Monies in the Fund are used to pay for replacement of plumbing fixtures. The amount paid will result in equivalent savings of 2,631 gpd, thereby offsetting the Property's new ADD.

2.5 - Project Impact on Reliability & Rates

The City's water treatment, delivery and storage system is reliable to serve demands of existing development that existed at the time of ZWF Policy

[3] Calculation: 2,631 gpd/65 gpd x $600 = $24,286.15

implementation in 2007. New or increased demands to the City's system after the implementation of the ZWF Policy are determined to potentially have a negative impact on the City's water system reliability which could result in an increase in water rates of existing customers. By facilitating the replacement of inefficient plumbing fixtures through the monetary contribution to the City's ZWF Mitigation Fund, the Property has offset its new demand and thus, it is reasonable to conclude that it will have no impact on reliability or rates.

2.6 - Short term mitigations

The water impacts of the Property will be fully mitigated by the financial contribution it will make to the water capacity fee program in addition to the ZWF Mitigation fee to mitigate 100% of the Property's new water demand.

2.7 - Long term mitigations

The City's Water Shortage Emergency Plan authorizes the City Council to declare a water shortage emergency[4]. Emergencies are declared in four stages with specific reduction methods used for each stage. In the event the City experiences short term water shortages and determines it is necessary to purchase dry year water the Owner shall provide funds to the City of American Canyon to purchase dry-year water. Upon demand of the Public Works Director, when a water shortage has been declared by the City Council, the project may have to contribute a reasonably determined and reasonably allocated non-refundable payment to the water operations fund to allow the City to acquire dry-year water, if reasonably necessary. The projects contribution shall be equal to the properties reasonably allocated annual demand (AFY) times the City's reasonable cost of a one-year transfer. The annual demand will be implemented uniformly to all City water uses, determined by a City water audit of all City water uses for the previous water year and the analysis in reasonable detail made available to the Owner for reasonable review and comment prior to implementation. The contribution shall be recalculated and made on an annual basis, as reasonably necessary.

SECTION 3.0 – CAPACITY FEES AND SERVICE CHARGES

3.1 - Capacity Fee

Based on the American Canyon Water Capacity Fee Ordinance[5], the Project shall pay a Water Capacity Fee is $252,968.40. This one-time fee amount is based on the rate of $35.73 per gallon x MDD (7,080 gpd).

3.2 – Service Charge

[4] ACMC §13.14.070

[5] ACMC §13.06.090

The Property is located outside the City's corporate boundary but within the City's Extraterritorial Water Service Area as defined by LAFCO. Based on the American Canyon Water Capacity Fee Ordinance[6], the Property shall accrue a monthly service charge in the amount of $7.54/unit (in effect at the time of service and are subject to change), plus monthly meter fees.

3.3 - Reimbursable Improvements

The Property proposes no improvement that would be eligible for reimbursement.

SECTION 4.0 - *VINEYARDS* ANALYSIS

4.1 – *Vineyards* Decision

The California Supreme Court decision "*Vineyard Area Citizens for Responsible Growth v. City of Rancho Cordova and Sunrise Douglas Property Owners Association, et al.*" sets forth guidelines for evaluating the water supply of a project under the California Environmental Quality Act (CEQA). It requires that water supplies not be illusory or intangible, that water supply over the entire length of the project be evaluated, and that environmental impacts of likely future water sources, as well as alternate sources, be summarized.

4.2 - Facts with Respect to Existing Water Supply and Demand

The City's 2015 Urban Water Management Plan (UWMP) analyzed existing demands and anticipated future demand growth. The 2015 UWMP also quantified the amounts and reliability of its water supplies in various planning horizon scenarios.

The City has entered into enforceable long-term contracts for its supply of potable water. The suppliers are the State Department of Water Resources (DWR) and City of Vallejo. The DWR supplies are provided by the State Water Project (SWP) and they vary each year up to a maximum of 5,200 acre-feet. The Vallejo supplies are 500 acre-feet of raw water as needed and up to 2,640 acre-feet of treated water may be purchased as a retail customer.

City customers consumed 2,976 acre-feet of SWP water in 2015. The 2015 UMWP determined adequate supplies exist for all planning horizons and supply scenarios, except for the "2030 single-dry scenario".

New water demand from the Project and reduced per capita consumption (facilitated by the City's Water Conservation Program) was anticipated as

[6] ACMC §13.06.040

part of the assumed future demand growth in all planning horizons and supply scenarios in the 2015 UWMP. If the total ADD or MDD exceed the totals shown in this report, the applicant will be subject to penalties in-place at the time and has agreed to take the necessary measures to reduce demand to comply with this report.

4.3 – Anticipated Water Supplies over the Life of the Project

The City has developed a capacity fee capital program and water conservation program which, when implemented, will reasonably ensure an adequate supply of potable water and recycled water to meet demands under normal years, multiple-dry-years, and single-dry-years.

By fully complying with the City's ZWF Policy, the project will offset its new demand by paying an in-lieu fee that will be used by the City to implement its water conservation efforts to reduce potable water demands throughout its Water Service Area. Given the City's efforts to expand its water portfolio in terms of supply, storage, and conservation, and the fact that this project will not result in an increased demand on the existing system, it is reasonable to project there is sufficient water supply over the life of the project.

4.4 – Environmental Impacts of Likely Future Water Sources

According to the 2015 UWMP, adequate long-term supplies exist for all planning horizons and supply scenarios, except for the "2030 single-dry scenario". The Project will offset its new demand by paying an ZWF Mitigation fee that will be used by the City to further its water conservation efforts to reduce potable water demands throughout its Water Service Area. These efforts will have no significant impacts to the physical environment.

Moreover, it is unlikely that additional long-term supplies will need to be developed to meet the new demands attributable to the Project and it would be unnecessarily speculative to analyze the potential impact of such an unlikely activity.

Lastly, the City Council adopted a Mitigated Negative Declaration in November 2003 in conjunction with the adoption of the Recycled Water Facilities Plan. That plan identifies a series of projects which in conjunction with the water conservation program will reduce potable water demands throughout its Water Service Area. Impacts caused by the implementation of the Recycled Water Facilities Plan are less than significant because the new recycled water distribution pipelines were to be located in existing paved public rights of way.

ACKNOWLEDGEMENT OF WATER SUPPLY ANALYSIS

Gateway 24 Napa LLC
Gateway Road East, Napa, CA 94558
(APN 057-200-039)

I, _____, acknowledge and accept the water supply analysis as set forth in this Water Supply Report dated _____.

_____ _____
(Signature) (Date)