



March 13, 2023

Dennis Paulley
E&P Enterprises, Inc.
2250 S. Watney Way
Fairfield, CA 94533
Tel: (707) 745-1150

SUBJECT: Request for Water Service "Will-Serve" Letter
E&P Tech Way
Technology Way, Napa, CA 94558
(APN 057-250-031 & -032)

Dear Mr. Paulley,

The City of American Canyon has received your request as the Property Owner for a Will-Serve letter for water service to the property located on Technology Way (Assessor's Parcel Numbers: 057-250-031 and -032, referred to herein as the "Property"). The 6.87-acre Property is subject to approval of a pending Use Permit, P22-00308, from the Napa County Planning, Building & Environmental Services Department, for the development of the property consisting of a 66,915-square foot warehouse building, including site improvements.

It is the City's understanding that the Property is located within its Extraterritorial Water Service Area¹ 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 22, 2022. At present, the Property does not have any existing structures.

As Table 1 shows, the requested annualized Average Daily Demand (ADD) is 233 gal/day. Table 2 details the requested Maximum Daily Demand (MDD) of 466 gal/day for the Property.

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

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Table 1 – Requested Average Day Demand

<u>Average Daily Water Demand (ADD) in gallons per day:</u>	
Domestic:	233 gpd
Irrigation:	0 ² gpd
Industrial:	0 gpd
<hr/>	
Total:	233 gpd

Table 2 – Requested Maximum Day Demand

<u>Maximum Daily Water Demand (MDD) in gallons per day:</u>	
Domestic:	466 gpd
Irrigation:	0 ² gpd
Industrial:	0 gpd
<hr/>	
Total:	466 gpd

The City's Zero Water Footprint (ZWF) Policy requires new development 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 (233 gpd) 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 233 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 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' (Napasán) recycled water service area.

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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 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 consequences of the impacts of providing water to the entire project, and

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- 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 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 \$7.33 per unit, 1 unit = 748 gal). At present, the estimated average monthly water service fee will be approximately \$68.50³, 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 \$15,289.46⁴ based on MDD of 466 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 \$2,150.77⁵ 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 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 February 28, 2025. The City reserves the right to further condition and/or deny the extension of water service if the Project is different from that which presently proposed and

³ Calculation: (233 gpd * \$7.33/748 gal) x 30 days/month = \$68.50/month

⁴ Calculation: 466 gpd x \$32.81/gpd = \$15,289.46. This fee based on rates effective February 4, 2023 Resolution 2022-R104. Actual fee to be based on rates in effect at time of payment

⁵ Calculation: 233 gpd/65 gpd x \$600 = \$2,150.77

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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,

DocuSigned by:
 3/13/2023
A02D878043A74E7...
Erica Ahmann Smithies, P.E.
Public Works Director/City Engineer

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

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**ACCEPTANCE
of
City's Conditional Offer of Water Service for
E&P Tech Way
Technology Way, Napa, CA 94558
(APN 057-250-031 and 032)**

I, Dennis Paulley, President,
(Print Name) (Print Title)

accept the conditions set forth in this communication.

DocuSigned by:
Dennis Paulley
34E37F8C6EC1464...
(Signature)

Date: 3/15/2023