



City of St. Helena
Water and Wastewater Advisory Committee
Regular Meeting
City Hall 1088 College Avenue, St. Helena,
CA 94574
Thursday, December 18, 2025 @ 10:30 AM

PLEASE NOTE: Any person who wishes to speak regarding an item on the agenda or make a comment under the "Oral Communication" portion of the agenda may do so, but please observe the time limit of four minutes.

Members of the public or other parties are welcome to email their comments to the Staff Liaison at rwhite@cityofstheleena.gov. All public comments must be received three hours prior to the meeting. Public comments received after the deadline will be attached to the item the next business day or soon thereafter. Public comments will not be read out loud but will be publicly available and attached to the online agenda.

Page

1. CALL TO ORDER
2. ROLL CALL
Chair: Brent Randol
Vice Chair: Garry Rose
Committee Members: Jay Kouba, Mario Trinchero, Peter White
Alternate Member: Carl Myers
Staff Liaison: Joe Leach, Assistant City Manager/Public Works Director/City Engineer
3. PUBLIC FORUM:
An opportunity for the public to directly address the Committee on items of interest to the public that are not listed on the agenda. Any person addressing the Committee should provide his or her name and address, and limit comments to four minutes. Because of restrictions imposed by **the Brown Act, the Committee may not engage in substantive discussion, nor take action on matters not described on the agenda.**
4. REPORTS BY STAFF AND BOARD
Reports by staff and/or Committee on items of general interest. Brief questions for clarification may be posed and answered, and Committee may request that items be placed on a future agenda. Except under certain circumstances, **the Brown Act prohibits any other discussion or action by the Water and Wastewater Advisory Committee.**
5. CONSENT CALENDAR:
Members of the Water and Wastewater Rate Study Advisory Committee or the public may ask that any items be considered individually for purposes of considering alternative action, for extended discussion, or for public comment. Unless that is done, on motion may be used to adopt all recommendation actions.
 - 5.1. Water and Wastewater Advisory Committee Meeting Minutes of October 30, 2025.
[Water and Wastewater Advisory Committee - 30 Oct 2025 - Minutes](#)

5 - 7

6. OLD BUSINESS:
 - 6.1. Continued Review of the Proposed Updated Alila Hotel Water Agreement 9 - 15
Prepared By: Mario Traverso, Project Manager
[Proposed Alila Water Agreement Agenda Report](#)
7. NEW BUSINESS:
 - 7.1. Proposed 2026 Water Forum: "The Water Table" - A Community Conversation Series on St. Helena's Most Vital Resource DRAFT Agenda Review 17 - 19
[Communication Concept Draft](#)
 - 7.2. Proposed Reorganization of Committee Project Plan 21 - 22
[Proposed Committee Project Plans](#)
 - 7.3. Discussion of Amending the Leak Adjustment Policy 23 - 24
Prepared By: Mandy Kellogg, Administrative Services Director
[Leak Adjustment Policy Agenda Report](#)
 - 7.4. Discussion of Discontinuation of Monthly Potential Leak Letters 25 - 26
[Leak Letter Agenda Report](#)
 - 7.5. Review of Recent Discolored Water Event
 - 7.6. Proposed Changes to the Water Neutrality Policy and Water Agreements 27 - 28
[Proposal for Water Neutrality Policy and Water Agreements](#)
8. SUBCOMMITTEE UPDATES
 - 8.1. Factors Contributing to St. Helena's High Utility Rates
Prepared By: Mario Trinchero, Garry Rose
 - 8.2. Water Quality 29 - 39
Prepared By: Peter White, Jay Kouba
[Water Quality Improvements Presentation](#)
 - 8.3. Storm Incursion
Prepared By: Peter White, Carl Myers
 - 8.4. Capital Project Prioritization
Prepared By: Garry Rose, Jay Kouba
9. FUTURE AGENDA ITEMS
 - 9.1. Discussion of Decommissioning of Lower Reservoir
 - 9.2. Discussion of Alternative Energy Options at Water and Wastewater Facilities
 - 9.3. Discussion of Preparation for Water and Wastewater Rate Study
10. ADJOURNMENT

The next regular Water and Wastewater Advisory Committee meeting is scheduled for TBD.

This agenda was posted at City Hall, 1088 College Avenue, St. Helena, California on December 12, 2025.

Rebecca White, Administrative Assistant

In Compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please call the City Clerk's Office (707) 968-2742. Notification 72 hours prior to the meeting as required by Section 202 of the Americans with Disabilities Act will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

MINUTES
City of St. Helena
Water and Wastewater Advisory Committee
Meeting
Thursday, October 30, 2025 @ 10:30 AM
City Hall 1088 College Avenue, St. Helena, CA
94574

1 CALL TO ORDER

Chair Randol called the meeting to order at 10:30a.m.

2 ROLL CALL

Present: Chair Brent Randol (departed 11:56a.m.), Vice Chair Garry Rose, Member Jay Kouba, Member Mario Trinchero, Member Peter White, Alternate Member Carl Myers

Staff Liaison: Joe Leach, Assistant City Manager/Director of Public Works/City Engineer **Absent:** None.

3 PUBLIC FORUM:

Public comment was opened and comments were received from Kelly Wheaton.
Public Comment was closed.

4 REPORTS BY STAFF AND BOARD

No reports were made.

5 CONSENT CALENDAR:

- a) Water and Wastewater Advisory Committee Meeting Minutes of September 25, 2025.

Member Kouba made a motion to approve the consent calendar.

Member White seconded the motion.

All voted in favor of approving the consent calendar.

6 OLD BUSINESS:

- a) Discuss Updated Safe Yield Analysis and Provide Recommendation to City Council for Approval

Joe Leach presented the Updated Safe Yield Analysis, and the Committee discussed the report, noting that it included the necessary clarifications, and recommended that the materials be sent to the City Council for consideration.

7 NEW BUSINESS:

- a) Review and Discuss Proposed Updated Alila Hotel Water Agreement

Water and Wastewater Advisory Committee
October 30, 2025

Mario Traverso presented the proposed updated Alila Hotel Water Agreement. The committee directed staff to pause final action on the agreement and return with additional analysis.

Public comment was opened and comments were received from Tom Belt and Kelly Wheaton. Public comment was closed.

- b) Discussion of Possible Regional Water System between City of St. Helena, City of Calistoga, and Town of Yountville.

The Committee considered the agenda item. No presentation, discussion, or action occurred.

- c) Discussion of Public Communication Strategies Regarding Water Quality, Rates, Improvements, etc.

Committee discussed communication strategies and directed staff to explore suggested methods. Public comment was opened, comments were received from Kelly Wheaton, and public comment was closed.

- d) Discussion of Reorganization of Subcommittees and Strategies for Subcommittees

Committee discussed proposed strategies for reorganizing subcommittees, and staff noted any restructuring would require Council review. Public comment was opened, comments were received from Kelly Wheaton, and public comment was closed.

8 Subcommittee Updates

- a) Factors Contributing to St. Helena's High Utility Rates
Prepared By: Mario Trinchero, Garry Rose

The subcommittee provided an update noting that additional rate-process information is forthcoming from staff, and that past under-investment in the water treatment plant has been a significant cost driver, as well as the regulatory requirements.

- b) Water Quality
Prepared By: Peter White, Jay Kouba

The subcommittee expressed interest in expanding analyses to support monitoring system improvements and to enhance customer communication with data.

- c) Storm Incursion
Prepared By: Peter White, Carl Myers

The subcommittee did not provide an update; data is forthcoming from staff.

- d) Capital Project Prioritization

Water and Wastewater Advisory Committee
October 30, 2025

Prepared By: Garry Rose, Jay Kouba

The subcommittee reported on their work looking into water rights and obligations. Public comment was opened and comments were received from Tom Belt and Kelly Wheaton, public comment was closed.

9 Future Agenda Items

- a) Review and Discussion of the Water Management Plan and Updated Water Neutrality Implementation Policy
- b) Discussion on Water Neutrality
- c) Discussion of Decommissioning of Lower Reservoir
- d) Discussion of Alternative Energy Options at Water and Wastewater Facilities

10 ADJOURNMENT

Vice Chair Rose adjourned the meeting at 12:12p.m.

APPROVED:

ATTEST:

Brent Randol, Chair

Joe Leach, Staff Liaison



Agenda Report to the Water and Wastewater Advisory Committee

DATE:	December 18, 2025
SUBJECT:	Amendment to the Alila Hotel Water Service Agreement
RECOMMENDED ACTION:	Provide Recommendation to City Council.
PREVIOUS COUNCIL ACTION:	2007 - Execution of Water Service Agreement at 2.08 Million Gallons Per Year based on Historical Consumption. 2010 - Water Agreement Rescinded 2014 - Execution of Updated Water Service Agreement at 1.35 Million Gallons Per Year
STATEMENT OF THE PURPOSE:	The purpose of this Staff Report is to provide supplemental information regarding the Water Service Agreement and Water Neutrality Calculation for the Alila Hotel.
FINANCIAL IMPACT:	Per the current water service agreement, the City imposes a 60% surcharge on water use over 1.35 million gallons per year. By amending the water agreement to increase allowable use as presented in this report will generally result in a reduction in fees collected.

BACKGROUND:

On May 23, 2006, the City Council approved entitlements to convert the Grandview property, located at 1915 Main Street into the Grandview Inn. The approval included a 35 room inn with commercial kitchen, and 22 onsite affordable apartments. On June 26, 2007, a Water Service Agreement was executed with the property owner which provided for a baseline water use of 2.08 million gallons per year (MGY) based on historical usage.

On August 24, 2010, the City Council approved a Use Permit Amendment to increase the hotel room count to 57 rooms and to eliminate the requirement for 22 onsite affordable apartments. The Use Permit amendment required the owner to enter into a new Water Service Agreement limiting water use to 1.35 million gallons per year.

In 2014, in preparation for the transfer of the property to new owners and impending redevelopment, it was realized that the 2010 Water Service Agreement was never fully executed. Subsequently, a Water Service Agreement ("2014 Water Service Agreement") was fully executed which was based on the 2010 draft and provided for an updated baseline water use of 1.35 million gallons per year.

On March 10, 2015, the City Council approved a Use Permit and Design Review Application to redevelop the Grandview Inn, which became the Las Alcobas Hotel. This approval increased the room count from 57 to 70 guest rooms, and did not include a new or modified Water Service Agreement.

Based on the 2015 approvals, the hotel was modified to include a total of 67 guest rooms. The owners have since converted three rooms in the Acacia House to office and other uses, so the hotel currently operates 64 rooms, a restaurant, bar, pool and spa. Landscape irrigation is provided by an on-site well.

On September 26, 2024, the City received a Design Review Application proposing to demolish and reconstruct the existing spa facility and add 10 additional guest rooms above the rebuilt spa facility. In the course of reviewing the application, City staff noted that current water usage for the property (2.24 million gallons per year) significantly exceeds the allocation established in the 2014 Water Service Agreement. Additionally, it was noted that the Water Service Agreement had not been updated in conjunction with development approvals since 2014. In accordance with the 2014 Water Service Agreement, the property owner is assessed a 60% surcharge for water used in excess of the baseline established in the Agreement.

In evaluating the water use history of the property, City staff found that the baseline water use established in the 2014 Water Service Agreement is inconsistent with the City's current policies and the standard criteria for commercial water use calculations which have been used since 2019. The standard criteria are included in the Water Neutrality Policy for Development document (attached to this report).

A staff report was prepared and this item was brought to the Water and Wastewater Committee on October 30, 2025 to review and provide feedback prior to seeking City Council approval of an amended Water Service Agreement. In the report, staff proposed to increase the Water Service Agreement baseline from 1.35 million gallons per year to 2.30 million gallons per year, a quantity which is consistent with current calculation methods and provides a reasonable baseline from which a Water Neutrality Calculation could be performed and applied to the current Design Review application.

The baseline calculation that was presented to the Water and Wastewater Committee is consistent with the methodology referenced in the Water Neutrality Policy for Development. This policy and its referenced criteria has been applied to commercial water use calculations since 2019. According to this approach, an acceptable allotment for the current Alila operations, which could be a proposed baseline for a revised water service agreement and applied to the Water Neutrality Calculation was prepared as follows:

Item	Quantity	Gallons	Total
Hotel Rooms	64	60	3840
Employees	50	15	750
Restaurant	50	15	750
Pool	80	10	800
Bar	50	3	150

6290 Gallons Per Day

According to this calculation, a reasonable water use baseline for the current and approved operations at the Alila Hotel would equal 2.30 million gallons per year. This is a significant increase from the current Water Use Agreement baseline of 1.35 million gallons per year. The City does not have information regarding the calculation method for the 2014 agreement baseline which resulted with the 1.35 million gallons per year quantity.

During the discussions at the October 30, 2025 Water and Wastewater Committee meeting, staff was directed to provide more information on a variety of questions and the discussion was continued to a later date.

DISCUSSION:

Background on Water Service Agreements

Generally, the Municipal Code prohibits water service outside of City limits. This is found in SHMC 3.04.050 which stipulates that "no water service connection or water main extension shall be made or given to premises located outside the city limits except (1) to provide private fire service in accordance with Section [13.04.200](#) and (2) to provide reclaimed water in accordance with city policies and procedures. (Ord. 16-13 § 5 (Att. 6); Ord. 03-5 § 1; prior code § 18.5)." While this has been effective since the code implementation date, there are numerous parcels located outside the City limits which are connected to the water system, most which pre-date the code implementation. Additionally, new connections are provided for fire services on parcels outside the City limits.

The Municipal Code also allows the City the right to contract for water, this is found in SHMC 3.04.090 which states that "under special circumstances, the city council reserves the right and power to contract separately with any person for the sale and delivery of water within or outside the corporate limits of the city at wholesale rates to be fixed and agreed upon by resolution of the council. (Ord. 16-13 § 5 (Att. 6); prior code § 18.9)

The conventional use of a Water Service Agreement has been to contract for water service for significant or industrial users who are located outside the City limits, most of which maintained preexisting service and connections to the water system. The agreements were subsequently executed in conjunction with a qualifying event such as a development project or the need for supplemental fire service.

Within the City limits, users generally are not subject to Water Service Agreements although Agreements have been required for certain, higher profile developments as part of either a condition of approval for planning permits or a Development Agreement. Currently, Water Service Agreements have been executed for following properties within City Limits:

Property	Agreement Year	Agreement Baseline (MGY)	Current Use (MGY)	Surcharge
Merryvale Vineyards	2000	1.19	1.38*	60%
CIA Dormitory	2005	1.15	0.96*	60%
Harvest Inn	2014	6.90	13.2*	60%
Grandview Hotel	2014	1.35	2.46*	60%
Farmstead	2022	1.88	Pending	60%

*Recent average, annualized.

Overview of Implementation of Water Neutrality Policy

For all development applications which add floor area or increase the number of living units, the City requires a quantitative demonstration that the proposed changes do not increase water usage as compared to a baseline usage. The baseline may be the actual historical usage for the property or the theoretical usage which is calculated based on occupancy potential or operational potential. This is demonstrated in the form of a memo which analyzes the pre-development and post development theoretical use. If the proposed changes exceed the baseline, offsetting measures are required. This memo is reviewed and approved by Public Works and the Planning Commission.

For development projects such as hotels or restaurants, the City allows projected use and baseline calculations to account for operating variations such as average occupancy rate in the case of hotels, or anticipated daily restaurant patrons, in the case of a restaurant. This is because the policy tabulates the calculation based on a per person basis. The hotel room count or restaurant seating capacity needs to be translated to persons per day. We do not consider this problematic as occupancy rates for hotels are widely available and generally accepted and calculations for restaurant patrons can be reasonably assessed based on seating capacities and hours of operation. Additionally, any use reduction resulting from an occupancy rate is applied to both the pre- and post-use calculation.

Generally, the Water Neutrality Policy implementation during development does not provide or imply an entitlement to a specific quantity of water in the same way a Water Service Agreement may. The Water Neutrality Policy implementation is concerned with only the difference in water use for pre and post development.

Revised Approach to the Current Alila Hotel Expansion Application

In the October 30, 2025 staff report and discussion with the Water and Wastewater Committee, Staff's recommended approach was to amend the Alila Water Service Agreement. The amended agreement water allotment would then be used as the baseline for the Water Neutrality calculation to be prepared for the currently proposed development application. This approach raised questions regarding the correlation between a Water Service Agreement and a Water Neutrality Analysis, as well as questions regarding past practice and consistency. Staff conducted two internal meetings, which included the

Project Planner, Community Development Director, Public Works Director and City Attorney. After reviewing the Municipal Code, the project, conventional Water Service Agreement implementation, and current Water Neutrality implementation, it was agreed that the Water Service Agreement implementation and Water Neutrality Policy implementation are mutually exclusive and should not be integrated as originally proposed.

In a revised approach, staff plans to decouple issues pertaining to the existing Water Service Agreement from the Water Neutrality compliance associated with the planning permit application. The baseline and post development calculation for Water Neutrality compliance will follow the established methodology for implementing the Water Neutrality policy. Staff will proceed with processing of the Design Review/Conditional Use Permit application for the spa remodel and ten additional units independent of the status of the Water Service Agreement.

Amendment to the Current Alila Water Service Agreement

Nevertheless, staff continues to recommend that the existing Alila Hotel Water Service Agreement should be amended to more accurately reflect current Use Permits, approvals and operations. Additional details regarding the Alila Hotel's Water Service Agreement include the following:

- In 2006/07, the City authorized conversion of 40 housing units on the property to 22 studio units and a 35-room hotel. Conditions included a Water Service Agreement establishing an annual baseline of 2.08 MGY of water based on historical usage. It required landscape irrigation to use an on-site well.
- In 2010, the City approved a Use Permit amendment to eliminate 22 studio units and increase the hotel from 35 rooms to 57 rooms. Conditions required a new Water Service Agreement establishing an annual baseline of 1.35 MGY. The Agreement was executed in 2014.
- In 2015, the City approved a Use Permit amendment increasing hotel rooms from 57 to 70 rooms.
- When initially developed, the hotel attached the toilets for 40 rooms to the on-site well, but the iron/mineral content caused so much discoloration, they reverted to use of City water for the toilets. The well is still used for landscaping.
- Hotel operator indicates that City water also has discoloration issues and that they flush the water lines at the hotel fairly often to address water discoloration issues in the City's water distribution system.
- In 2024, the hotel used 2.79 MGY.

Generally, the existing Water Service Agreement is outdated when compared to the circumstances of the property, the operations approved in 2010, and current approvals and operations. Staff recommends that an amended agreement baseline should be afforded to Alila using the methodology which has been in place since 2019. City staff plan to take an item to the City Council so the Council can consider whether to amend the Water Service Agreement to establish a new baseline that more accurately reflects appropriate water usage based on the City's current policies and standard criteria. Before

taking this to the Council, City staff is seeking input and a potential recommendation from the Commission, to help inform Council's decision.

Pending Updates to the City's Water Policy

In 2024, the City retained West Yost, a Civil Engineering firm, to provide services for various water related studies and policies including the Safe Yield Update, the Water Management Plan and the Water Neutrality policy. Additionally, the City is participating in the Countywide Groundwater Sustainability Plan. Together, these studies will provide updated water management policies which will create a framework that will resolve many of the current policy conflicts experienced in the City.

- **Updated Water Neutrality Policy:** We are researching modifications to the policy to include payment of fees In-lieu of off-setting measures. The City has traditionally required applicants to propose offsetting measures such as retrofitting toilets, shower heads or appliances, which water savings are used to balance a water neutrality calculation for a proposed project. The fee option would allow fees to be collected and applied to a pre-established set of projects which promote water savings and resiliency.
- **Updated Safe Yield Analysis:** The updated analysis will provide a new "baseline" for the City's water resources. The update considers recent use trends, distribution system modifications, and updated supply projections. The Safe Yield of the City's water resources may be revised to project a surplus versus the current deficit.
- **Water Management Plan:** The Water Management Plan will serve as a policy document which synthesizes the Safe Yield Analysis, Ground Water Sustainability Plan, and the General Plan.
- **Groundwater Sustainability Plan:** The City is participating in the County led Groundwater Sustainability Plan which generally sets reduction targets which poses significant implications for the Water Management Plan and ground water allocation throughout the basin.
- **General Plan and CEQA:** The Safe Yield Analysis and Water Management Plan will provide more clarity regarding the nexus between the General Plan Build-out scenario, water neutrality, CEQA, and the City's development goals and its ability to provide services.

ENVIRONMENTAL REVIEW: This is a preliminary discussion item and no environmental review is required at this time.

GOAL:

Goal 8: Implement Capital Improvement Plans (CIP) Projects Miscellaneous/Other

DOCUMENTS ATTACHMENTS:

[2014 Water Service Agreement](#)
[2007 Water Service Agreement - Rescinded](#)
[Water Neutrality Policy for Development](#)

Concept Paper
Updated December 12, 2025
 Prepared by Vice Mayor Michelle Deasy

“The Water Table” – A Community Conversation Series on St. Helena’s Most Vital Resource

Purpose and Concept

Water is St. Helena’s most essential—and most complex—public resource. Residents regularly express a desire to understand where their water comes from, how it’s treated, why it costs what it does, and how the City is planning for long-term sustainability.

At the same time, water and wastewater issues are among the most technically complicated topics the City manages. Rates, quality, infrastructure, regulations, and sustainability planning all intersect in ways that can be difficult to communicate in short updates or budget presentations.

The Water Table is designed to bridge that gap—creating an accessible, transparent, and educational forum for the community to learn about the systems that sustain St. Helena. Beyond sharing information, it also offers an opportunity for community connection and shared understanding, bringing residents together around the challenges and responsibilities we all share in caring for our water.

Sponsorship and Structure

Hosted by: City of St. Helena Water/Wastewater Committee

Partners:

- St. Helena Public Library Board (venue)
- City Communications Team
- Wine sponsor for each event

Audience: St. Helena residents, business owners, and interested community members

No City Council members will present, moderate, or be named in the program or promotional materials. This ensures that the series remains educational, non-political, and committee-driven.

Preliminary Briefing

In January, the Council anticipates a presentation from Dr. Najm addressing the recent water-quality incidents, the current state of our water system, and the work and evolving plan aimed at long-term improvement. This event serves as an early, informal touchpoint—giving residents a chance to express concerns, hear context, and prepare for the more formal discussion at Council.

Event Format

Location: St. Helena Public Library

Time: 5:30 pm – Wine & Conversation | 6:00 pm – Presentation + Q&A

Format: 60–75 minutes beginning with a brief, structured public “venting” session to surface concerns and themes, followed by a short presentation and a moderated discussion with audience questions.

Seating: Semi-oval seating arrangement, facing the great window.

Tone: Informal but substantive—accessible, transparent, and focused on education and dialogue.

Session Topics

February 4, 2026 — Water Quality: What’s in Our Glass: Take a closer look at how St. Helena’s water is sourced, treated, stored, and delivered. This session offers a clear, candid look at water quality—clarity, taste, and treatment—what the city’s work with water quality experts has revealed, and the specific steps now underway to ensure clear water.

March 4, 2026 — Cost of Water: A practical look at what drives the cost of clean, reliable water in a small community. This session explains how St. Helena’s water system is built, operated, and regulated—and how those factors show up in water rates. We’ll walk through where the money goes and what shapes the overall cost of providing water.

April 8, 2026 — Water Sustainability: Planning for the Future

What does “water neutrality” mean for St. Helena? How do California’s water laws, development pressures, and climate variability shape our local policies? This session explores how California water laws, development pressures, and climate variability influence local decisions. We’ll discuss the strategies and trade-offs in ensuring future supply and resilience.

Broader Communications Integration

The Water Table series will serve as the backbone for a broader citywide communication effort on water issues.

Each session will generate content that can be repurposed across multiple channels, including:

- **St. Helena Star:** request that the editor attend or assign a write-up following each event.
- **City Newsletter:** a concise recap summarizing the key takeaways and next steps.
- **City social media posts:** short “Did You Know?” highlights or infographics drawn from the session materials.
- **City website:** event recordings, presentation slides, and FAQs archived for public reference.

This integrated approach ensures that accurate, consistent information reaches both those who attend in person and those who prefer to read or watch later.

Goals and Outcomes

- **Transparency:** Provide residents with direct, factual information.
- **Understanding:** Build shared knowledge about costs, infrastructure, sustainability, and quality.
- **Engagement:** Encourage two-way dialogue between the public and those who manage our water systems.
- **Community Connection:** Strengthen relationships among residents through shared learning and conversation about our most vital resource.
- **Trust:** Reinforce public confidence in how the City stewards St. Helena’s water system.

Tagline

The Water Table: Where conversation flows.

Free and open to the public.

Come learn, ask questions, and be part of shaping a sustainable water future for St. Helena.

December 3, 2025
 Water and Wastewater Advisory Committee
 Prepared by Jay Kouba

Project: Water Quality

Objective

Provide colorless and odor-free water to water enterprise customers

Goals

90% of Distribution Water samples with < 20 ppb manganese, <50 ppb iron and undetectable odor as measured by defined method.
 Continuous public communication on progress

- Scope** Implement a water analysis program that encompasses both monitoring and public reporting
- a. Minimum of weekly analysis of iron and manganese in raw water at Bell Canyon and Stonebridge
 - b. Minimum of weekly analysis of iron and manganese in treated water at Bell Canyon, Stonebridge and Rutherford
 - c. Minimum of weekly analysis of iron and manganese at four distribution locations corresponding to the four main flush zones to determine the effectiveness of flushing
 - d. implement weekly analysis for odor and implement at Bell canyon, Stonebridge and Rutherford
 - e. Post analytical results on St Helena website in an easy-to-understand report. Include any other pertinent information.
2. Brief the W&WW committee monthly on the results and plan for procedure modification as advised by consultant.
 3. Review the SCADA update project with the W&WW committee to verify that it enhances treatment control and alarms
 4. Identify anticipated capital improvements for enhanced treatment

Project: Water Security

Objective

Increase water supply security for dry years through a combination of operating procedures, policies and contracting and investment

Goals

1. Implement production and bypass planning to maximize April 15th storage
2. Prioritize capital projects to improve system resilience, reduce losses and provide supply flexibility

Scope

1. Understand supply constraints for each of our water sources
2. Review operating and planning policies and recommend changes which would improve water supply security
3. Define contracting strategy for Napa water supply
4. Identify water supply leaks and establish plans for remediation
5. Define a recycled water strategy
6. Define a water conservation strategy
7. Revise water neutrality policy

Project: Preparation for Water and Wastewater Rate Study

Objective

Proactively prepare for a 5-year water and wastewater rate study.

Goals

1. Obtain and organize documents required by a rate study consultant.
2. Locate and prepare historical data required by a rate study consultant.
3. Obtain a checklist of required items from a rate study consultant to assist in a rate analysis.

Scope

1. Understand implications of Proposition 218 with respect to water and wastewater rates.
2. Understand the terminology used when discussing water and wastewater rates.
3. Current Water CIP and 5-year plan.
4. Current Wastewater CIP and 5-year plan.
5. Current Water and Wastewater Financials with 5-year forecast.
6. Details of water monthly consumption patterns by customer class.
7. Sufficient detail of costs to separate cost of water by source.
 - a. Bell Canyon Reservoir and Louis Stalla Water Plant.
 - b. Stonebridge Wells.
 - c. Purchased Napa Water.
8. Anything else suggested by rate study consultant.
9. All of the above organized in electronic format for use of the rate study consultant and the rate study committee.



Agenda Report to the Water and Wastewater Advisory Committee

DATE:	December 18, 2025
SUBJECT:	Discussion of Amending the Leak Adjustment Policy
RECOMMENDED ACTION:	
STATEMENT OF THE PURPOSE:	Review and discuss amending the leak adjustment policy.
FINANCIAL IMPACT:	The fiscal impact is unknown at this time and is dependent on City Council policy direction and number of leak adjustment applications

BACKGROUND:

On March 12, 2019, the City Council revised and updated Water Leak Adjustment Policy P-FI-0005. The policy provided customers experiencing a verified water leak the ability to request a leak adjustment equal to 50% of the difference between their leak-affected water use and their three-year average consumption.

Key changes included the removal of language stating that all Finance Director decisions were final and not subject to appeal. In its place, new provisions established a tiered appeal process: leak adjustments continue to be approved by the Finance Director or designee; however, if an adjustment is denied or falls outside the scope of the current policy, customers may appeal to the City Manager for bill credits or policy exceptions up to \$5,000. Requests exceeding \$5,000 must be considered by the City Council.

The 2019 revisions also expanded eligibility for non-residential sewer adjustments, allowing a 100% adjustment of excess sewer use when the leak occurred outdoors or when the customer can demonstrate that excess water did not enter the City's sewer system.

The updated policy established maximum adjustment amounts for all customer classes as follows:

Residential Water Cap: \$300

Non-Residential Water Cap: \$500

Non-Residential Sewer Cap: Limited to the number of calculated excess units

DISCUSSION:

Since the last revision to the Leak Adjustment Policy, the City has implemented several water rate increases. These adjustments have raised the cost per unit of water, reducing the number of units (HCF) that can be offset under the current leak adjustment caps.

Water Rate Increases Since Last Policy Update

Effective Date	Water Rate Increase %
11/08/2019	7%
11/08/2020	7%
11/08/2021	6.5%
09/01/2023	28%
07/01/2024	8%

1088 College Ave. | St. Helena, CA 94574
(707) 967-2792 | cityofstheleena.gov



07/01/2025	8%
------------	----

These cumulative increases have significantly raised the per-unit cost of water.

Current Cost per HCF (Tiered Rate Structure)		
Tier	Water Use Range (HCF)	Cost per HCF
Tier 1	1-6 HCF	\$6.99
Tier 2	>6-7 HCF	\$14.08
Tier 3	> 8 HCF	\$15.07

Previously, water rates were \$6.50 (off-peak) and \$7.23 (peak) per HCF—meaning the current Tier 3 cost now exceeds past rates by more than double. Because leak-related consumption typically falls into the highest tier, the increasing Tier 3 cost significantly reduces the number of HCF that can be offset within the existing dollar-based adjustment limits.

Impact on Existing Leak Adjustment Caps

- **Residential maximum credit (\$300):**
 - $\$300 \div \15.07 (Tier 3 rate) = **19.90 HCF**
- **Non-residential maximum credit (\$500):**
 - $\$500 \div \15.07 (Tier 3 rate) = **33.18 HCF**

Under the City's prior rate structure, the per-unit cost peaked at \$6.50 during off-peak months (November–April) and \$7.23 during peak months (May–October). This allowed nearly double the number of HCF to be offset with the same maximum credit. Because current per-unit costs are significantly higher, the number of units captured within the existing credit limits has been reduced, diminishing the policy's intended relief to customers experiencing legitimate leaks.

To ensure the Leak Adjustment Policy remains effective in providing meaningful relief for verified leak-related consumption, City staff is seeking feedback and guidance from the Committee on possible updates to the maximum one-time leak adjustment credit.



Agenda Report to the Water and Wastewater Advisory Committee

MEETING DATE:	December 18, 2025
SUBJECT:	Discussion of Possible Discontinuation of Monthly Potential Leak Letters
RECOMMENDED ACTION:	Provide input and direction regarding the possible discontinuation of the Monthly Potential leak Letters.
STATEMENT OF THE PURPOSE:	To receive input and direction on whether this communication program should be continued, modified, or discontinued.
FINANCIAL IMPACT:	Discontinuing the monthly leak letter program will reduce postage, paper, and staff time costs associated with the manual process.
PREPARED BY:	Ian Dale, Environmental Services Technician

BACKGROUND:

The City of St. Helena has historically sent monthly “Potential Water Leak” letters to customers when unusual or continuous water usage was detected, indicating a possible leak on the customer’s property. This manual notification process required staff review and mailing efforts each billing cycle.

The preparation and distribution of monthly potential water leak letters historically required approximately four (4) hours of staff time each month. Over the past two calendar years (2023 and 2024), the City issued an average of approximately 138 leak letters per month to customers identified as having potential water leaks based on meter data. Previously, not all customers had the Flume, which provided leak alerts.

Earlier this year, the City initiated a Capital Improvement Project to either replace existing water meters or upgrade them with smart water meters technology, capable of providing real-time water usage data (albeit with leak detection that is delayed by about 24 hours). This modernization project was undertaken to improve accuracy, efficiency, and customer engagement with water conservation efforts.

The transition to smart water meters and universal customer access to the EyeOnWater application will eliminate the need for this manual notification process, resulting in improved efficiency and time savings for staff.

DISCUSSION:

With the completion of the smart water meter replacement program, each water customer now has access to **EyeOnWater**, a web and mobile application that allows users to:

- Monitor water consumption in real time
- Receive leak notifications directly via email or text message
- Track hourly, daily, and monthly water usage
- Set customized alerts for unusual or continuous water use

1088 College Ave. | St. Helena, CA 94574
(707) 967-2792 | cityofstheleena.gov



Customers can access EyeOnWater by downloading the free app from their smartphone's app store or visiting the website on a desktop computer. To utilize the service, customers must create an account using their service address and account number found on their utility bill. It should be noted that despite the City's continued efforts to educate, inform, and assist water customer in setting up an EyeOnWater account, only 735 accounts have been created out of more than 2,600 customers.

As a result of this technology transition, the City is proposing to discontinue mailing monthly potential leak letters. This change will reduce administrative workload, save mailing costs, and provide customers with more immediate and detailed leak notifications than the traditional letter process allowed.

City staff will continue to assist customers with setting up EyeOnWater accounts and provide public information through the City's website, social media, and utility bill inserts to ensure a smooth transition.

Next steps if the City were to discontinue the letters:

The City will notify customers of this change through multiple outreach efforts, including:

- Notices in upcoming utility bills
- Posts on the City's website and social media
- Information available at City Hall and the Water Division office
- Customer assistance for EyeOnWater account setup

Prepared by Garry Rose

Proposal for Water Neutrality Policy and Water Agreements

Summary

The Water Neutrality Policy should re-examine the projected water consumption of 35 gallons per person per day, as this figure does not represent a reasonable or practical usage. A retrofit scenario to comply with water neutrality should include verification and compliance for each project. Since retrofit rarely applies to larger projects, an in-lieu fee approach is preferred. A paradigm shift is proposed for Water Neutrality when applying in-lieu fees. The proposal involves a restricted account for **Water Neutrality in lieu fees** to be used solely for water distribution repairs to mitigate unbilled water due to leaks and unauthorized use. Reducing unbilled water is equivalent to an added water source.

Water Agreements should be confined to water customers outside of the municipal boundaries. A consistent policy along with a written procedure for determining the annual water volume should be developed.

Overview

St. Helena implements a water neutrality policy for all new developments, mandating a comprehensive water demand analysis. Each proposed development must offset its projected increase in total water consumption by ensuring a corresponding reduction in water use within the existing community. The objective of water neutrality is to maintain or decrease overall water usage following the development, compared to levels prior to construction.

Water agreements were originally established as formal contracts between the City of St. Helena and water customers located outside the municipal boundaries. Historically, the St. Helena water enterprise provided these customers with potable water prior to any water agreement. The agreement obligates the city to maintain a continued water supply, subject to the terms and limitations specified within each individual contract. Recently, the city has requested water agreements for a very limited number of water customers within the municipal boundaries.

Water Neutrality Policy

Water Neutrality necessitates a comprehensive strategy. The current policy mandates the installation of water-efficient fixtures in all new construction and calls for the retrofitting of existing community fixtures to further reduce water consumption and ensure compliance with water neutrality standards. If these measures don't suffice, the city council may authorize in-lieu fees to fund future water conservation methods. Retrofitting existing community water fixtures is increasingly challenging as suitable opportunities become limited. For projects exceeding single-family residences scale, retrofitting alone is likely insufficient. Furthermore, the city currently lacks an established verification or compliance process for retrofit methodologies.

For larger offset requirements, in lieu fees are currently applied. No calculation procedure is specified in the current Water Neutrality Policy. Other water saving techniques are possible at the discretion of the city council.

Water Agreements

Water Agreements fulfill a distinct function separate from Water Neutrality. Originally, these agreements were established to commit the City of St. Helena to provide an ongoing water supply to both previous and current customers located outside the municipal boundaries. The annual allocation of water can differ markedly from one contract to another, and while the contracts are generally based on a standard template, each contains unique provisions. Water usage for each customer is measured and billed according to the prevailing billing schedule and

rates. Additionally, consumption exceeding the contractual volume typically incurs a monetary penalty, calculated as a percentage premium on the excess usage. There is no obvious method for determining the annual water volume allowed, except perhaps the historical consumption prior to finalizing the Water Agreement. Recently Water Agreements have been negotiated with a few large water consumers within the municipal boundaries. It is not obvious why this occurred, since Water Agreements with customers within the municipal boundaries are not necessary. It does add a compliance method to limit the annual water consumption, but only for the few customers that signed an agreement. Whether this is a good plan or good precedent is debatable.

Potential Improvements to Water Neutrality Policy and Water Agreements

Water Neutrality Policy

The Water Neutrality Policy would benefit from a more consistent calculation procedure when applying a retrofit scenario to satisfy the water consumption reduction. If in-lieu fees are to be utilized to meet water neutrality, the following may be considered.

Additional Water Source

If in-lieu fees are applied to a project, these fees should be calculated and structured to address the unmetered (unbilled) water and distribution system leakage. This unaccounted-for water amounts to approximately 20% of the total water supplied by the combination of Louis Stralla Water Treatment Plant, Stonebridge Wells, and Napa Water. This can be considered an “additional water source”. The in-lieu fees should be prioritized to use this “additional source” as credit for the required development difference between post-development and pre-development water consumption. The first step is to determine how much unbilled water there is.

- Install and/or calibrate meters measuring delivered water at Louis Stralla, Stonebridge, and Napa
- Coordinate delivered water meter data with customer meters
- Log as accurately as possible water used for hydrant or line flushing, backwashing, etc.
- Install portable meters at locations that identify sections of distribution piping suspected of significant leakage.
- Prioritize distribution repair or replacement to reduce leakage.

The in-lieu fee calculation will necessitate the development of a new metric that compares water consumption offsets to the costs associated with repairing the distribution network to mitigate water leakage. Whether considering a retrofit scenario or the implementation of in-lieu fees, it is recommended to review the use of 35 gallons/person/day as the projected water consumption rate. This figure represents slightly more than half of the allowance under phase 2 water restrictions and is not a reasonable estimate.

Water Agreements

Establish a consistent policy for determining water volume for Water Agreement annual consumption. Determine if Water Agreements for customers inside of the municipal boundaries is something that should be continued. If so, careful consideration is required to ensure equal and fair treatment of all customers. The Water Agreements should not be used as a substitute for Water Neutrality Policy. Additionally, the monetary penalty for exceeding the Water Agreement annual consumption should be carefully analyzed for compliance with Proposition 218.

Water Quality Improvement

City Council Presentation Item X Staff Briefing

By

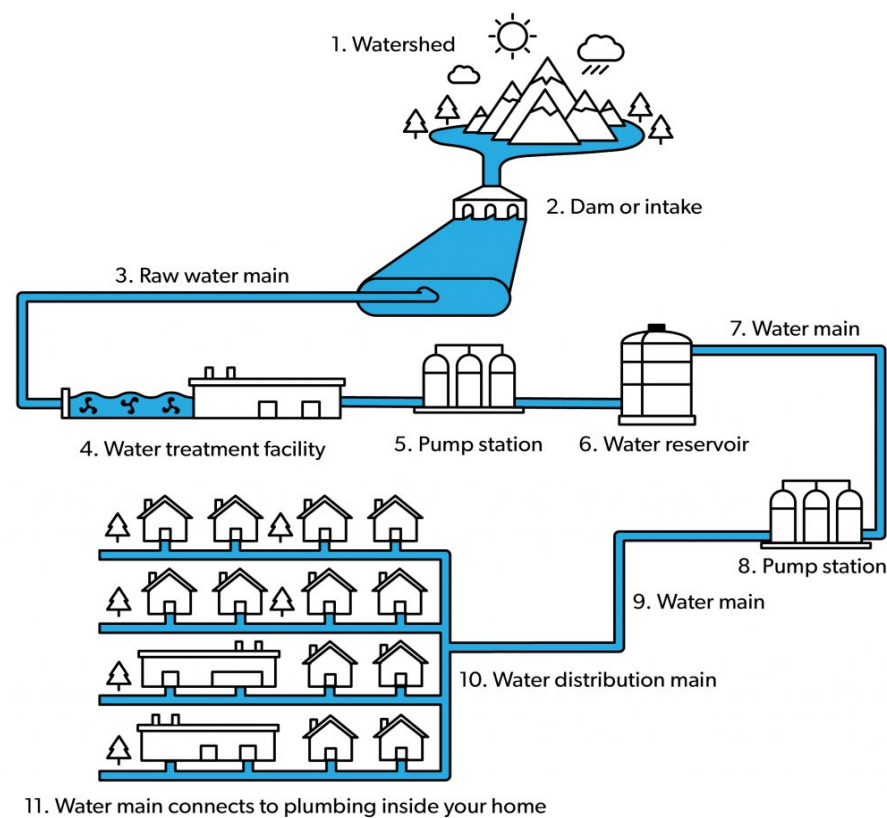
Water/Wastewater Advisory Committee

Water Quality Subcommittee

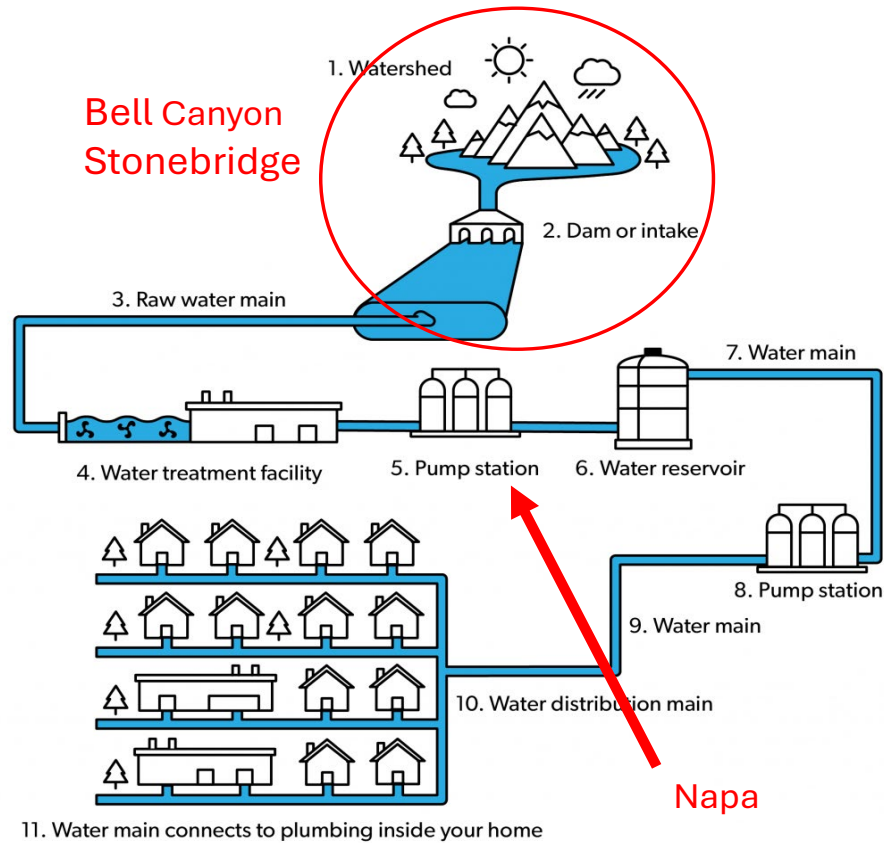
Jay Kouba & Peter White

October 14, 2025

St. Helena has a Typical Potable Water System

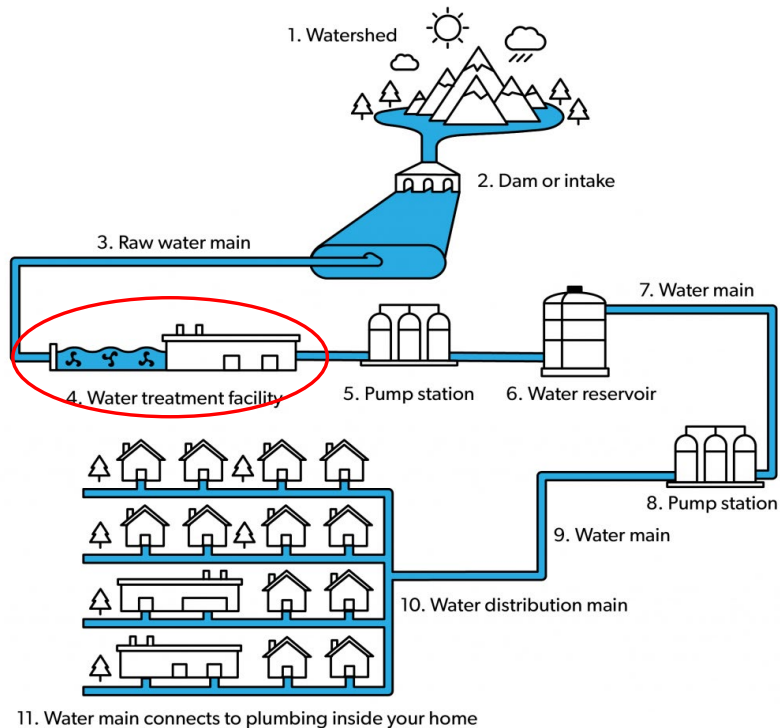


Our Water Comes from Three Sources



- Two sources of raw water
Bell Canyon Reservoir
Stonebridge Wells
- One source of treated water
Napa

Water Quality Problems Stem from Inadequate Raw Water Treatment

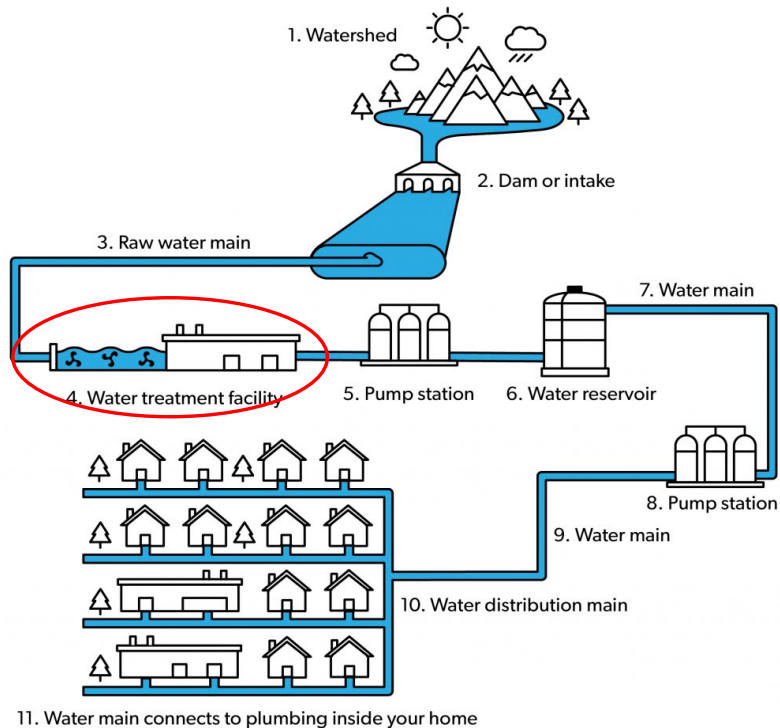


Solids and color in distributed water result primarily from inadequate removal of naturally occurring iron and manganese raw water during water treatment

Taste and odor in distributed water results primarily from inadequate removal of naturally occurring biological materials from raw water during water treatment

Distribution pipelines have years of accumulated solids which are resuspended when water velocity in the pipeline changes abruptly

First Step: Stop the Release of Iron, Manganese and Biologics into the Distribution System



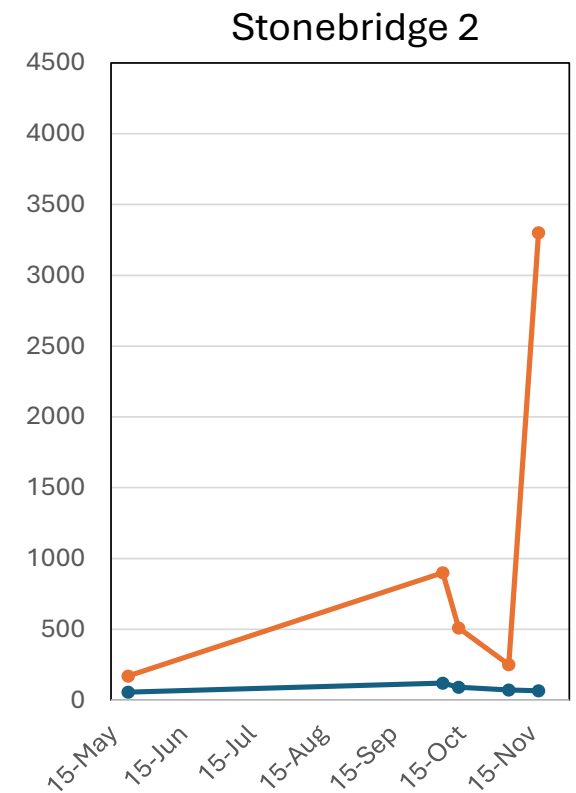
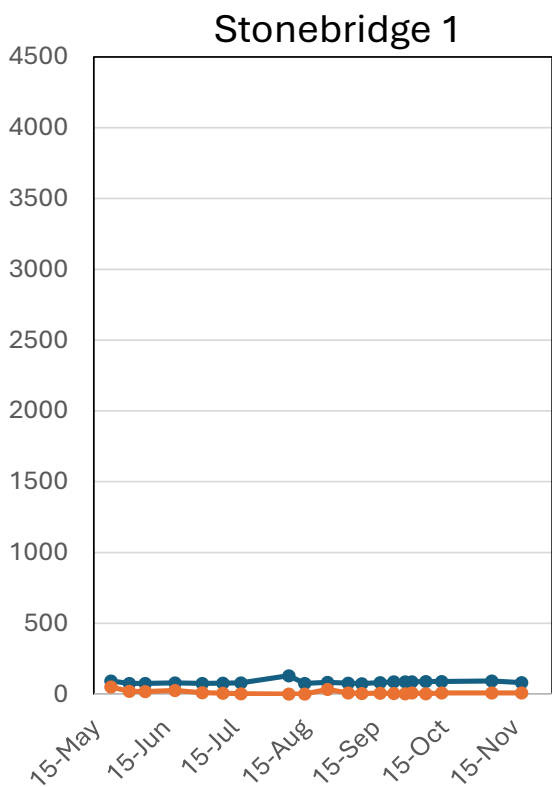
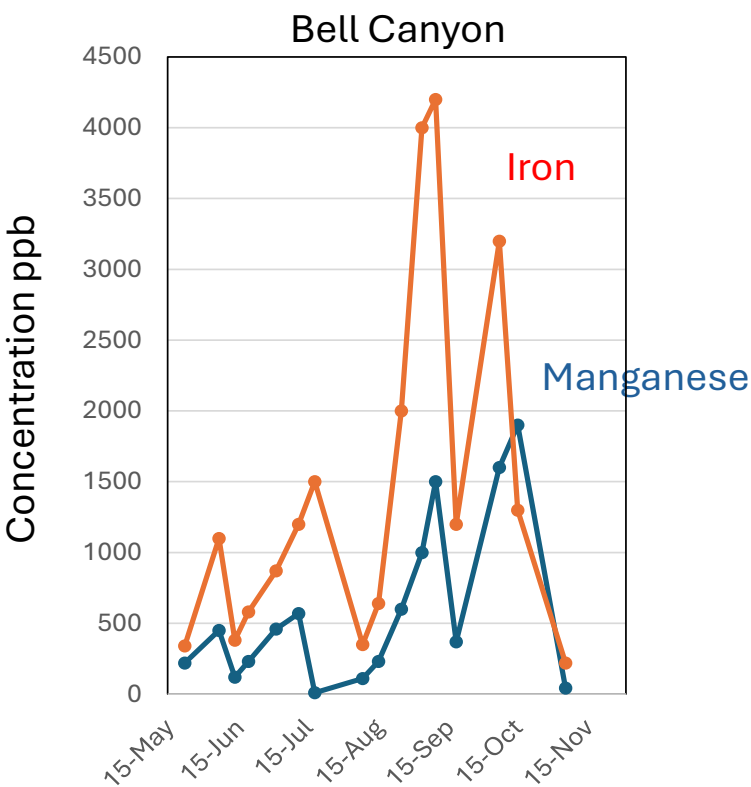
Implement and maintain a water analysis program to identify problems and monitor treatment performance (in place)

Modify water treatment procedures with advice of consultants, to enhance performance using the current equipment configuration (in progress)

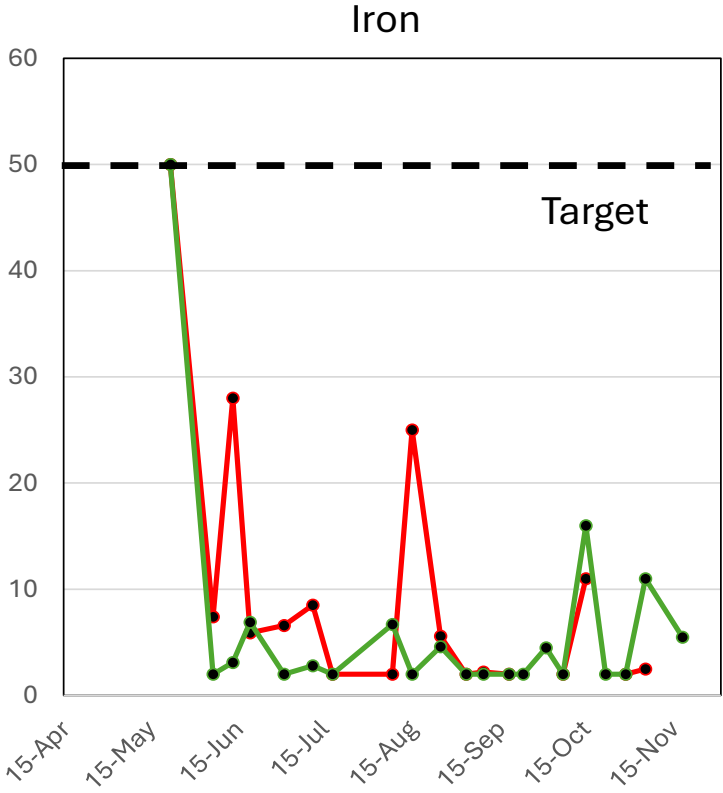
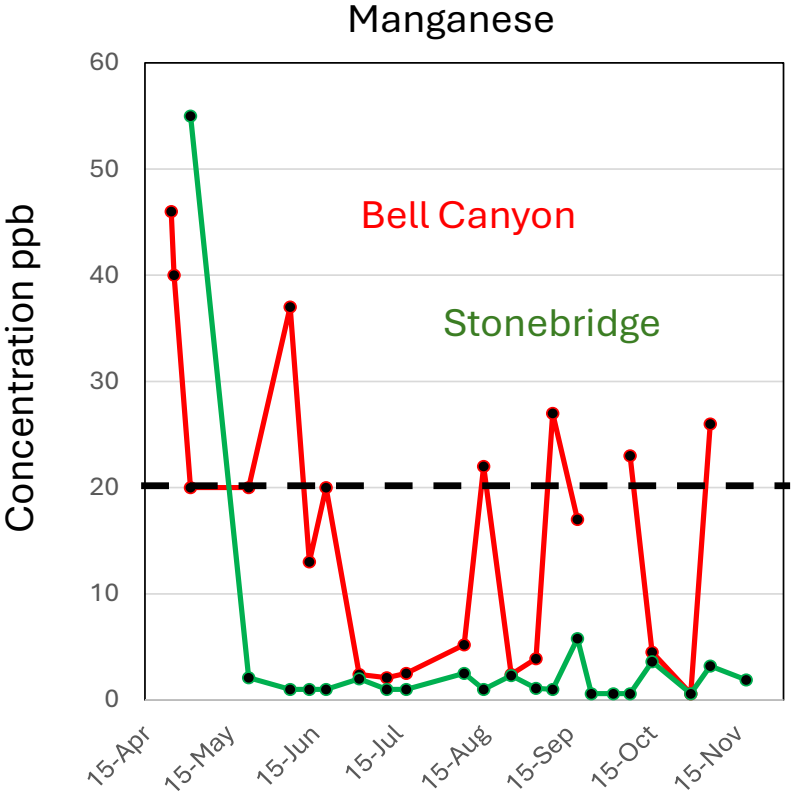
Implement and enhance continuous process control for real-time feedback control of treatment, rapid identification and response to interruptions, and minimization of abrupt water velocity changes (RFP in preparation)

Modify water treatment equipment and procedures to further enhance treatment. Duplicate critical equipment for reliability

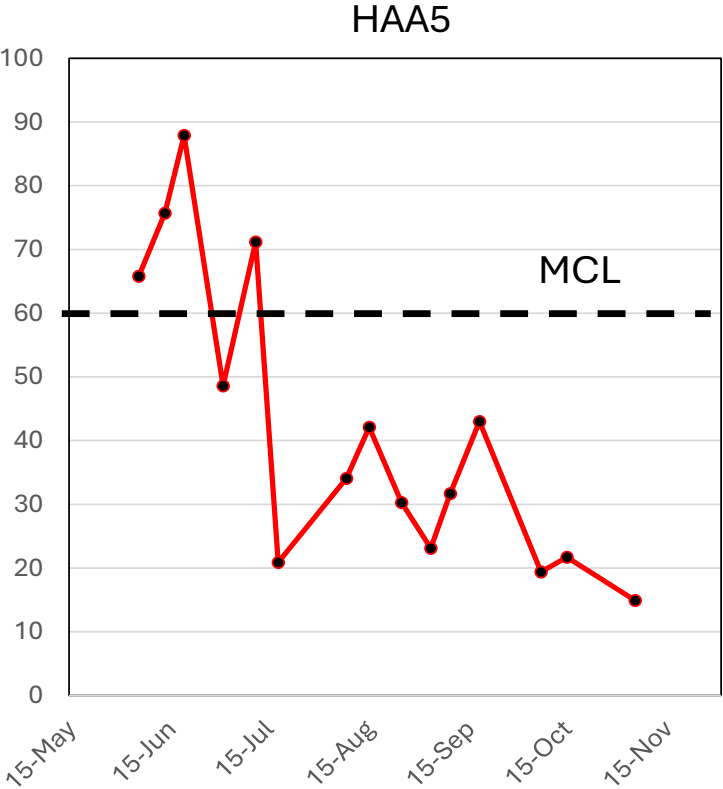
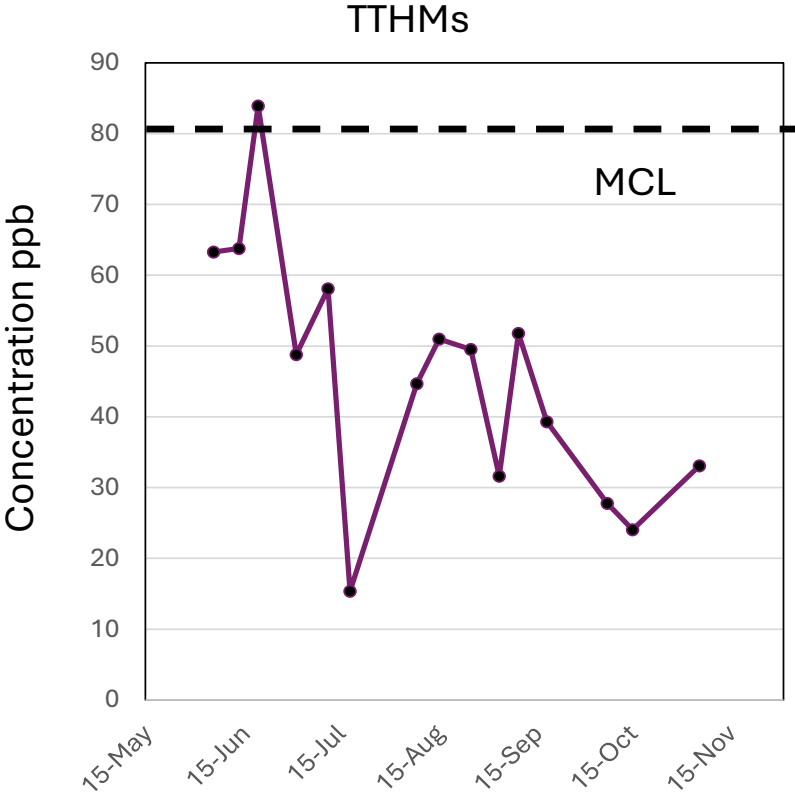
Metals in Raw Water are Highly Variable



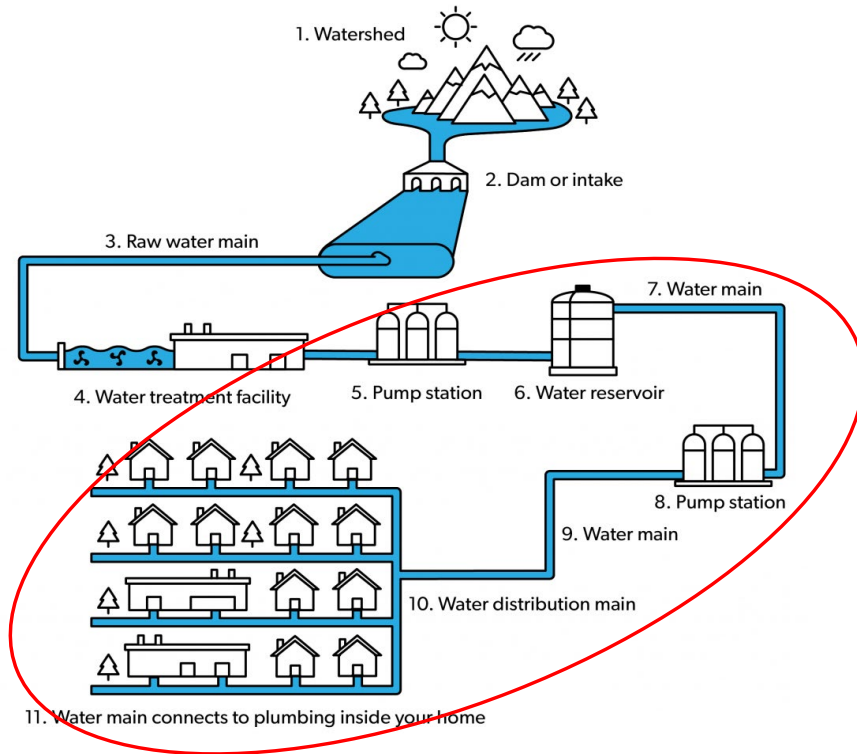
Treated Water Improvement: Iron below target, Manganese close to target



Regulated Disinfection By-Products



Once Water Treatment is Stabilized, Address the Distribution System

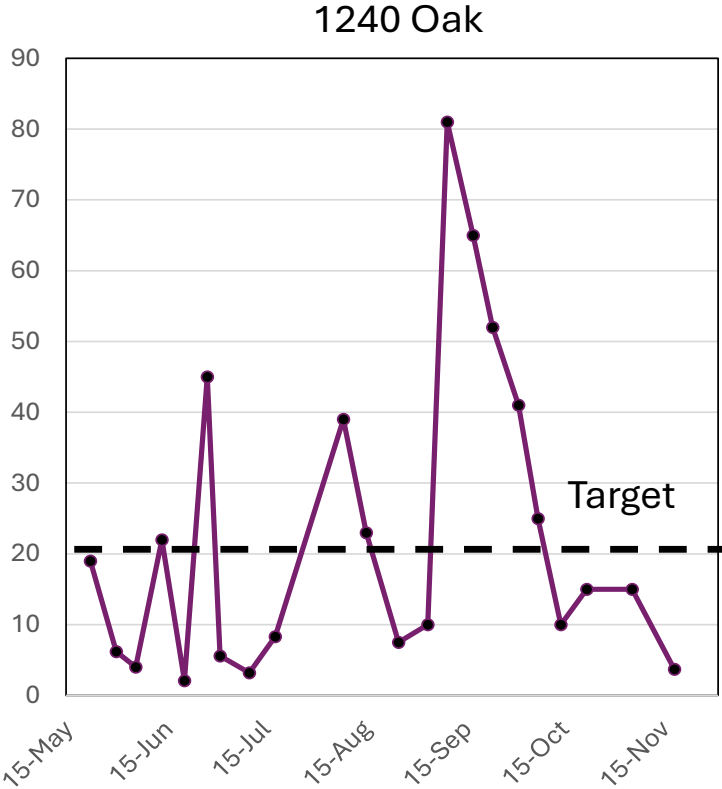
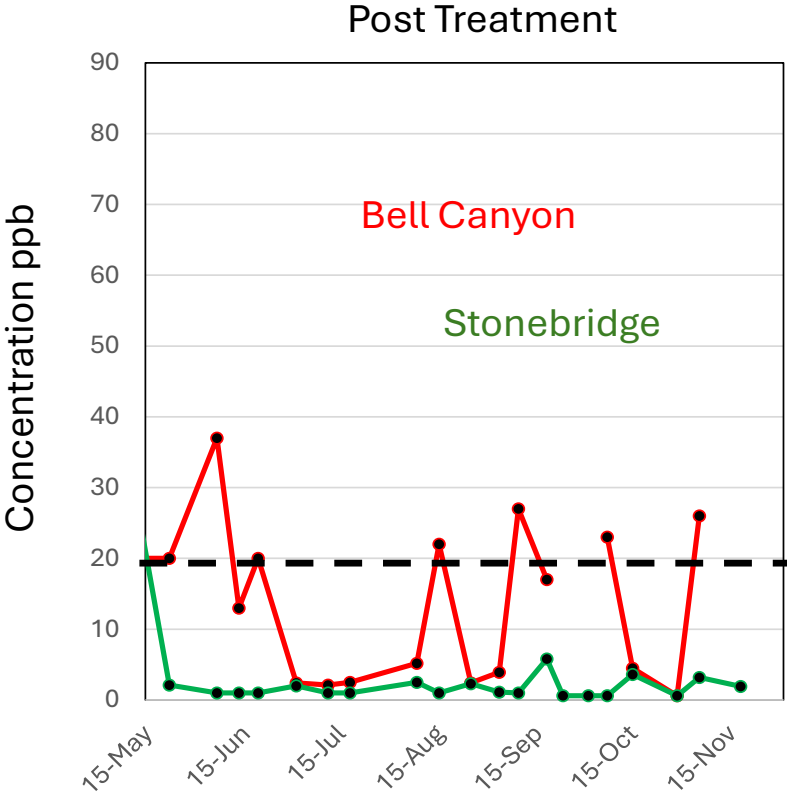


Reduce accumulated solids in distribution pipelines through flushing

Increase pH of distributed water to minimize corrosion

Replace iron water mains with non-corroding pipelines

Manganese higher in distribution – Accumulated sediments



Recommended Path Forward

Expand the water analysis program to includes Napa water at Rutherford and four distribution locations within the city

Provide updates to the W&WW committee on progress and plans for improvement of water treatment through changes in equipment, procedures and automation

Plan and execute a pipeline sediment removal project using more aggressive techniques than hydrant flushing which may include pigging, ice pigging or swabbing

Communicate efforts and outcomes to the public at least quarterly