



Mayor: Alan Galbraith
Vice Mayor: Peter White
City Council: Sharon Crull
Paul Dohring
Greg Pitts

St. Helena City Council
Meeting

September 27, 2016

6:00 PM Regular Meeting

Vintage Hall Board Room – Second Floor

465 Main Street, St. Helena

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 three minutes.

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. PUBLIC FORUM:** Members of the public are entitled to speak on matters of municipal concern not on the agenda during Public Forum. Each person’s comments shall be limited to 3 minutes. Each person is entitled to speak on any non-agendized item only once at any meeting. Brief questions by Councilmembers for clarifications may be posed and answered, and Councilmembers may make requests that items be placed on future agendas, but in accordance with state law, no substantive discussion or action may take place unless and until the matter properly appears on the agenda.
- 5. REPORTS BY STAFF AND CITY COUNCIL, FUTURE AGENDA ITEMS, and AB 1234 REPORTS:** Reports by staff and/or Councilmembers on items of general interest. Brief questions for clarification may be posed and answered, and Councilmembers 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 City Council.

PRESENTATIONS AND PUBLIC RECOGNITIONS

6. Proclamation – Latino Heritage Month presented to Volunteer Coordinator & Librarian Mari Martinez Serrano and Development & Communications Associate/Youth Specialist of the UpValley Family Centers Ricky Hurtado
7. Proclamation – Fire Prevention Week October 9 – 15, 2016 presented to St. Helena Fire Department

STAFF BRIEFING

8. Monthly water wise update presented by Jennifer Tuell, Water Conservation Coordinator

CONSENT ITEMS: Members of the Council 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, one motion may be used to adopt all recommended actions. (Roll Call Vote)

9. Consideration and proposed approval of Regular Meeting Minutes of September 13, 2016

CEQA Status: Not a CEQA Project
Prepared By: Cindy Black, City Clerk
Recommendation: Adopt

10. Consideration and proposed approval of a Resolution approving a sole source purchase for one (1) Gear Box from Philadelphia Mixing Solutions for the Wastewater Treatment and Reclamation Plant in an amount not to exceed \$35,000

CEQA Status: Not a CEQA Project
Prepared By: Steven Palmer, PE, Director of Public Works/City Engineer
Recommendation: Adopt

11. Consideration and proposed approval of a resolution authorizing amendment to the Memorandum of Understanding between the St. Helena Police Officer Association and the City of St. Helena amending an administrative error correcting Non-sworn Personnel 7/1/16 increase to base pay to be 4.5%, which had incorrectly stated that the Non-sworn Personnel 7/1/16 increase to base pay was 3.5%; and duly adopt and approve compensation schedule to reflect the updated pay schedules

CEQA Status: Not a CEQA Project
Prepared By: Kathy Robinson, Human Resources and IT Director
Recommendation: Adopt

12. Consideration and proposed approval of a resolution authorizing a budget increase of \$2,000 to 101-4000-2999, a \$2,000 transfer from 101-4000-2999 to Tree City USA 283-5026-2136, and a \$2,000 budget adjustment to increase revenue account 101-3470-0000 for mitigation received from Pacific Gas and Electric Company (PG&E) for gas safety work being conducted as part of PG&E's Community Pipeline Safety Initiative in the City of St. Helena

CEQA Status: Project is deemed to qualify for a Statutory Exemption under CEQA Section 15282 (K) and a Class 1 Categorical Exemption under Section 15301 and is therefore exempt from the requirements of CEQA
Prepared By: April Mitts, Finance Director
Steven Palmer, PE, Public Works Director/City Engineer
Recommendation: Adopt

- 13.** Consideration and Proposed Adoption of Resolution Authorizing a Site Agreement with EVgo and approving the installation of DC Fast Charging Stations at the Oak Street/Money Way Public Parking Lot in downtown St. Helena at no cost to the City

CEQA Status: Categorically Exempt, Section 15301 minor alterations to existing facilities
Prepared By: Tobias Barr, Public Works Project Manager
Steven Palmer, PE, Public Works Director/City Engineer
Recommendation: Adopt

- 14.** Consideration and proposed adoption of a resolution accepting the work and directing the filing of the Notice of Completion for the Bell Canyon Reservoir – Install New Frame and Sluice Gate on Water Intake Tower, Capital Improvement Project W-84

CEQA Status: Categorically Exempt, Section 15301, Existing Facilities Class I
Prepared By: Tobias Barr, Public Works Project Manager
Steven Palmer, PE, Public Works Director/City Engineer
Recommendation: Adopt

NEW BUSINESS:

- 15.** Second reading and proposed adoption of an ordinance authorizing an amendment to the Contract between the City Council of the City of St. Helena and the Board of Administration of the California Public Employee's Retirement System

CEQA Status: Not a CEQA Project
Prepared By: Mandy Kellogg, Administrative Services Manager
Recommendation: Adopt

- 16.** Consideration and proposed approval of a resolution appointing an applicant to fill the vacant Library Board of Trustees position expiring on June 30, 2018; and provide additional direction regarding the unfilled Tree Committee position

CEQA Status: Not a CEQA Project
Prepared By: Cindy Black, City Clerk
Recommendation: Appoint and provide additional direction to staff

- 17.** Consideration and proposed adoption of a resolution accepting the Water and Waste Water Rate Study and to proceed with the Proposition 218 requirements for a Water and Wastewater Rate Increase

CEQA Status: Not a CEQA Project
Prepared By: Jennifer Tuell, Water Conservation Coordinator
Steven Palmer, PE, Director of Public Works/City Engineer
Recommendation: Adopt

18. Overview of project teams and presentation seeking general input on the conceptual designs submitted in response to the City's Request for Proposals on the Adams Street and City Hall properties

CEQA Status: Any chosen respondent's project will be subject to a complete review and analysis under CEQA

Prepared By: Jennifer Phillips, City Manager
Noah Housh, Planning and Community Improvement Director

Recommendation: Provide general comments

ADJOURNMENT The next Regular City Council meeting is scheduled for October 11, 2016, at 6:00 p.m. in the Vintage Hall Board Room located at 465 Main Street.

This agenda was posted at City Hall, 1480 Main Street, and at Vintage Hall, 465 Main Street, St. Helena, California on September 21, 2016.



Cindy Black, City Clerk

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) 967-2792. 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.

CHALLENGING DECISIONS OF CITY ENTITIES

The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City of St. Helena is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision, including without limitation Government Code section 65009 applicable to many land use and zoning decisions, Government Code section 66499.37 applicable to the Subdivision Map Act, and Public Resources Code section 21167 applicable to the California Environmental Quality Act (CEQA). Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. Government Code section 65009 and 66499.37, and Public Resources Code section 21167, impose shorter limitations periods and requirements, including timely service in addition to filing.

If a person wishes to challenge the above actions in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of St. Helena, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

SUPPLEMENTAL MATERIAL RECEIVED AFTER THE POSTING OF THE AGENDA

Any supplemental writings or documents distributed to a majority of the City Council regarding any item on this Agenda, after the posting of the Agenda, will be available for public review in the City Clerk's Office located at 1480 Main Street, St. Helena, California, during normal business hours. In addition, such writings or documents will be made

available on the City's web site at <http://cityofsthelena.org> and will be available for public review at the respective meeting.

THIS PAGE IS
INTENTIONALLY
BLANK

CITY OF ST. HELENA PROCLAMATION
LATINO HERITAGE MONTH

September 15 – October 15, 2016

WHEREAS, on August 17, 1988, Public Law 100-402, authorized the President of the United States to annually commemorate National Hispanic Heritage Month (observed in Napa valley as Latino Heritage Month) from September 15 to October 15; and

WHEREAS, National Latino Heritage Month is an opportunity to celebrate the rich cultural traditions and honor the significant achievements of our Latino American communities; and

WHEREAS, Latinos are the largest ethnic minority group in the country, the fastest growing minority community in the commonwealth, and make valuable contributions to the commonwealth in business, industry, government, education, the sciences, arts, and faith; and

WHEREAS, Latinos have served with distinction in military conflicts since the Revolutionary War and continue to defend our country today as members of the Armed Forces. These brave men and women bring us honor and we are grateful for their service and sacrifice; and

WHEREAS, this month includes the anniversaries of independence for Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Chile, Belize and Mexico; and

WHEREAS, the respective backgrounds of Latino Americans and their dedication to family values are an integral part of St. Helena. They have made enormous contributions to our diverse society by sharing their talents, culture, traditions, and their deep connection to family values. With a commitment to faith and a desire to live the American dream and Latino St. Helenian's embrace the ideals upon which the commonwealth was founded.

Now, therefore let it be resolved, that I, Alan Galbraith, Mayor of the City of St. Helena, do hereby proclaim September 15- October 15, 2016, as **LATINO HERITAGE MONTH** in St. Helena. I join with all Americans in celebrating the heritage and achievements of Latino Americans and recognizing their contributions to our nation.

Dated: September 27, 2016

Alan Galbraith, Mayor

City of St. Helena

THIS PAGE IS
INTENTIONALLY
BLANK

City of St. Helena Proclamation
Fire Prevention Week October 9 – 15, 2016

WHEREAS, the City of St. Helena is committed to ensuring the safety and security of all those living in and visiting St. Helena; and

WHEREAS, fire is a serious public safety concern both locally and nationally, and homes are where people are at greatest risk from fire; and

WHEREAS, U.S. fire departments responded to 369,500 home fires in 2014, according to the National Fire Protection Association (NFPA); and

WHEREAS, U.S. home fires resulted in 2,745 civilian deaths in 2014, representing the majority (84 percent) of all U.S. fire deaths;

WHEREAS, in one-fifth of all homes with smoke alarms, the smoke alarms are not working; and

WHEREAS, three out of five home fire deaths result from fires in properties without smoke alarms (38 percent) or with no working smoke alarms (21 percent); and

WHEREAS, working smoke alarms cut the risk of dying in reported home fires in half; and

WHEREAS, all smoke alarms should be replaced at least once every ten years; and

WHEREAS, City of St. Helena's first responders are dedicated to reducing the occurrence of home fires and home fire injuries through prevention and protection education; and

WHEREAS, St. Helena's residents are responsive to public education measures and are able to take personal steps to increase their safety from fire, especially in their homes; and

WHEREAS, the 2016 Fire Prevention Week theme, "Don't Wait – Check the Date! Replace Smoke Alarms Every 10 Years" effectively serves to educate the public about the vital importance of replacing the smoke alarms in their homes at least every ten years, and to determine the age of their smoke alarms by checking the date of manufacture on the back of the alarms.

Now, therefore let it be resolved, that I, Alan Galbraith, Mayor of St. Helena, do hereby proclaim October 9-15, 2016, as Fire Prevention Week throughout this city. I urge all the people of St. Helena to find out how old the smoke alarms in their homes are, to replace them if they're more than 10 years old, and to participate in the City of St. Helena's 22nd Annual Open House Event during Fire Prevention Week 2016.

Dated: September 27, 2016

Alan Galbraith, Mayor
City of St. Helena

THIS PAGE IS
INTENTIONALLY
BLANK

**Minutes
St. Helena City Council
September 13, 2016**

**6:00 P.M. REGULAR MEETING
465 MAIN STREET, ST. HELENA
VINTAGE HALL BOARD ROOM – SECOND FLOOR**

A complete video recording of this meeting, except for closed session, can be found at www.cityofstheleena.org or by calling the City Clerk at (707) 967-2792. The City Council video is the official record of the Council meeting.

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Present: Councilmembers Crull, Dohring, Pitts, White, Mayor Galbraith
Absent: None

4. PUBLIC FORUM:

No public comment received.

5. REPORTS BY STAFF AND CITY COUNCIL, FUTURE AGENDA ITEMS, and AB 1234 REPORTS:

Finance Director April Mitts announced that she will be out of the office from September 26-30, 2016, attending a training academy by Government Finance Officers Association (GFOA).

Planning and Community Improvement Director Noah Housh reported that the Hunter EIR is available to view and comment period ends soon. Also, the Adams Street and City Hall RFP Community Workshop will be held on October 19, 2016 starting at 4:00 pm.

Police Chief William Imboden announced the department has two new Police Officers and Chris Hartley was promoted to Lieutenant.

Library Director Chris Kreiden shared information regarding two upcoming events which are the Latino Heritage Month and the Spiderman visit to the Library. She also noted the Library had 499 children signed up for the summer reading program and 1, 226 volunteer hours.

Councilmember Dohring noted the community Mexican Independence Celebration will take place on September 16, 2016 at Lyman Park. Also, the Catholic Church will be holding a Blue Mass honoring 1st responders.

Vice Mayor White reminded the community about the upcoming Napa Valley Ground Water Sustainability Study WICC Workshop at the NVTPA Boardroom on September 22, 2016 at 3:00 pm.

Mayor Galbraith acknowledged the Recreation Department for a successful summer bocce season.

CONSENT ITEMS: Members of the Council 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, one motion may be used to adopt all recommended actions. (Roll Call Vote)

6. Consideration and proposed approval of Regular Meeting Minutes of August 23, 2016
CEQA Status: Not a CEQA Project
Prepared By: Cindy Black, City Clerk
Recommendation: Adopt
7. Consideration and proposed approval of a resolution 2016-117 setting a hearing to approve the annexation of territory into the St. Helena Municipal Sewer District No. 1, MSD Annexation No. 129 (1357 El Bonita Avenue, St Helena, CA. APN. 009-431-003)
Prepared By: Christina Cook, Public Works Administrative Assistant
Steven Palmer, PE, Director of Public Works/City Engineer
CEQA Status: Categorically Exempt, CEQA Guidelines Section 15319, Annexations of Existing Facilities and Lots for Exempt Facilities, and Section 15061, No Possibility of Significant Effect on the Environment
Recommendation: Adopt
8. Consideration and proposed approval of a Resolution 2016-118 approving a MOU between the St. Helena School District and the St. Helena Recreation Department to provide services for an After-School Enrichment Program for the St. Helena Primary and St. Helena Elementary Schools for the period August 1, 2016 – June 30, 2017
CEQA Status: Not a CEQA Project
Prepared By: Haidi Arias, Recreation Director
Recommendation: Adopt
9. Consideration and proposed resolution 2016-119 approving temporary closure of Oak Avenue and Adams Street and authorizing possession of open alcoholic beverages on those public streets for the October 15, 2016 Hometown Harvest Festival
CEQA Status: Categorically Exempt, Section 15323
Prepared By: Haidi Arias, Recreation Director
Recommendation: Adopt
10. Consideration and proposed approval of a resolution 2016-120 approving out-of-state travel for City Manager Jennifer Phillips to attend a Harvard Kennedy School

Program in Cambridge, Massachusetts September 18-23, 2016 for a total not to exceed amount of \$9,000

CEQA Status: Not a CEQA Project

Prepared By: Jennifer Phillips, City Manager

Recommendation: Adopt

- 11.** Consideration and proposed approval of a resolution 2016-121 approving a Budget adjustment transferring the remaining \$444.52 in Fund 380-4600-2244 for Elsie the Library Cat from Fiscal Year 2015/16 to Fiscal Year 2016/17

CEQA Status: Not a CEQA Project

Prepared By: Chris Kreiden, Library Director

Tracey Perkosky, Grants and Finance Manager

Recommendation: Adopt

- 12.** Consideration and proposed approval of a resolution 2016-122 and rescinding resolution No. 2015-147 adopting Investment Policy for the City of St. Helena and review Annual Investment Report

CEQA Status: Not a CEQA Project

Prepared By: Jennifer Phillips, City Manager

April Mitts, Finance Director

Recommendation: Adopt

- 13.** Consideration and proposed approval of a resolution 2016-123 authorizing the St. Helena High School annual homecoming parade on Main Street and authorizing City staff to assist with traffic control before, during, and after the parade

Prepared By: Christina Cook, Public Works Administrative Assistant

Steven Palmer, PE, Director of Public Works/City Engineer

CEQA Status: Categorically Exempt, Section 15323, Normal Operations of Facilities for Public Gatherings

Recommendation: Adopt

- 14.** Consideration and proposed approval of a resolution 2016-124 authorizing amendment to Unrepresented Compensation Resolution to include a new compensation schedule for the Assistant Public Works Director position and for the position to receive 40 additional hours of executive leave per the same conditions as at-will executive positions

CEQA Status: Not a CEQA Project

Prepared By: Mandy Kellogg, Administrative Services Manager

Kathy Robinson, Human Resources and IT Director

Recommendation: Adopt

- 15.** Consideration and proposed approval of a resolution 2016-125 approving the First Amendment to the Professional Service Agreement, with Hansford Economic Consulting to provide additional work outside the original Water and Waste Water Rate Study scope, increasing the contract amount by \$13,020 for a total contract of \$61,370; and authorizing a budget increase of \$13,020 split equally between accounts 561-4300-2130 and 571-4300-2130. Funds for 561 will be taken from the Water Enterprise Unrestricted Net Position and funds for 571 will be transferred from the Wastewater Capital Project Fund to the Wastewater Operating Fund identified above.

Prepared By: Jennifer Tuell, Water Conservation Coordinator
Steven Palmer, PE, Director of Public Works/City Engineer
CEQA Status: Not a CEQA project
Recommendation: Adopt

Vice Mayor White moved to approve Consent Items 6-15. The motion was seconded by Councilmember Crull and on roll call carried by the following vote:

AYES: Councilmembers White, Crull, Pitts, Dohring and Mayor Galbraith

NOES: None

ABSENT: None

NEW BUSINESS:

16. Annual Residential Growth Management Update

CEQA Status: Project is found to be in compliance with the City of St Helena General Plan, including the Housing Element and have no specific environmental impacts requiring mitigation and therefore is consistent with the requirements of CEQA under Section 15183

Prepared By: Noah Housh, Planning and Community Improvement Director
Recommendation: Receive and Provide direction

Planning and Community Improvement Director Noah Housh reported on this item.

Joe McGrath and Bobbie Monnette addressed the City Council.

It was the consensus of the City Council to:

- Explore incentive options, but no direction at this time because additional information is needed.
- Defining workforce housing would allow a better understanding for incentives.
- Addressing/fixing timing of allotment issues.

The City Council directed staff to explore incentivizing options that would provide community benefit/reduce community impacts.

17. Presentation by PD Staff showing the new style of load bearing and non-load bearing ballistic vest choices for Police Officers

CEQA Status: Not a CEQA Project
Prepared By: William Imboden, Chief of Police
Recommendation: Information only

Chief of Police William Imboden reported on this item and provided the Council with a picture of one load bearing style and Lieutenant Hartley demonstrated the other load bearing style.

No public comment was received.

- 18.** Report to City Council on the regularly scheduled State Revolving Loan Fund (SRF) payment of \$526,805 for the Comprehensive Flood Control Project for FY 16/17
CEQA Status: Not a CEQA Project
Prepared By: April Mitts, Finance Director
Tracey Perkosky, Grants & Finance Manager
Recommendation: Receive and file

Finance Director April Mitts reported on this item.

Bobbie Monnette addressed the Council.

- 19.** Professional Standards Established by the International City/County Management Association
CEQA Status: Not a CEQA Project
Prepared By: Jennifer Phillips, City Manager
Recommendation: Receive and file

City Manager Jennifer Phillips reported on this item.

Bobbie Monnette addressed the City Council.

It was the consensus of the City Council to consider making a policy decision in the future to change City Manager employment requirements to include ICMA membership and also be credentialed through ICMA. Also, the City Council encourages abiding by the ICMA Code of Ethics and affiliated professional organization.

- 20.** Council Discussion of Measure D and Potential Budget Adjustments
CEQA Status: Not a CEQA Project
Prepared By: Jennifer Phillips, City Manager
Recommendation: Information only

City Manager Jennifer Phillips reported on this item.

Adhoc Revenue Source Task Force member Jack Stuart addressed the City Council.

It was the consensus of the City Council to direct staff to schedule community workshops for public education.

ADJOURNMENT

Mayor Galbraith adjourned the meeting at 8:49 p.m.

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Black, City Clerk

THIS PAGE IS
INTENTIONALLY
BLANK



**Report to the City Council
Council Meeting of September 27, 2016**

Agenda Section: Consent

Subject: Consideration and proposed approval of a Resolution approving a sole source purchase for one (1) Gear Box from Philadelphia Mixing Solutions for the Wastewater Treatment and Reclamation Plant in an amount not to exceed \$35,000

CEQA Status: Not a CEQA project

Prepared By: Steven Palmer, PE, Director of Public Works/City Engineer

A handwritten signature in blue ink, likely belonging to Steven Palmer, is located to the right of the "Prepared By" line.

Approved By:  Jennifer Phillips, City Manager

BACKGROUND

The chlorination process at the Wastewater Treatment and Reclamation Plant (WWTRP) uses a mixer in order to properly distribute chemicals into the wastewater. Proper mixing is important to ensure the wastewater is adequately chlorinated and disinfected prior to discharge to the Napa River.

This mixer at the WWTRP was installed in 1988 and has roughly 96,000 hours of run time. The gear box part for the mixer is nearing the end of its useful life and needs to be replaced.

Without this equipment, the plant will not be able to properly treat wastewater prior to discharge to the Napa River.

DISCUSSION

The current mixer is manufactured and sold by Philadelphia Mixing Solutions. The gear box part is integral to the mixer and there are no aftermarket gear boxes that are compatible with the mixer. The only gear box that is compatible with the mixer is manufactured by the original equipment manufacturer, Philadelphia Mixing Solutions.

Philadelphia Mixing Solutions is the inventor, owner, manufacturer, and sole provider of the mixer equipment as well as the exclusive provider for service parts. A price quote and sole source letter from Philadelphia Mixing Solutions are included in this staff report as Attachments 1 and 2.

Item No: 10

St. Helena Municipal Code, Section 3.04.140 B provides that commodities or services that can be obtained from only one vendor, or one distributor authorized to sell in this area, are exempt from the competitive bidding requirements in Section 3.04.100 provided that written documentation indicating the facts and nature supporting the determination of a sole source. Approval of any sole source acquisition shall be obtained from the city council for an award of a contract or purchase order greater than twenty-five thousand dollars (\$25,000.00).

Philadelphia Mixing Solutions is the sole distributor of parts for the mixer, and a sole source acquisition is appropriate.

FISCAL IMPACT

The gear box will cost \$25,932.00 plus tax and shipping, for a not to exceed amount of \$35,000. Funds for the purchase of a gear box were included in the adopted FY 2016/17 Waste Water Treatment Plant operating budget.

RECOMMENDED ACTION

Approve the attached resolution approving the sole source purchase for one gear box from Philadelphia Mixing Solutions in an amount not to exceed \$35,000.

ATTACHMENTS

1. Philadelphia Mixing Solutions Quote
2. Letter of Sole Source
3. Resolution

Attachment 1



City of St Helena
1480 Main St
Attn Accounts Payable
St Helena CA 94574
United States
P: 707-968-2758
F: 707-963-7748
E: jamesk@ci.st-helena.ca.us

Philadelphia Mixing Solutions
1221 East Main St.
Palmyra PA 17078
United States

T: 717-832-2800

Sales Person: Pacific Water Resources

Email:

Phone:

Quote Number: 63211

Date: 9/2/2016
Expires: 10/2/2016
Reference:

Prices are quoted PPD/ADD

To obtain the special ratio of 29/125, add \$3,875 to order.

Line	QTY	UM	Part	Description	Unit Price	Price Ext.
2	1.00	EA	A5BZBJ-00000-001	3805 s, PTO, 29.125	25,932.00	25,932.00

Lead Time: 16 weeks

TOTAL \$: 25,932.00

Shipment Method:

Payment Terms: Net 30 Days

The standard lead time mentioned herein is based upon current shop load and inventory; shipment of the equipment and spare parts can be made approximately at the time noted, either after the receipt of a purchase order (ARO) or the release for manufacture by the customer (ARAD). Manufacturing lead time is to be confirmed at receipt of order, and it may be subject to change in circumstances where parts are unavailable or current shop workload does not allow for timely manufacturing. All prices are FOB Palmyra and do not include lowest motor freight to jobsite. Expedited Delivery available upon request.

NOTICE

The Materials contained in this presentation are deemed confidential and proprietary work product of Philadelphia Mixing Solutions, Ltd. Any reproduction, distribution, or sharing of the contents, in whole or in part, with an individual or entity other than the direct recipient of this material, its authorized agents, or employees is strictly prohibited. Philadelphia Mixing Solutions, Ltd. retains all rights herein.

PHILADELPHIA MIXING SOLUTIONS, LTD.
STANDARD TERMS AND CONDITIONS OF SALE

GOVERNING TERMS

These terms and conditions and those stated in Seller's proposal or quotation shall exclusively govern the transaction of sale of goods between Customer and Philadelphia Mixing Solutions, Ltd., a Pennsylvania Corporation ("Seller"), described on the front side of this form, provided that any terms set forth on the front side hereof or in Seller's quotation which differ from, conflict with or add to the terms set forth below shall govern. Seller hereby objects to any additional, conflicting or different terms or conditions proposed by Customer prior or subsequent to the date hereof, including any such terms or conditions contained in the Customer's order or other Customer document. Acceptance of Seller's offer or counteroffer by acknowledgement is expressly limited to these Terms, which may not be modified except in writing, executed by the President or a Vice President of Seller.

GENERAL

Stenographic and clerical errors are subject to correction. All price lists and discount schedules of Seller are subject to change without notice. Further, unless otherwise stated on the front side of this form, if the delivery date of a product sold hereunder is more than three months after the order date, Seller may assess an additional fee to compensate Seller for any increase in raw material costs incurred between the date of order and date of delivery.

PROPRIETARY MATERIAL

All specifications, drawings, technical data and engineering information supplied to Customer by Seller constitute Seller's proprietary intellectual property, shall be used solely in connection with this order, shall not be disclosed to others without Seller's written consent and shall be returned upon request.

DISPUTES

All disputes, claims or controversies arising out of or in any way relating to the sale of products by Seller to Customer shall be governed by Pennsylvania law without regard to conflicts of law and shall be settled by arbitration in accordance with the rules for Construction Industry Arbitrations of the American Arbitration Association with all proceedings to be held in Philadelphia, Pennsylvania.

STANDARDS

The standards of the American Gear Manufacturers Association will be used and shall govern where applicable in the manufacture of gears and gear drive assemblies, unless Seller expressly agrees otherwise in writing.

WARRANTY

Subject to the qualifications set forth below, Seller warrants that for a period of one year after delivery to Customer the products sold to Customer (i) will be free from defects in materials and workmanship and (ii) in the case of mixers and aerators, will be fit to perform the specific function for which they are intended. Seller's warranty of fitness to perform the specific function for which intended is expressly conditioned upon (A) Customer's furnishing to Seller in writing accurate and complete data regarding the mixing and design conditions under which the products will be used and (B) the use of such products solely under the mixing or design conditions so described. Seller shall have no responsibility for the accuracy or reliability of specifications, design conditions or other data furnished by or on behalf of Customer or the ultimate user.

Materials exposed to process are not warranted against corrosion or other deterioration due to exposure to vessel contents. Customer is solely responsible to determine the integrity of such materials. Seller warrants only that (i) in the case of materials selected by Customer, the materials used will conform to Customer specifications of such materials and (ii) in the case of materials not specified by Customer, the materials shall be Seller's standard materials of construction for out-of-tank components.

Seller shall not be responsible for any defects in any components (such as gears, shafts, bearings, or motors) furnished by others, and Customer shall look solely to the manufacturer or supplier of such component its exclusive remedy with respect thereto.

Seller's warranties shall be void if the product is not used strictly in accordance with all instructions as to storage, handling, maintenance, lubrication, installation, startup, operation and safety set forth in the manuals and instruction sheets furnished by Seller.

At Seller's sole discretion, Seller may authorize repairs services to be performed by others. Seller shall have no responsibility for repairs made outside Seller's plant unless such repairs are effected in accordance with Seller's written authorization and shipped to such other repair facility strictly in accordance with Seller's instructions.

This limited warranty is exclusive and is in lieu of all other warranties whatsoever express and implied, including but not limited to implied warranties of merchantability or fitness for a particular purpose. Any sample that may be provided by Seller shall not constitute a warranty that the products will conform to the sample. There are no oral statements, promises, representations or other warranties collateral to or affecting this limited warranty.

LIMITATIONS OF REMEDIES AND LIABILITIES

Seller's sole liability and obligation for a breach of the warranty or any other provision of these terms shall be to repair or replace the specific nonconforming products (or part) discovered during the one year warranty period or to credit or refund the purchase price actually paid for such nonconforming products (or part), as Seller may elect.

Such product (or part) shall be shipped to Seller as specified below under "Items Shipped to Seller". Without limiting the foregoing, under no circumstances shall Seller be liable for any expenses for removal of allegedly defective product (or part) for inspection, replacement or repair or for installation costs of repaired or replaced product (or part).

Seller's liability on any claim, whether grounded in contract, tort (including negligence), any theory of strict liability or otherwise, of any kind for any loss or damage arising out of or in connection with or resulting from the sale of the products hereunder or the performance or breach hereof or the products or their performance or use is limited solely and exclusively to the remedies provided above and no other right or remedy will be available to Customer or to any person or entity. Seller will in no event be liable to any person or entity for any indirect, special, incidental, consequential, liquidated or punitive damages, any fines or penalties of any kind, any loss of profits or any other economic loss, whether or not foreseeable, to any person, property or entity, in connection with or arising out of the furnishing, performance or use of the products, whether grounded in contract, tort (including negligence), any theory of strict liability or otherwise.

All claims for breach of any of Seller's warranties shall be barred unless Customer notifies Seller of such breach in writing within 30 days of discovery of the breach.

INSPECTIONS AND REJECTIONS

Customer shall promptly inspect all shipments of material upon delivery for physical defects, conformity to specifications and completeness including all components necessary for installation and shall notify Seller in writing of all defects, non-conformities or missing items within 15 days of delivery. Thereafter, the shipment shall be deemed accepted and assumed to be complete and Seller shall have the right to impose additional charges for allegedly missing items later requested by Customer. Defects not impairing satisfactory operation of the equipment shall not be a ground for rejection. Seller reserves the right to inspect allegedly defective goods at point of delivery or ship them to a destination of its choice. No material shall be refunded without Seller's written permission.

MATERIAL FURNISHED BY CUSTOMER

Materials which Customer furnished for incorporation into any order shall be shipped as specified below under "Items Shipped to Seller". If material defects are found by Seller in materials furnished by Customer, Seller may notify Customer and charge it for all expenses incurred by Seller through the date of discovery of the defect. If minor defects can be repaired by Seller, Customer shall pay extra charges as are necessary to cover repair work. Shipment dates for orders where Customer furnishes material are predicated on timely receipt of such material free from defects. If any material furnished by Customer is damaged by Seller, Seller's responsibility shall be limited to the replacement cost of the material and Seller shall not be liable for any consequential or incidental damages.

CANCELLATIONS

Orders placed by Customer may not be cancelled without Seller's written consent. If an order is cancelled by Customer, Customer will indemnify Seller against all loss, damage or expense incurred due to cancellation, including but not limited to the cost of special materials, non-resalable goods completed or in process, labor, engineering time, overhead, profit and reasonable attorneys' fees incurred to collect such losses from Customer.

SHIPMENT

Unless otherwise quoted, shipments are F.O.B. Seller's plant. Seller's responsibility ceases upon delivery to the carrier. Delivery to destination is not guaranteed by Seller. Claims for loss or damage in transit must be made by Customer against the carrier. In the absence of shipping instructions, Seller reserves the right to ship all material upon completion by the common carrier of its choice.

Shipping dates are approximate and are based upon all information necessary to commence manufacture. Completion and shipment may be subject to delays due to causes beyond the reasonable control of Seller or its suppliers, including, without limitation, labor disruptions, labor strikes, accidents, unusually severe weather, fires or other casualties or acts of God or government.

DEFERRED SHIPMENTS

Shipments may not be deferred beyond the specified shipment date without Seller's written consent. When shipping is deferred for Customer's convenience or due to lack of shipping instructions, failure to complete credit arrangements satisfactory to Seller, late delivery of customer supplied material or other cause attributable to Customer, Customer shall pay storage charges, interest and any other expenses incurred by Seller due to the delay. Orders on which delivery is deferred shall be invoiced upon completion of manufacture and are subject to a finance charge of at the rate of 18% per annum from time of invoice.

ITEMS SHIPPED TO SELLER

All items shipped to Seller (including, without limitation, items being shipped for warranty work, returns of rejected materials, items being shipped to Seller for inspect and repair work and materials furnished by Customer for incorporation into any order) shall be shipped to Seller F.O.B. Seller's plant or F.O.B. at such other location as may be designated by Seller, freight prepaid by Customer. Without limiting the foregoing, Customer is responsible for insuring that all such items are securely and appropriately packed and in no event shall Seller be responsible for any loss or damage incurred in shipping any such item.

TAXES

If prices are not stated on the front side hereof to include sales, use, excise or other taxes, then when required by law, taxes will be billed and collectible as a separate item at time of shipment unless proof of a valid exemption satisfactory to the taxing authority is provided to Seller.

TERMS OF PAYMENT

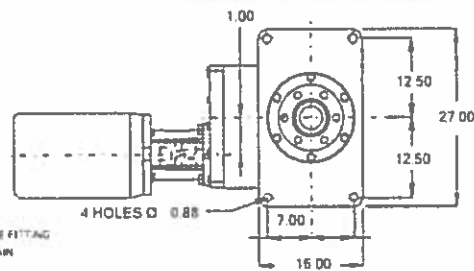
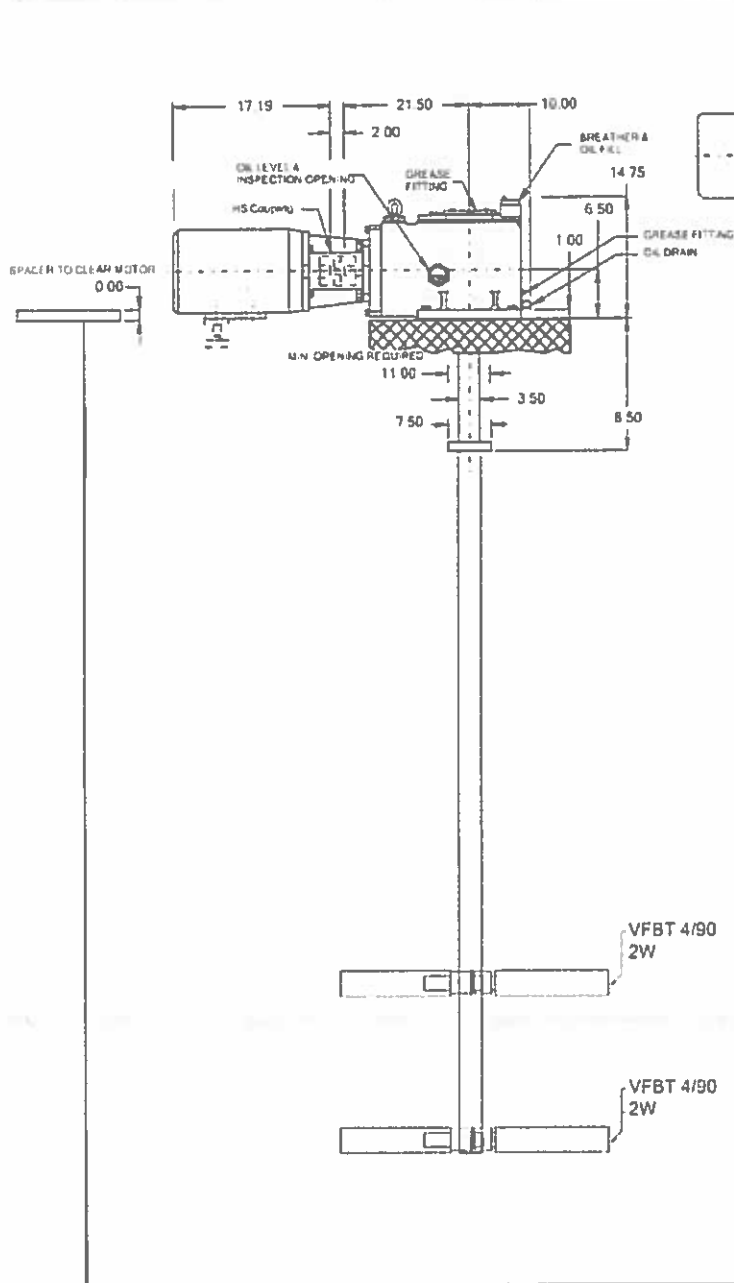
Unless otherwise agreed, payment terms are net 30 days from the date of invoice. Invoices are dated upon shipment or, if shipment is delayed by Customer, as of the completion of manufacture. If payment is not made when due, Customer shall pay Seller a finance charge of 1.5% per month. No retainages shall be deductible from or withheld by Customer from payments due Seller. Under no circumstances shall Customer have the right to delay payment until its receipt of payment from the ultimate user or other third party. Seller shall be entitled to recover its reasonable attorneys' fees incurred in connection with collection of all or a portion of the purchase price and/or reasonable additional charges from Customer.

Serial Number

Drawing Number:

Equipment Number:

Rev:



Neck Height: BOTTOM VIEW

Caution

1. All dimensions are in inches (unless stated otherwise)
2. Mounting hardware provided by others
3. Mixer design loads include suitable service factor
4. This drawing is not to scale

Customer Information

Customer Name

82DDZ1221-1

Project Name

Customer PO No.

Customer Inquiry No.

Order No.

PM&S Inquiry No.

Drive & Motor		
3855M-S	47.10 : 1	PTOB 3.5 Intank
Drive Type	Gear Ratio	Mount Type
38.2	CW 1.25(15000hrs)	Bearing Life
Nominal RPM	Spn. Service Factor	
5.00 HP	1800	184TC
Motor HP	RPM	Frame
TEFC	NEMA MILL/CHEM	Premium
Enclosure	Duty	Efficiency
Tank & Environment		
Open Tank	Flat	
Top Head	Bottom Head	
Flat	4	0.00 in
Baffles Type	Baffles No.	Width
9400 30 gal	1.00 S.G	1.00 cP
Liquid Volume	Density	Viscosity
14.70 PSI	68.00 °F	0.00
Process Pressure	Temperature	Solids Conc.
	Wetted Parts	
S/S 316	S/S 316	
Wetted Parts Material	Hardware Material	

Open Tank		Flat	
Top Head		Bottom Head	
Flat	4	0 00 in	0 00 in
Baffles Type	Baffles No.	Width	Length
9400 30 gal	1.00 S.G		1.00 cP
Liquid Volume	Density		Viscosity
14 70 PSI	68 00 °F		0 00
Process Pressure	Temperature		Solids Conc
	Wetted Parts		
S/S 316			S/S 316
Wetted Parts Material			Hardware Material

THE MIXER SUPPORT STRUCTURE MUST BE LEVEL WITHIN 0.12" AND IS TO BE DESIGNED SUCH THAT THE DYNAMIC ANGULAR DEFLECTION OF THE DRIVE IS LIMITED TO 0.12" IN ANY DIRECTION.

TANK, BAFFLES, MIXER SUPPORT AND MOUNTING HARDWARE BY OTHERS

THIS DRAWING IS THE PROPERTY OF PHILADELPHIA MIXING SOLUTIONS, LTD AND IS SUBJECT TO RETURN UPON REQUEST. IT IS TO BE USED ONLY FOR THE PURPOSE FOR WHICH IT WAS EXPRESSLY LOANED AND IT IS NOT TO BE USED IN ANY WAY DETRIMENTAL TO THE INTEREST OF THIS CORPORATION.

Approved (Initial)

Date

1
Page



1221 East Main Street • Palmyra, PA 17078
Phone: 717.832.2800 • Fax: 717.832.1740
www.philamixers.com

8/02/2016

City of St. Helena
(707) 967-2878
Attn: Jarratt Rossini

Dear Jarratt,

Philadelphia Mixing Solutions, Ltd. designs and manufactures equipment for the water and wastewater industries. All of the equipment and components are designed according to each application per a set of specifications, tolerances and standards. Philadelphia Mixing Solutions, Ltd is the only supplier of its named equipment and is not distributed or sold by other companies.

Philadelphia Mixing Solutions Ltd. is represented by Pacific Water Resource in the State of California.

Chris Knecht
General Manager
717-269-8929
cknecht@philamixers.com

CITY OF ST. HELENA

RESOLUTION NO. 2016-

**APPROVING A SOLE SOURCE PURCHASE FOR ONE GEAR BOX
FROM PHILADELPHIA MIXING SOLUTIONS IN AN AMOUNT
NOT TO EXCEED \$35,000**

RECITALS

- A. The chlorination process at the Wastewater Treatment and Reclamation Plant (WWTRP) uses a mixer in order to properly distribute chemicals into the wastewater.
- B. The mixer at the WWTRP was installed in 1988 and has roughly 96,000 hours of run time.
- C. The gear box part for the mixer has reached the end of its useful life and needs to be replaced.
- D. Philadelphia Mixing Solutions is the inventor, owner and sole manufacturer of the mixer equipment as well as the exclusive provider for service parts.
- E. Funds for the purchase of a gear box were included in the adopted Fiscal Year 2016/17 budget.
- F. St. Helena Municipal Code, Section 3.04.140 requires City Council approval for sole source purchases greater than \$25,000.
- G. Philadelphia Mixing Solutions has provided a firm quotation for the specified machinery and documented its status as the one distributor of the specified machinery authorized to sell in this area to the satisfaction of the Director of Public Works.

RESOLUTION

NOW, THEREFORE, the City Council of the City of St. Helena resolves as follows:

1. Approve the purchase of one (1) gear box, from Philadelphia Mixing Solutions, of Palmyra, Pennsylvania, in an amount not to exceed \$35,000.

Approved at a Regular Meeting of the St. Helena City Council on August 27, 2016 by the following vote:

ATTACHMENT 3

Mayor Galbraith: _____
Vice Mayor White: _____
Councilmember Crull: _____
Councilmember Dohring: _____
Councilmember Pitts: _____

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Black, City Clerk



Report to the City Council
Council Meeting of September 27, 2016

Agenda Section: Consent

Subject: Consideration and proposed approval of a resolution authorizing amendment to the Memorandum of Understanding between the St. Helena Police Officer Association and the City of St. Helena amending an administrative error correcting Non-sworn Personnel 7/1/16 increase to base pay to be 4.5%, which had incorrectly stated that the Non-sworn Personnel 7/1/16 increase to base pay was 3.5%; and duly adopt and approve compensation schedule to reflect the updated pay schedules

CEQA Status: Not a CEQA project

Prepared By: Kathy Robinson, Human Resources and IT Director

Approved By: Jennifer Phillips, City Manager

BACKGROUND

On June 10, 2014 the City Council adopted Reso 2014-34 approving Memorandum of Understanding between the St. Helena Police Officers Association and the City of St. Helena. Effective with this agreement was a pension cost sharing agreement where the POA members would begin phasing in covering their employee's (EE) contribution to PERS. The City had been paying the sworn personnel's 9% EE contribution and non-sworn personnel's 7% EE contribution. Starting July 1, 2014, and over the next three years, the POA agreed that the EE cost share would be phased with sworn personnel paying 3% each year, and non-sworn paying 2% for two years and 3% in the third year. To offset the cost-share sworn personnel would receive 4.5% each year and non-sworn personnel would receive 3.5% the first two years and 4.5% in the third year. The increase to compensation offset the employees cost share and resulted in a total three year 4.5% COLA increase to compensation.

DISCUSSION

It was brought to City Administration's attention that the adopted POA MOU had an administrative error which incorrectly stated that the Non-sworn Personnel 7/1/16 increase to base pay was 3.5%. POA President Todd Heald provided documentation that the Non-sworn Personnel 7/1/16 increase to base pay should have been 4.5% as evidenced on page 2 of Attachment 1. The amendment to the MOU is on page 22 of the MOU and would read, 7/11/2016, increase to base pay of 4.5% (Attachment 2).

The amendment to the MOU also increase the dispatcher's compensation schedule by 1% which requires the City Council to duly adopt and approve a updated compensation schedule to reflect the 1% increase. The updated compensation now reflects all POA members last and final COLA raise of the MOU.

FISCAL IMPACT

There is net positive impact to the City. While the 1% had not been factored into the adopted 2016/17 Fiscal budget the cost is being absorbed in the fact that the newest hired dispatcher was a new member to PERS, thus providing a positive impact to the City with a salary savings of \$5359.

RECOMMENDED ACTION

Staff recommends the City Council adopt the resolution.

ATTACHMENTS

1. POA agreement documentation
2. Amended POA MOU
3. Resolution

Attachment 1

RLS RAINS LUCIA STERN, PC

**CONFIDENTIAL
FACSIMILE TRANSMISSION**

Date: May 23, 2014

To: Jackie Rubin, COP

Name/Company	Facsimile Number	Telephone Number
St. Helena Police Department	707.963.8043	707.963.3636

From: John Noble

Re: Tentative Agreement Between City of St. Helena and SHPOF

Number of Pages, Including Cover: 6**Message:**

Jackie: Electronic correspondence to follow.

Santa Rosa Office
2300 Bethards Drive, Suite F
Santa Rosa, CA 95405
PH: 707.576.8954
FX: 707.526.4018
www.RLSlawyers.com

The information contained in this facsimile is confidential and may also contain privileged attorney-client information or work product. The information is intended only for the use of the individual or entity to whom it is addressed. If you are not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any use, dissemination, distribution or copying of this communication is strictly prohibited. If you have received this facsimile in error, please immediately notify us by telephone and return the original facsimile to us at the above address via the U.S. Postal Service. Thank you.

1/3

May 8, 2014
Tentative Agreement for a Successor Memorandum of Understanding
For
The St. Helena Police Officers' Foundation and the City of St. Helena

The bargaining team for the SHPOF and the bargaining team for the City of St. Helena agree to recommend the following terms and conditions for a successor MOU to their principals:

TERM

Three years (7/1/14 through 6/30/17)

SALARY INCREASE

Sworn Personnel

Effective the first full pay period after 7/1/14, an increase to base pay of 4.5%

Effective the first full pay period after 7/1/15, an increase to base pay of 4.5%

Effective the first full pay period after 7/1/16, an increase to base pay of 4.5%

Non-Sworn Personnel

Effective the first full pay period after 7/1/14, an increase to base pay of 3.5%

Effective the first full pay period after 7/1/15, an increase to base pay of 3.5%

Effective the first full pay period after 7/1/16, an increase to base pay of 4.5%

EMPLOYEE (EE) CalPERS (RETIREMENT) CONTRIBUTION

SWORN PERSONNEL

Effective the first full pay period after 7/1/14, sworn members of the bargaining unit shall pay pre-tax (subject to IRSC 414(h)(2)) 3% of the EE 9% retirement contribution.

Effective the first full pay period after 7/1/15, sworn members of the bargaining unit shall pay pre-tax (subject to IRSC 414(h)(2)) 3% of the EE 9% retirement contribution.

2/3

Effective the first full pay period after 7/1/16, sworn members of the bargaining unit shall pay pre-tax (subject to IRSC 414(h)(2)) 3% of the EE 9% retirement contribution. (TOTAL OF 9%)

NON-SWORN PERSONNEL

Effective the first full pay period after 7/1/14, non-sworn members of the bargaining unit shall pay pre-tax (subject to IRSC 414(h)(2)) 2% of the EE 7% retirement contribution.

Effective the first full pay period after 7/1/15, non-sworn members of the bargaining unit shall pay pre-tax (subject to IRSC 414(h)(2)) 2% of the EE 7% retirement contribution.

Effective the first full pay period after 7/1/14, non-sworn members of the bargaining unit shall pay pre-tax (subject to IRSC 414(h)(2)) 3% of the EE 7% retirement contribution. (TOTAL OF 7%)

VISION

Effective 7/1/14, members of the bargaining unit shall receive \$500.00 each thirty-six consecutive months for prescription glasses or contacts. (Section 21.5)

MAINTENANCE OF MEDICAL/DENTAL BENEFITS

The current language in the current MOU will remain unchanged through the term of the successor MOU.

The City and the SHPOF agree to jointly explore the changing to CalPERS (PEMCA) medical insurance for the bargaining unit. The parties agree there shall be no change from the currently provided medical plans absent mutual agreement of the SHPOF and the City of St. Helena.

HOLIDAY COMPENSATION

Members' compensation for holidays shall be computed in the same fashion as is the rate of pay for vacation. In other words, longevity, bi-lingual, Field Training, Investigator, Records Coordinator, etc. shall be computed into the holiday rate of pay.

PUBLIC EMPLOYEE'S RETIREMENT SYSTEM (ARTICLE 24)

The City agrees that current language in 24.4 and 24.5 shall be deleted from the successor agreement.

3/3

The parties agree to include language in the successor agreement memorializing the mandate of the Public Employees' Retirement Act of 2013, i.e., "New" employee / "Classic" employee benefit changes.

COMPENSATORY TIME OFF (SECTION 7.4)

Members of the bargaining unit shall be allowed to accrue a maximum of one hundred twenty (120) hours of compensatory time off. When a member has accumulated 120 hours in her/his compensatory time bank, all additional overtime worked shall be taken as pay until the hours in the members bank fall below the 120 hour maximum accumulation.

SENIORITY AND OVERTIME (INITIALS PROPOSALS FROM SHPOF DATED 4/21/14)

The City agrees the SHPOF and the Chief of Police will engage in dialogue to resolve the issues presented in the proposals presented.

CHANGE TO CURRENT METHOD OF PAYROLL

The SHPOF agrees to the City's proposal to modify pay periods. The City and the SHPOF shall mutually agree on a plan to facilitate the City's proposed payroll change.

FOR THE CITY OF ST. HELENA**FOR THE SHPOF**

RE: Canine Handler Language

Page 1 of 2

RE: Canine Handler Language

John Noble

Sent: Sunday, May 11, 2014 1:09 PM

To: Gary Broad [GaryB@cityofsthelena.org]

Cc: Heald Todd [Todd.heald@csuglobal.edu]; Melanie Yabut; John Noble

Gary:

Regarding the Dog Handler, Section 11.6, 10, the last two sentences of the current agreement should be changed to read:

"As of July 1, 2014, the minimum wage is \$9.00 per hour which equals \$13.50 per hour at time and a half. At this rate, the Employee will be paid \$13.50 per hour times 365 (days in the year) divided by the number of paychecks in the year (24). This rate calculates to \$205.31 per paycheck. As of January 1, 2016, the minimum wage will be \$10.00 per hour. Using the same calculations, effective the first pay period in January of 2016, the aforementioned \$205.31 per paycheck shall increase to \$228.13. (\$15.00 x 365 days divided by 24 pay periods)"

Please have your finance person check my math. The minimum wage info came from the California Department of Industrial Relations posting on the Web.

John R. Noble
Senior Labor Relations Representative
Rains Lucia Stern, PC
2300 Bethards Drive
Suite F
Santa Rosa, CA 95405
Office: 707.576.8954
Cell: 707.477.7772

PRIVILEGE AND CONFIDENTIALITY NOTICE

The information in this electronic mail is intended for the named recipient(s) only. It may contain attorney-client privileged and confidential matter. Should you have received this electronic mail in error, please notify the sender immediately by replying to this electronic e-mail or by calling (925) 609-1699.

Do not disclose the contents to anyone.
Thank you.

From: Gary Broad [GaryB@cityofsthelena.org]
Sent: Friday, May 09, 2014 6:01 AM
To: John Noble
Cc: Todd Heald
Subject: Re: Canine Handler Language

Please write-up when you get a chance. Thanks.

Sent from my iPhone

On May 9, 2014, at 5:05 AM, "John Noble" <jnoble@rlslawyers.com> wrote:

> Gary/Todd:

>

> Just thought of our first meeting when we discussed the current language regarding minimum wage for time spent for care of canine. We need to correct to the

RE: Canine Handler Language

Page 2 of 2

- current minimum wage as of January 1, 2014 (involves a small amount of back -pay).

>

> Sent from my iPhone

> John R. Noble

> Sr. Labor Relations Representative

> Rains Lucia Stern PC

> 707.477.7772

***MEMORANDUM OF UNDERSTANDING
BETWEEN
ST. HELENA POLICE OFFICERS' FOUNDATION
AND
CITY OF ST. HELENA
FOR THE PERIOD***

July 1, 2014 – June 30, 2017

Amended September 27, 2016

ARTICLE 1

PREAMBLE

This Memorandum of Understanding (MOU) is made and entered into between the City of St. Helena, hereinafter referred to as "City," and the St. Helena Police Officers' Foundation, hereinafter referred to as "Foundation," pursuant to California Government Code Section 3500 et seq. The purpose of this Memorandum of Understanding is the establishment of rates of compensation, hours of work and other terms and conditions of employment.

ARTICLE 2

RECOGNITION

- 2.1 The City of St. Helena recognizes the Foundation as the recognized and exclusive representative for the following classifications: Police Officer, Police Corporal, Police Sergeant, Dispatcher, and Community Service Officer.
- 2.2 This recognition is exclusive of (1) management employee, (2) temporary employees and (3) part-time employees.
- 2.3 (a) The term "Peace Officer" is defined as any member who is a full-time sworn personnel per 830.1 PC.

(b) The term "Dispatcher" is defined as any member who is a full time dispatcher and/or ¾ time Community Service Officer (CSO).

ARTICLE 3

FOUNDATION RIGHTS

The Foundation shall have the following rights and responsibilities:

- 3.1 Reasonable advance notice of any City ordinance, rule, resolution or regulation directly relating to matters within the scope of this MOU.
- 3.2 Reasonable use of one bulletin board at the Police Department.
- 3.3 The right to payroll deductions made for payment of Foundation dues and for City-approved programs.
- 3.4 The right to represent its members before the City Council or the City Council's designee with regard to wages, hours and other matters within the scope of representation, subject to the provisions of applicable Federal, State or City laws and regulations.
- 3.5 The use of City facilities for regular, normal and lawful Foundation activities, providing that appropriate advance arrangements are made. The granting of such use may be conditioned on appropriate charges to offset the cost of such use.

- 3.6 Reasonable access to employee work locations for officers of the Foundation and their officially designated representatives for the purpose of processing grievances or contacting members of the organization concerning business within the scope of representation. Access shall be restricted so as not to interfere with the operations of the Police department or with established safety or security requirements.

ARTICLE 4

CITY RIGHTS

To insure that the City is able to carry out its constitutional and statutory functions and responsibilities, the City retains its rights, including but not limited to the right to direct the work force; to select and determine the number of employees and skills required; to determine job classifications; to hire, transfer, promote, suspend, discipline and discharge employees; to assign work to employees in accordance with requirements of the City; to establish and change work schedules and assignments; to lay off employees for lack of work in accord with past practice; to expand or diminish services; to subcontract any work or operations in accord with its past practice as necessary to maintain public safety; to determine and change methods of operations; to determine and change work locations and the processes and materials to be employed; to take all necessary actions to perform its functions in emergencies.

ARTICLE 5

GRIEVANCE PROCEDURE

- 5.1 Grievance Defined: A grievance is a formal allegation by a member of the Foundation who has been adversely affected by an alleged violation of the specific provisions of the MOU during its term, excluding all City ordinances, resolutions, rules and regulations, the subject of which are not specifically covered by the provisions of this MOU. This grievance procedure shall not apply to discipline. This grievance procedure shall be the exclusive means of resolving contract grievances of employees covered by this MOU.

- 5.2 Procedure:

Step 1: Informal Discussion. Within ten (10) calendar days of the occurrence of an act in dispute, an employee shall discuss it with his or her immediate supervisor, who shall investigate and attempt to resolve the matter. The supervisor shall give the employee an oral reply within five (5) calendar days after the discussion. If the employee is not satisfied with the response, she or he may proceed to the next step.

Step 2: Department Head's Determination. Any dispute not resolved at Step 1 may be submitted to the Police Chief or his designee in writing within ten (10) calendar days after the supervisor's response citing the specific provision of this Agreement in dispute. A copy shall be provided to the immediate supervisor. Within five (5) calendar days thereafter, a meeting shall be scheduled with the employee by the Police Chief or his designee who shall attempt to resolve the matter. The Police Chief or his designee shall give the employee a written reply within five (5) calendar days after such meeting. If the employee is not satisfied with the response, he or she may proceed to the next step.

Step 3: City Manager Review. Any dispute not resolved at Step 2 may be submitted in writing, with copies of Step 2 response, within five (5) calendar days after the Police Chief's or his designee's response, to the City Manager. In the event that a dispute is referred to the City Manager, he or she shall schedule a meeting within five (5) calendar days with the employee to discuss the matter. After consideration of the facts, the City Manager shall give his or her written decision to the employee within five (5) calendar days after the meeting.

Step 4: City Council Review If the employee is not satisfied with the decision, the employee may request a hearing before the City Council. Such request for hearing must be submitted within fifteen (15) days of receipt of the City Manager's decision and shall include in detail the facts giving rise to the general grievance and all supporting documentation necessary for City Council consideration. Management shall calendar on the City Council agenda such request and supporting documentation within thirty (30) days. The matter may be heard in open or closed session as permitted by law. The City Council shall have the following options:

1. Refuse to hear the appeal, or
2. Make a decision on the documentation submitted, or
3. Hold a hearing after which they shall make a decision.

The decision of the City Council shall be final.

ARTICLE 6

HOURS OF WORK

- 6.1.1 **Work Week.** The work week for full time personnel will be defined by the FLSA public safety definition. The City and the POF recognize this to mean employees will work 160 hours in a 28 day period. The current schedule is a 12-hour shift schedule. Other schedules may be implemented should this need occur. The City will explore with the POF alternative schedules to meet the operating needs of the department.
- 6.2 **Shift Change Notification** The Department shall make every effort to maintain the employee's scheduled days off on a consistent basis during the posted four (4) month rotation period. Shift work employees shall be granted five (5) working days of advance notice of changes in scheduled shifts unless such change is due to illness or emergency.
- 6.3 **Meal Times** Meal time for shift employees and non-shift employees is thirty (30) minutes.
- 6.4 **Meal Time Call-Out for Shift Employees** Shift personnel receive meal time as paid time and shall be subject to call-out during the meal time.
- 6.5 **Rest Periods** Rest periods will normally be provided to employees at the rate of fifteen (15) minutes for each four (4) hours worked. Rest periods are not to be construed as meal time.

- 6.6 Missed Rest Periods and Meal Times For shift employees, since meal time and rest periods are paid time, nothing in this section provides for or implies any additional compensation or benefits if a rest period is not received.
- 6.7 Definition of Shift Employees Shift employees are those assigned to positions, the duties of which are performed on a 24-hour a day, 7-day a week basis, and include Police Officer, Police Corporal Police Sergeant, Community Service Officer and Dispatcher/Clerk.
- 6.8 Shift employees assigned to work the graveyard shift (6pm to 6am) when that shift is not part of their regular assigned shift rotation, will receive shift differential pay in the amount of 2 ½% of base pay for assignment to the "graveyard" shift for more than three consecutive weeks. Such pay will commence on the first day following the third consecutive week and continue for such time as the assignment to the "graveyard" shift continues uninterrupted.
- 6.9 The City shall maintain the "two on-two off" system during shift rotations to the best of the City's ability and based on available staffing. This article shall be open to meet and confer.

ARTICLE 7

OVERTIME

- 7.1 Hours Paid Employees will be paid regular pay for working their regular assigned hours. Employees will be paid overtime at the rate of time and one-half for all hours worked in excess of their regular scheduled hours on a given day or for hours worked in excess of FLSA standards for public safety employees. An example of this would include an employee that is regularly assigned to a 12 hour shift would be paid overtime should their work day exceed 12 hours. Employees assigned on a ¾ time basis or employees assigned to an 8 hour day will be paid overtime should their work day exceed 8 hours.
- 7.2 Overtime
- A. Regular Overtime Rate Employees shall be paid overtime at the rate of time and one-half their regular rate of pay, including special pay which is part of their regular pay (e.g., longevity, special duty, educational compensation).
- B. Minimum Units of Overtime All overtime shall be recorded and paid on the basis of 15-minute increments, such that for each full 15 minute period worked, the employee shall be compensated for one-quarter hour of overtime.
- 7.3 Hours Worked Holidays, vacation, compensatory time off and sick leave shall constitute hours worked for the purposes of computing overtime.
- 7.4 Compensatory Time Off. Notwithstanding the provisions of this section, police employees may be granted compensatory time off for overtime credit, at the discretion of the Police Chief and with due regard to the wishes of the employee. Compensatory time off may be accumulated up to a maximum of one hundred twenty (120) hours.

- 7.5 Scheduling Compensatory Time Off. Requests to use compensatory time off shall be granted with due regard for operational necessity, such as staffing levels. Employees requesting CTO will submit a request to the scheduling supervisor. If granting the CTO request creates the need for coverage, a sign-up will be posted, if no employee signs up to work 72 hours prior to the requested leave, the CTO request will be denied.
- 7.6 Department Meetings. All department meetings called by the Chief attended by police employees on off-duty time shall be paid overtime at the rate of time and one-half.
- 7.7 Call Back pay. Employees who are called to duty at a time they are not scheduled to work shall be compensated at the rate of time and one-half ($1 + \frac{1}{2}$) of the employee's regular rate of pay with a minimum compensation of two (2) hours. Call back overtime is unscheduled overtime as opposed to early start or extended day.
- 7.8 Court Time Pay. Employees who are subpoenaed to appear in court, at a time when they are not working, about events arising out of their employment, shall be compensated at the rate of time and one-half ($1 + \frac{1}{2}$) of the employee's regular rate of pay. If such court appearance neither begins nor ends contiguous to the employee's scheduled shift, the employee will be compensated for a minimum of three (3) hours for each required appearance.
- 7.9 Vacation Call Back. An employee called in to work during his or her regularly scheduled vacation period shall be compensated at a rate of one and one-half ($1 + \frac{1}{2}$) times her or his regular rate of pay for all time worked.
- 7.10 Double-back Pay. When an employee is required to work two scheduled shifts within any twenty-four hour period, the first two hours of the second shift period worked will be at the overtime rate, provided that this provision shall not apply in any situation when the scheduling was done for the convenience of the employee or as a result of a "shift swap."
- 7.11 Training Travel
- A. Employees assigned to training will have their normal work hours adjusted to reflect work hours of 8:00 a.m. to 5:00 p.m. with one hour off for lunch. The first and last day of class will reflect a ten hour work day ($\frac{1}{2}$ hr travel each direction and one hour for lunch are not compensated.) If the first or last day of training is less than ten hours the employee shall have the option of completing the work day at SHPD, or taking compensatory time off. Travel time is considered portal to portal.
 - B. If travel to a training site occurs during non-normal working hours, or on a scheduled day off, the employee shall be compensated at time and one half.
 - C. Employees will not be compensated for travel to pick-up or drop off a city vehicle.
 - D. Subsistence reimbursement will be according to P.O.S.T. guidelines. No receipts are required. If a motel room is unavailable at the P.O.S.T. rate, the difference will be reimbursed based upon receipts, single occupancy, government rates. Lodging will not be

reimbursed for the night prior to start of training, if training is within a 30 mile radius of point of departure. (refer map, Appendix D)

ARTICLE 8

SALARY

- 8.1 Salaries paid to Dispatchers/CSOs, Police Officers, Police Corporals and Police Sergeants shall be in accordance with the most recent Salary Resolution adopted by the City Council and any amendments thereto. Such Resolutions are hereby incorporated as part of the MOU and are available from the City Clerk (See Appendix A – Salary Schedule). The Police Corporal is step C for Police Sergeant.

ARTICLE 9

INCENTIVE PAY

- 9.1 Additional monthly salary compensation shall be received by an employee attaining POST Certificates, as follows:

POST Intermediate Certificate	100.00
POST Advanced Certificate	200.00
POST Records Supervisor Certificate	100.00

- 9.2 Employees who are fluent in both English and Spanish, both verbal and written, will receive incentive pay in the amount of 5% of his or her base salary. Fluency is determined through an interview and written examples that demonstrate this skill. Testing is scheduled in June and December. Incentive pay is awarded to begin the following month. This incentive pay is subject to supervisor review should a performance issue occur.
- 9.3 Employees determined to be able to communicate in Spanish at a level adequate for law enforcement purposes will receive incentive pay of additional \$150.00 per month. Competency at this level is determined through a demonstration of this skill to a community panel as selected by the Chief of Police. Testing is scheduled in June and December. Incentive pay is awarded to begin the following month. This incentive pay is subject to supervisor review should a performance issue occur.

ARTICLE 10

LONGEVITY

Longevity pay shall be granted to any permanent employee on his or her fifth anniversary of continuous employment at the rate of 2 1/2% of present salary. At her/his tenth anniversary, the percentage increment shall be 5%; at the fifteenth year anniversary, the percentage increment shall be 7 1/2%; at the twentieth year anniversary and thereafter, the increment shall be 10%.

ARTICLE 11

SPECIAL ASSIGNMENT

- 11.1 An officer, while assigned to the position of Motorcycle Officer, Range Master or Reserve Coordinator with at least 6 regularly working reserve officers under supervision, shall receive additional compensation of \$100.00 per month. This shall be part of the regular pay.
- 11.2 Officers or Dispatchers assigned as a Field Training Officers or Communication Training Officer shall receive an additional 7% of their daily salary, per day, while assigned to the trainee.
- 11.3 A Dispatcher designated as Records Coordinator shall receive additional compensation of five percent (5%) of his or her regular salary.
- 11.4 Officers working special duty for film making or similar work, which work is paid for by a film production company or similar enterprise, shall be paid for a minimum of four hours at the regular overtime rate.
- 11.5 Officers, while assigned to the Investigator position, shall receive an additional compensation of 2 ½ percent of base salary.
- 11.6** Police service dog handler is paid for through the Citizens' Option for Public Safety (COPS). This program continues as long as funds from this program is available.
 - 1. A Police service Dog handler ("Handler") who is regularly assigned the responsibility for the care, shelter and feeding of a police Dog shall be indemnified by the CITY for all such costs. Expenses related to the care, shelter and feeding of a police Dog include the following: medical costs, veterinarian costs, food, construction and maintenance of a shelter, and kennel costs during the Handler's vacation.
 - 2. Handler shall be compensated in accordance with the POA Memorandum of Understanding for attendance at monthly training sessions related to their assigned police Dog.
 - 3. All expenses provided for by the CITY under Section 1 shall be pre-approved by the Chief of Police or his designate before such reimbursement will be granted to the Handler, and the Handler shall furnish proof to the satisfaction of the CITY for such expenditure.
 - 4. Handlers shall be of the rank Police Officer. The assignment shall be voluntary. Once accepted for the assignment, the Handler shall remain subject to all Police Department regulations, except as provided herein.
 - 5. The police Dog is the property of the City of St. Helena. The Handler may voluntarily keep the police Dog at his/her place of residence, subject to recall by the CITY.
 - 6. The Handler is responsible for the care and feeding of the police Dog. If at any time the Handler is unable to use the police Dog because of its poor health, which is due to the Handler's negligence, the Handler may be disciplined, removed from the canine program, and the police Dog removed from the Handler's custody. If at any time the police Dog is forced to be retired

from police service because of its poor health, which is due to the Handlers negligence, seek damages from the Handler for the lost value of the remaining years, or fraction thereof, of expected service of the police Dog. The damages to which the CITY will be entitled to is the sum of \$10,344.00. Multiplied by a fraction, the numerator of which is the remaining years or fraction thereof, of expected service of the police Dog and the denominator four (4) years; that is expected years of service of a police Dog.

7. Upon termination of employment with the CITY or participation in the canine program, the Handler may, subject to the CITY'S sole and exclusive discretion, purchase the police Dog from the CITY. The purchase price shall be the sum of \$10,344.00, multiplied by a fraction, the numerator of which is the remaining years, or fraction thereof, of expected service of the police Dog and the denominator four (4) years; that is, the expected years of service of the police Dog. When the police Dog is retired from service due to age, health or injury, the Handler may, subject to the CITY'S sole and exclusive discretion, purchase the police Dog from the CITY for \$1.00. Upon purchase of a police Dog by the Handler, the CITY thereby relinquishes all control over the care, feeding and maintenance of the police Dog and any responsibility to pay for such services, including the payment of compensation to the Handler under this Agreement, as well as any liability for the actions of the police Dog. Any and all such control, responsibility, and liability for the police Dog will be assumed by the Handler on the day of the purchase.
8. For purposes of this section, the date upon which the police Dog is first put into active duty with its Handler shall be the date from which the expected years of service of the police Dog shall commence.
9. The handler is authorized to drive a marked police car, equipped with a canine cage, between home and work. In addition to other City or Department policies regarding use of vehicles, the following provisions apply:
 - a) Vehicle shall be used for official City business only. When commuting, the handler shall not deviate from a direct path between home and work or stop enroute for personal business.
 - b) Handler must have his valid driver license and department ID in his possession when operating the vehicle. (The Police Department uniform will be considered department ID.)
 - c) Only law enforcement personnel will operate the vehicle.
 - d) When handler is on vacation or other leave, or is on a trip away from home, the City vehicle must be left at the Police Department.
 - e) When commuting, the handler will not engage in law enforcement activity when outside the St. Helena City limits, unless requested to assist another agency. It is appropriate for the handler to use the police radio to advise another jurisdiction of observed criminal violations.
 - 1) This subsection does not apply should the handler witness a felony or serious incident where a person's safety is at risk. As soon as practical, the handler shall notify the agency of jurisdiction.
10. CITY will compensate EMPLOYEE for feeding, grooming, and general care of the Dog. It is estimated that the time spent on non-police work care of the Dog averages approximately sixty (60) minutes per day. Further, it has been determined that said time is substantially similar to the care given to a household pet or other dog. The hours are compensated at the prevailing minimum wage at the overtime rate of time and a half. As of January 1, 2014, the minimum

wage is \$9.00 per hour which equals \$13.50 per hour at time and a half. At this rate, the EMPLOYEE will be paid \$13.50 per hour times 365 (days in the year) divided by the number of paychecks in the year (24). This rate calculates to \$205.31 per paycheck. As of January 1, 2016, the minimum wage will be \$10.00 per hour. Using the same calculations, effective January 1, 2016, the new calculated rate will be \$228.13 per paycheck.

ARTICLE 12

EDUCATIONAL REIMBURSEMENT

Each employee is eligible for reimbursement for up to a maximum of \$300.00 during any fiscal year for tuition and fees for Spanish language classes at Napa Valley College (or approved equivalent institution) that will aid the employee in the performance of his or her duties. Reimbursement will be paid upon obtaining a passing grade or a certificate of completion. These classes are scheduled on the employees own time and are not considered on-duty hours.

The City of St. Helena encourages professional growth which is beneficial to both the City and the employee. The City will provide reimbursements for employees up to \$1,500 per fiscal year for expenses incurred for education for which the employee earns college credits from an accredited college, which would promote professional development. The program is voluntary.

ARTICLE 13

SICK LEAVE

- 13.1 Accrual Sick leave with pay shall accrue to employees in the classified service at the rate of one work day for every calendar month of service, with no limit to accumulated time.
- 13.2 Administration: An employee who must absent himself/herself from work shall notify his/her immediate superior or department head at least two hours prior to the beginning of his/her shift, unless circumstances of the illness prevents such advance notice, but in no case later than the start of the his/her tour of duty and may be required to provide a physician's certificate for absence due to illnesses of more than three working days or at the request of the department head. Any employee may be required to submit to an examination by a licensed physician designated by the City and at the City's expense to determine the state of the employee's health.
- 13.3 Reasons for Granting Sick leave shall be granted to eligible employees in the following cases:
 - A. Personal illness or incapacity resulting from causes beyond the employee's control;
 - B. Illness of a member of an employee's immediate family (defined as father, mother, sister, brother, spouse, or child) and of sufficient nature to require his or her personal care and attention and only until other adequate arrangements can be made.

C. Preventive medical, dental and optical examinations where appointments are unavailable or impractical during non-working hours.

- 13.4 Sick Leave Abuse When it is determined by investigation that sufficient evidence exists to demonstrate an employee has or is abusing the sick leave privilege, the Department Head, upon approval by the City Manager, may suspend that employee's use of the sick leave benefit for such period of time as is determined necessary to deter future abuse, which may be in addition to any other disciplinary action that may be appropriate.
- 13.5 All eligibility for sick leave with pay shall be canceled upon separation of the employee from the City service, provided that if such separation is by layoff, this accumulated eligibility shall be restored to him/her in whole by the City Manager upon re-employment.
- 13.6 Employees who are on authorized vacation or holiday leave and become ill, or are otherwise disabled through accident not a result of vicious habits or intemperance, may charge such sickness or disablement to credited sick leave, provided satisfactory evidence is presented to the City Manager indicating the total number of days to be so charged.
- 13.7 Sick Leave Accrual Incentive:
- A. Upon separation in good standing from employment with ten years of service to the City, the City will pay an employee for unused sick leave in the following amount: the total number of hours of sick leave accumulated, multiplied by the hourly rate of pay of the employee at the time of separation, divided by two.
 - B. Retiring employees have the option that the number of hours of accumulated sick leave times the hourly rate of the employee at the time of retirement may be applied towards health insurance premiums until such amount is depleted. Insurance premiums paid under this provision may apply towards any health or dental insurance policy normally available to employees, subject to any limitations imposed by the insurance company. Such policies may include coverage of dependents of the employee.

ARTICLE 14

VACATION LEAVE

- 14.1 Eligibility Employees shall be entitled to annual full or prorated vacation leave with pay except employees who have served less than six months in the service of the City.
- 14.2 Earning and Accrual Rates Vacation shall be earned and accrued by regular employees at the following rates:
- A. Full time Sworn Officers shall earn and accrue vacation at the rate of no less than fifteen days per year; full time Dispatchers and Community Service Officers shall earn and accrue vacation at the rate of no less than ten days per year.
 - B. After six years of continuous employment, Sworn Officers, Dispatchers, and Community Service Officer will earn and accrue vacation at the rate of sixteen days per year, and the rate of earning and accrual shall increase after each additional full year of employment to a maximum accrual rate of twenty days per year.

- 14.3 Vacation may be taken the first day following the completion of six months service but not in units of less than two hours.
- 14.4 If operating necessities are such that an employee cannot take all of her or his accrued vacation within an accrual year, the balance may be carried forward to the next year, however, the maximum accumulation of vacation leave shall be 45 days. For purposes of this paragraph, accrual year shall commence on the entrance-on-duty anniversary date.
- 14.5 Employees separated from City service shall be paid a lump sum for all vacation accrued prior to separation.

ARTICLE 15

SCHEDULING PAID LEAVE

Vacation and holiday time off shall be scheduled by seniority choice. A "time off request sheet" (includes holiday and vacation credit) shall be posted in December of each year to solicit "requests for time off." Said schedule, when approved by the Police Chief or his designee, shall be effective January 1 for the subsequent calendar year. Requests shall be granted based upon legitimate operating needs and not unreasonably denied. Changes to the schedule during the year shall be subject to the approval of the Police Chief or his designee. "Bumping" is not permitted without the consent of the affected employee.

ARTICLE 16

HOLIDAYS

- 16.1 In lieu of holiday time off, employees shall receive an additional payment in June and in December for the hours of recognized city holidays. Member's compensation for holidays shall be computed in the same fashion as is the rate of pay for vacation.
- 16.2 Holiday accrual: Full time employees 3.833 hours per pay period.
 Part time (3/4 time) employees 2.875 hours per pay period.
 One Floating Holiday - Unspecified Personal Convenience Holiday
 Three Additional Floating Holidays - Employees continuously employed by the City for at least five years shall be granted three additional Unspecified Personal Convenience Holidays. Personal Convenience Holidays must be used prior to the end of the calendar year and will not accrue.
- 16.3 Non-shift employees shall normally take a holiday off on the day it falls, except that when a holiday falls on a Saturday the preceding Friday shall be observed. When a holiday falls on a Sunday, the following Monday shall be observed.

ARTICLE 17

BEREAVEMENT LEAVE

Employees shall be allowed a leave of absence on full pay, for up to seven calendar days when the absence is due to a death in the immediate family. Those in the immediate family are: mother, father, grandmother, grandfather or grandchild of the employee or of the spouse of the employee, and the spouse, son, son-in-law, daughter, daughter-in-law, brother or sister of the employee, or any relative living in the immediate household of the employee.

ARTICLE 18

MATERNITY LEAVE

The City Manager may grant a leave of absence without pay to any probationary or permanent employee who becomes disabled as a result of pregnancy, which disability prevents her from performing the duties of her position. Such leave shall not exceed four months whether or not it is combined with sick leave, vacation, compensatory time off and/or leave without pay. Such request shall be accompanied by a recommendation and explanation from the Department Head as to how an adequate level of service can be maintained during the employee's absence. Employee benefits will continue to be paid by the City during approved short-term leave.

ARTICLE 19

JURY LEAVE

- 19.1 Employees called as trial jurors shall be entitled to absent themselves from duties with the City during the period of such service or while necessarily being present in court as a result of such call. Under such circumstances, the employee shall be paid the difference between the employee's full salary and any payment received for jury service, except travel pay.
- 19.2 Employees assigned to swing and graveyard shifts may be temporarily assigned to day shift. If such employee is released from jury duty after serving less than their shift hours, inclusive of meal and driving time, such employee may be required to report to the Police Department to serve the remainder of their shift. Employees may also use vacation or CTO to complete the remainder of the shift. Such shift assignment may be made by the Chief of Police in due consideration of operational need and circumstances.

ARTICLE 20

ADMINISTRATIVE LEAVE

An employee who is determined to be disabled and unable to perform his or her normal duties may, at the discretion of the City Manager, be assigned to be on Administrative Leave. During such Administrative Leave, the employee may be assigned to have "normal" work hours of 9:00 a.m. to 5:00 p.m. and days off of Saturday and Sunday. If any fixed holidays occur during the time of disability, the employee will be assumed to be "off on holiday" and will not receive additional pay for the holiday. During the period of assignment to Administrative Leave, the employee may be required to testify in court or perform other functions the employee is capable of performing.

ARTICLE 21

HEALTH AND WELFARE INSURANCE AND BENEFITS

21.1 Health Insurance:

- A. The City will pay for health insurance coverage for the employee and all dependents. Employees hired prior to July 1, 1990 who have no dependents will receive a salary supplement of \$65 per month in lieu of the dependent coverage. It is the City's intent that during the term of this MOU, medical benefits shall remain at the current level.
- B. Effective July 1, 2005, deductible rates for employees were changed to lower the increases in health costs.
- C. In the event City's health insurance premiums increase more than five percent (5%) on July 1 of any given year, the city can amend the health plan to the next higher deductible tier to offset costs. In the event the health insurance premiums increase more than fifteen percent (15%) after deductibles have been amended, the members agree to split the cost increase 75%/25%, with the employee paying 25%.
- D. The aggregate employee contribution for PERS and health insurance premiums shall preserve a 2 percent (2%) pre-tax Cost of Living pay increase. The POF agrees to take part in a task force with representatives of the City and other affected employee groups to examine ways to cap City medical insurance costs and also, as practicable, improve medical coverage for employees. In the event overall General Fund revenue growth exceeds general fund expenditure growth, the City will apply a portion to offset the increased employee's share of medical premiums.

21.2 Dental Insurance: The City will pay for each employee the full premium for Dental Insurance Benefits covering the employee and all dependent family members.

21.3 Life Insurance: The City will pay for each employee the full premium for term life insurance in the amount of \$25,000. The employee will have the option to purchase additional insurance up to an additional \$20,000.

21.4 Disability Insurance: The City will pay for each employee the full premium for a disability insurance plan covering the employee.

21.5 Prescription Glasses: Effective July 1, 2014, the City will reimburse employees for the cost of prescription glasses or contacts, not to exceed \$500.00 and limited to one time within a thirty-six month period. Reimbursement will require submitting to the City evidence of payment of the prescription glasses or contacts.

21.6 Physical Fitness: During shifts when staffing is available and at the discretion of the Chief of Police or on-duty supervisor, officers, Supervisors and Non-sworn Staff shall be allowed to spend up to one hour during each shift exercising. Changing clothes, showering and otherwise preparing to resume regular duties shall be accomplished during the one hour and is only during lunch breaks

ARTICLE 22

UNIFORM ALLOWANCE

22.1 Employees shall receive an annual uniform allowance as follows:

Sworn Personnel	\$750.00
Dispatch and CSO Personnel	\$750.00

22.2 The Uniform Allowance will be paid twice a year: in December and June, in equal amounts. Employees may request an amended tax withholding form for uniform and holiday payouts.

22.3 Officers assigned to motorcycle duties shall be issued:

- 1) 1 pair of Police motorcycle boots
- 2) 2 pairs of Police motorcycle pants
- 3) 1 Police motorcycle leather jacket
- 4) 2 sets of riding gloves (1 cold weather and 1 warm set)
- 5) Protective eyeglasses (not to exceed \$150.00)

22.4 Officers assigned by the Chief of Police to bicycle patrol shall be issued appropriate safety equipment to include:

- 1) Gloves
- 2) Helmet
- 3) Padded shorts
- 4) Padded Pants
- 5) Protective Eyeglasses
- 6) Pedal retention devices
- 7) Inclement weather clothing.

Officers assigned to bicycle patrol must agree to a regular assignment of bicycle duty prior to appointment to this position.

ARTICLE 23

LEAVE OF ABSENCE WITHOUT PAY

The City Manager may grant a permanent or probationary employee leave of absence without pay or seniority for a period not to exceed three months. No such leave shall be granted except upon written request, and the approval will be in writing. Upon expiration of a regularly approved leave or within a reasonable period of time after notice to return to duty, the employee shall be reinstated in the position held at the time leave was granted. Failure on the part of an employee on leave to report promptly at its expiration, or within a reasonable time after notice to return to duty, shall be cause for discharge. Department heads may grant a permanent or probationary employee leave of absence without pay for time not to exceed one calendar week. Such leaves shall be reported to the Personnel Officer.

ARTICLE 24

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

24.1 Sworn Personnel

- 24.1.1 The City shall enroll all eligible sworn employees in a retirement plan provided by the Public Employees' Retirement System that conforms to the State Required PEPRAs laws. Employees hired into a PERS retirement system before January 1, 2013 will be considered "Classic" employees. Employees hired into a PERS retirement system, for the first time, or after a six month separation, on January 1, 2013 or after will be considered "New" employees.
- 24.1.2 "Classic" employees' retirement benefits will be computed at three percent of salary for each year of service, for retirement at age fifty, supplemental to Social Security, and based on the single highest year's salary.
- 24.1.3 "New" employees' retirement benefits will be computed at 2.7 percent of salary for each year of service, for retirement at age fifty-seven, supplemental to Social Security, and based on a three year average (of the three highest years of salary).
- 24.1.4 Effective 7/1/2014, sworn members of the bargaining unit shall pay (pre-tax) 3% of the EE 9% Retirement contribution. The City will pay, for each employee, the remaining portion of EE, up to 6%. The City will also pay the appropriate City's contribution.
- 24.1.5 Effective 7/1/2015, sworn members of the bargaining unit shall pay (pre-tax) an additional 3% of the EE 9% Retirement contribution. The City will pay, for each employee, the remaining portion of EE, up to 3%. The City will also pay the appropriate City's contribution.
- 24.1.6 Effective 7/1/2016, sworn members of the bargaining unit shall pay (pre-tax) an additional 3% of the EE 9% Retirement contribution. The City will pay the appropriate City's contribution.

24.2 Non-Sworn Personnel

- 24.2.1 The City will enroll non-sworn employees in a retirement plan provided by the Public Employees' Retirement System with the same benefits provided to miscellaneous employees of the City.
- 24.2.2 Effective 7/1/2014, non-sworn members of the bargaining unit shall pay (pre-tax) 2% of the EE 7% Retirement contribution. The City will pay, for each employee, the remaining portion of EE, up to 5%. The City will also pay the appropriate City's contribution.
- 24.2 Effective 7/1/2015, non-sworn members of the bargaining unit shall pay (pre-tax) an additional 2% of the EE 7% Retirement contribution. The City will pay, for each employee, the remaining portion of EE, up to 3%. The City will also pay the appropriate City's contribution.

- 24.3 Effective 7/1/2016, non-sworn members, of the bargaining unit shall pay (pre-tax) an additional 3%, of the total EE 7% Retirement contribution. The City will pay the appropriate City's contribution.

ARTICLE 25

SHIFT SWAPS

The practice of shift swaps and absence without relief will be permitted, subject in each instance to the approval of the Police Chief or his designated representative. Shift swaps shall be rank for rank, exceptions permitted only by the Police Chief, and absence without relief shall be without pay.

ARTICLE 26

DISCIPLINARY ACTION

26.1 Disciplinary Authority

- A. The Chief of Police shall have the right, for reasonable cause, to reprimand or suspend without pay for up to and including three (3) calendar days any regular employee.
- B. The City Manager shall have the right, for reasonable cause and for any regular employee to:
 - 1. demote,
 - 2. dismiss,
 - 3. reduce in pay or
 - 4. suspend without pay for up to thirty (30) calendar days.

26.2 Discipline Procedure

- C. An authorized departmental manager or supervisor proposing that action be taken shall provide the employee with written notice of the proposed action. The written notice shall contain the date it is intended to be effective, the charge(s) and facts on which the proposed action is based and notification that the employee is entitled to respond to the charges in writing to the Chief of Police or his designee within seven (7) calendar days of receipt of notification. Failure of the employee to make a written response or request will constitute waiver of the right to respond. Further, the employee shall be provided with the relevant written materials, written reports and documents considered by the responsible authority in reaching his/her decision to propose the action.
- D. The City Manager will hear employee's responses on all contemplated disciplinary actions which propose a penalty more severe than a three day suspension without pay.

The Chief of Police will hear those responses where less severe discipline is proposed.

- E. If the employee elects to respond in person, a meeting shall be scheduled with the City Manager or Chief of Police, whichever is applicable, at which time the employee shall be given the opportunity to respond to the proposed action. The employee shall be entitled to be represented by counsel or other person of his/her choosing at the meeting.
- F. If after the above procedure discipline is implemented, a written notice of discipline shall be served upon the employee. Said notice shall inform the employee of his/her appeal rights, if any.
- G. The City shall have the right to put any employee on immediate paid administrative leave pending investigation and processing of any potential disciplinary action.
- H. The provisions of the Article shall not apply to reductions in pay which are part of a general plan to reduce salaries and wages or to eliminate positions.

26.3 Appeal

- I. Right of Appeal: When formal disciplinary action has been taken by the City Manager or Chief of Police and the employee has received written notification of the action, the employee shall have the right to appeal as provided below. Failure to appeal by the employee or his/her representative will make the disciplinary action final and conclusive.
- J. Appeal Procedure: A regular employee who has been demoted, dismissed, reduced in pay or significantly suspended without pay (excess of one day), may appeal to the City Council within fourteen (14) calendar days after having been furnished a copy of the notice of discipline by filing a written answer to charges and requesting a hearing with an impartial arbitrator thereon. Upon receipt by the City Council of the request for a hearing with an arbitrator, the City Council will initiate the hearing procedure.
- K. Hearing Procedure:
 - 1. Appointment of Arbitrator
 - a) The parties to the selection of the arbitrator shall be the City and the employee, who may be represented by the Foundation, by independent counsel or by him or herself.
 - b) An arbitrator shall be selected jointly by the parties within fourteen calendar days of receipt by the City Manager of the request for such arbitration from the employee.
 - c) In the event the parties are unable to agree on an arbitrator within the fourteen day period, the City shall solicit from the State of California Mediation /

Conciliation Service a list of seven arbitrators. After receipt of the list, the parties shall, with the City striking first, alternately strike arbitrator's names from the list until one arbitrator remains.

- d) If the arbitrator selected declines appointment or is otherwise unavailable, a new list shall be requested as described above and the process repeated, unless the parties can otherwise mutually agree on an arbitrator.
 - e) The cost of the impartial arbitrator will be shared, with one-half being paid by the City and one-half being paid by the Foundation or the individual employee.
2. The arbitration hearing shall be held at the earliest administratively convenient date, taking into consideration the availability of the arbitrator and the availability of counsel and witnesses. The arbitration hearing shall be a private hearing.
 3. The hearing shall be conducted in the manner most conducive to determination of the truth, and the arbitrator shall not be bound by technical rules of evidence.
 4. The arbitrator shall determine the relevancy, weight and credibility of testimony and evidence. The arbitrator shall base his/her finding on the preponderance of evidence.
 5. Each side will be permitted an opening statement and closing argument. The City shall first present their witnesses and evidence to sustain the charges, and the employee will then present his/her witnesses and evidence in defense.
 6. A court reporter will be retained by the City to take a transcript of the hearing. No audio or video tape recording will be permitted. The employee or his/her representative may obtain a copy of the transcript of the hearing upon request and agreement to pay the necessary costs.
 7. Each side will be allowed to examine and cross-examine witnesses. The employee filing the appeal may be called and examined as if under cross-examination.
 8. Both the City and the employee may be represented by legal counsel.
 9. The arbitrator shall, if requested by either party, subpoena witnesses and/or require production of other relevant records or material evidence. The arbitrator may consider the records of any relevant prior disciplinary actions against the employee which are final.
 10. The arbitrator may, prior to or during a hearing, grant a continuance for any reason he/she believes to be important to him/her reaching a fair and proper decision.
 11. The arbitrator shall prepare a recommended decision and forward it to the City Council after the matter of appeal was taken under submission by the arbitrator.

The recommended decision shall set forth which charges the arbitrator sustains or does not sustain and the reasons therefore.

12. After receiving the recommendation of the arbitrator, the City Council may sustain or reject any or all of the charges filed against the employee. The City Council may sustain, reject or modify disciplinary action invoked against the employee.

ARTICLE 27

LAYOFF PROCEDURE

- 27.1 In the event of a layoff, those employees in the classification affected with the least City-wide seniority shall be laid off first. Seniority shall be defined as continuous City service based upon hire date. The order of layoff shall be:
 - a) Part-time and temporary employees in the affected classification shall be separated first.
 - b) Probationary employees in the affected classification shall be separated next.
 - c) Permanent employees with the least City seniority will be laid off first. Other affected employees will be laid off in sequential order thereafter.
- 27.2 An employee scheduled to be laid off is entitled to displace, or "bump," into a position in a classification within the same occupational series which is currently being held by an incumbent with less overall City seniority, provided it is a position in which the employee formerly held permanent status. The employee must exercise his or her displacement rights in writing within five (5) working days from receipt of layoff notification.
- 27.3 When the employee with the least City seniority is displaced by the person scheduled for layoff, the displaced employee shall be considered as laid off for the same reason as the person who displaced him or her and shall in the same manner be eligible to displace to a position in the same manner as described above.
- 27.4 Should there be a vacancy in the classification from which an employee was laid off within twelve (12) months, the employee shall be eligible for reinstatement. Reinstatement shall be in the reverse order of lay off.

ARTICLE 28

SEPARABILITY

Notwithstanding any provisions of this Agreement to the contrary, in the event that any article, or subsections thereof, of this Agreement shall be declared invalid by any court of competent jurisdiction or by any applicable State or Federal law or regulation, or shall a decision by any court of competent jurisdiction or any applicable State or Federal law or regulation diminish the benefits provided by this Agreement or impose additional obligations on the City, the parties shall meet and confer or negotiate on the Articles or Subsections thereof affected. All other provisions of this agreement shall continue in full force and effect.

ARTICLE 29

TERM

The term of this agreement shall commence on its ratification by the City and the Foundation and expire on June 30, 2017.

APPROVALS

This Memorandum Of Understanding has been ratified and adopted pursuant to the recommendation of the following representatives:

ST. HELENA POLICE OFFICERS' FOUNDATION

Todd Heald, President

CITY OF ST. HELENA

Approved by the City Council by Resolution Number

Toby Ross

City Manager

SALARY INCREASE TO BE NOTED IN NEW PAY SCALE EFFECTIVE 7/1/2014:

TERM

Three years (7/1/14 through 6/30/17)

SALARY INCREASE

Sworn Personnel

7/1/14, increase to base pay of 4.5%

7/1/15, increase to base pay of 4.5%

7/1/16, increase to base pay of 4.5%

Non-Sworn Personnel

7/1/14, increase to base pay of 3.5%

7/1/15, increase to base pay of 3.5%

7/1/16, increase to base pay of ~~34.5%~~

CITY OF ST. HELENA

RESOLUTION No. 2016-

Resolution Authorizing amendment to the Memorandum of Understanding between the St. Helena Police Officer Association and the City of St. Helena amending an administrative error correcting Non-sworn Personnel 7/1/16 increase to base pay to be 4.5%, which had incorrectly stated that the Non-sworn Personnel 7/1/16 increase to base pay was 3.5%; and duly adopt and approve compensation schedule to reflect the updated pay schedules

RECITALS

- A. The City Council of the City of St. Helena adopted Reso. 2014-34 approving Memorandum of Understanding between the St. Helena Police Officers Association and the City of St. Helena; and
- B. Effective with the MOU a pension cost sharing agreement POA members agreed to phase in covering their employee's (EE) contribution to PERS; and
- C. The City had been paying the sworn personnel's 9% EE contribution and non-sworn personnel's 7% EE contribution; and
- D. The POA agreed that the EE cost share would be phased with sworn personnel paying 3% each year, and non-sworn paying 2% for two years and 3% in the third year; and
- E. To offset the cost-share sworn personnel would receive 4.5% each year and non-sworn personnel would receive 3.5% the first two years and 4.5% in the third year; and
- F. The increase to compensation offset the employees cost share and resulted in a total three year 4.5% cola increase to compensation; and
- G. To correct an administrative error which incorrectly stated that the Non-sworn Personnel 7/1/16 increase to base pay was 3.5%, the City is amending the MOU is on page 22 of the MOU and to read 7/11/2016, increase to base pay of 4.5%.

RESOLUTION

The City Council of the City of St. Helena hereby resolves as follows:

1. Approves the amendment to the Memorandum of Understanding between the St. Helena Police Officer Association and the City of St. Helena amending an administrative error correcting Non-sworn Personnel 7/1/16 increase to base pay to be 4.5%; and

2. Duly adopts and approves compensation schedule to reflect the updated pay schedules.

Approved at a Regular Meeting of the St. Helena City Council on September 27, 2016, by the following vote:

Mayor Galbraith:	_____
Vice Mayor White:	_____
Councilmember Crull:	_____
Councilmember Dohring:	_____
Councilmember Pitts:	_____

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Black, City Clerk



Report to the City Council
Council Meeting of September 27, 2016

Agenda Section: Consent

Subject: Consideration and proposed approval of a resolution authorizing a budget increase of \$2,000 to 101-4000-2999, a \$2,000 transfer from 101-4000-2999 to Tree City USA 283-5026-2136, and a \$2,000 budget adjustment to increase revenue account 101-3470-0000 for mitigation received from Pacific Gas and Electric Company (PG&E) for gas safety work being conducted as part of PG&E's Community Pipeline Safety Initiative in the City of St. Helena.

CEQA Status: Project is deemed to qualify for a Statutory Exemption under CEQA Section 15282 (K) and a Class 1 Categorical Exemption under Section 15301 and is therefore exempt from the requirements of CEQA

Prepared By: April Mitts, Finance Director

Steven Palmer, PE, Public Works Director/City Engineer

Approved By: Jennifer Phillips, City Manager

BACKGROUND

On April 12, 2016 Pacific Gas and Electric Company (PG&E) made a presentation to the St. Helena City Council regarding their Community Pipeline Safety Initiative. On May 12, 2016 PG&E conducted a follow-up presentation to the City of St. Helena's Tree Committee. In both presentations PG&E provided information to inform the public on what PG&E is doing to improve gas pipeline safety and reliability. The Community Pipeline Safety Initiative has several components including evaluating the area above the gas transmission pipeline for trees and structures that pose an emergency access or safety concern. For trees which need replacing PG&E offered three Options, one of which was an in-lieu payment to the City on a 4:1 basis. For every 1 tree removed, PG&E will pay for 4 more trees to be planted.

DISCUSSION

Following the informational items presented to the City Council and the Tree Committee, PG&E worked with the City in identifying which trees posed an emergency access or safety concern. During the overview of vegetation in St. Helena, PG&E conducted 32 tree assessments and deemed that 6 of the trees were unacceptable. Following the

assessment PG&E determined one (1) tree on the northwest corner of Main Street and Pope Street needed to be removed. The Tree Committee approved the removal of the tree, PG&E pulled the necessary permits, and removed the tree as approved.

As stated in the Background section PG&E agreed to make an in-lieu payment of \$2,000 to the City to mitigate for the removal of one tree on a 4:1 basis. City Staff and the Tree Committee determined that this amount would cover the cost for City staff to purchase and plant four (4) trees, and the Tree Committee accepted PG&E's offer.

On August 23, 2016 the City of St. Helena received a check from PG&E in the amount of \$2,000 as a mitigation for the gas safety work being conducted as part of PG&E's Community Pipeline Safety Initiative in the City of St. Helena. Funds are to be used to replace/plant new trees within the City of St. Helena. City staff is requesting a budget increase to allow the funds to be used in FY 16/17 for tree replacement/planting.

FISCAL IMPACT

The Fiscal Impact will be an increase to 101-4000-2999 of \$2,000, a transfer to Tree City USA account #283-5026-2136 of \$2,000, and an increase to revenue account #101-3470-0000 of \$2,000. The increase in expenses is offset by the increase in revenues.

RECOMMENDED ACTION

Staff recommends the City Council adopt the resolution authorizing the budget amendments and transfers.

ATTACHMENTS

1. Resolution No. 2016-_____

CITY OF ST. HELENA

RESOLUTION No. 2016-

Resolution authorizing a budget increase of \$2,000 to #101-4000-2999, a \$2,000 budget transfer from #101-4000-2999 to Tree City USA #283-5026-2136, and a \$2,000 budget adjustment to increase revenue account #101-3470-0000 for mitigation received from Pacific Gas and Electric Company (PG&E) for gas safety work being conducted part of PG&E's Community Pipeline Safety Initiative in the City of St. Helena

RECITALS

- A. On April 12, 2016, PG&E made a presentation to the St. Helena City Council regarding their Community Pipeline Safety Initiative;
- B. On May 12, 2016, PG&E conducted a follow-up presentation to the City of St. Helena Tree Committee;
- C. Each presentation provided information for public awareness of the steps PG&E is taking to improve gas pipeline safety and reliability;
- D. It was determined one (1) tree on the northwest corner of Main Street and Pope Street needed to be removed;
- E. As part of the removal PG&E agreed to pay the City of St. Helena on a 4:1 basis for the tree removed;
- F. PG&E has paid the City of St. Helena a total of \$2,000 for the removal of one (1) tree; and
- G. Funds received are to be used to replace/plant new trees within the City of St. Helena.

RESOLUTION

The City Council of the City of St. Helena hereby resolves as follows:

- 1. Approves a \$2,000 budget increase to #101-4000-2999;
- 2. Approves a \$2,000 transfer from #101-4000-2999 to #283-5026-2136; and
- 3. Approves a \$2,000 revenue increase to #101-3470-0000 for revenue and expenses related to PG&E mitigation for the gas safety work conducted as part of PG&E's Community Pipeline Safety Initiative.

Approved at a Regular Meeting of the St. Helena City Council on September 27, 2016, by the following vote:

Mayor Galbraith: _____
Vice Mayor White: _____
Councilmember Crull: _____
Councilmember Dohring: _____
Councilmember Pitts: _____

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Black, City Clerk



Report to the City Council
Council Meeting of September 27, 2016

Agenda Section: Consent

Subject: Consideration and Proposed Adoption of Resolution Authorizing a Site Agreement with EVgo and approving the installation of DC Fast Charging Stations at the Oak Street/Money Way Public Parking Lot in downtown St. Helena at no cost to the City

CEQA Status: Categorically Exempt, Section 15301 minor alterations to existing facilities

Prepared By: Tobias Barr, Public Works Project Manager
Steven Palmer, PE, Director of Public Works/City Engineer

Approved By: Jennifer Phillips, City Manager

BACKGROUND

At the November 11, 2015 City Council meeting, City Council decided to forfeit a grant for a free charging station unit because of the high infrastructure costs that the City was required to fund, and the uncertainty of ongoing management and maintenance of the charging stations. City Council directed staff to pursue installing charging stations as part of the Downtown Public Restroom Project.

In order to install a charging station in conjunction with the Downtown Restroom Project at the lowest cost to the City, City Staff issued a Request for Proposals (RFP) to attract a third party electric vehicle service provider. Since the City of St. Helena has limited resources and no experience managing electric vehicle charging infrastructure, the RFP allowed respondents to propose various strategies for successful partnerships. The RFP did stipulate the City expects potential partners propose Level 2 powered chargers, and strongly prefers a partner who could provide at least one DC Fast Charger. Given the emerging nature of the electric vehicle service provider (EVSP) industry, multiple charging technologies, and variability of business models, EVSPs were allowed to propose any partnership they found appropriate. Staff received three proposals from three different EVSPs, ChargePoint, CarCharging, and EVgo.

1. ChargePoint - Under the proposal from ChargePoint the City would own the stations and would have complete control over pricing and other policies applied to the stations. Management of the stations would be outsourced to ChargePoint. Under this proposal the City would pay for the system outright and purchase the equipment from ChargePoint for an approximate equipment

cost of \$54,058. Equipment purchased would be two (2) Level 2 powered chargers and one (1) DC Fast Charging Station. This cost does not include cost of installation, which can be highly variable and unknown at this time.

2. CarCharging (Blink) – CarCharging proposed a partnership under a revenue share model where CarCharging will provide, own, operate and maintain the charging stations for a period of 7 years. The City of St. Helena will pay the installation costs including all labor and infrastructure – the installation and infrastructure costs are unknown at this time. The City will pay for electricity used by the charging stations and CarCharging will remit to the City 40% of the net revenue generated by the equipment minus any and all taxes, 8% transaction fees, and \$18.00 per charger per month. CarCharging is responsible for setting pricing for use of the chargers.
3. EVgo – EVgo proposed they would install, operate, and maintain two (2) DC Fast Charging Stations at no cost to the City. One (1) Level 2 Charging Station may be added at a later date in EVgo's sole discretion. EVgo would manage and maintain the charging stations, and provide 24-hour customer support for the charging stations; all at no cost to the City under a seven (7) year lease agreement.

Since the City has limited funds for the Downtown Restroom Project, no funding available for electric vehicle charging, no civic capital project fund balance, and limited General Fund Reserves; Staff believes the EVgo proposal to be most favorable, and Staff sought direction from the City Council.

At the August 9, 2016 City Council Meeting, the Public Works Project Manager presented the various proposals to City Council, and asked for direction on whether to negotiate a Site Agreement with EVgo. City Council directed Staff to continue with efforts to provide electric vehicle charging in conjunction with the Downtown Restroom Project, and to negotiate an agreement with EVgo. Following negotiation with EVgo, City Staff and the City Attorney's Office have reach an amenable agreement with EVgo, which is ready for City Councils final consideration.

DISCUSSION

Following City Council direction City Staff, working with the City Attorney's Office, negotiated a Site Agreement with EVgo. City Council requested that Staff explore cost sharing for profits related to the DC Fast Charging. Options were explored but ultimately cost sharing was not acceptable to EVgo. Their explanation included high installation costs and the cost of maintaining and operating the charging stations. EVgo is a start-up company primarily supported through grants, venture capital firms, and their minority partner, NRG Energy. NRG Energy is funding many of the EVgo charging station installations because they are required to install DC fast charging stations as part of their settlement with the California Public Utilities Commission related to the 2001 California energy crisis. The settlement is related to NRG Energy's purchase of Dynegy generation facility assets in 2010. When NRG Energy purchased generation assets from Dynegy

they guaranteed to the CPUC a timely performance of all obligations to settlement of claims against Dynegy generation facilities. Under this settlement with the CPUC, they are obligated to fund \$100 million dollars of DC fast charging infrastructure in California. Due to the lack of profit from these activities, they do not entertain profit sharing with any of their site host partners.

After learning the complexities of EVgo's existing business model and learning the profit sharing was not amenable, the Public Works Project Manager requested EVgo consider splitting a portion of the Low Carbon Fuel Standard Credits (LCFS), which electric vehicle charging activities qualify for. City Staff proposed that EVgo, whom participates in the market for LCFS, split a portion of the credit proceeds with the City. However City Staff learned that EVgo is not able to track the credits or credit sale values on a station by station basis. Creating such a sharing system could be complicated and cause the proposed project to be delayed. EVgo, who is executing installations on behalf of its minority partner NRG Energy, must have the station installed by the end of 2016. Thus, negotiating a mechanism to share credit proceeds would be complex and inevitability cause EVgo to not meet its obligation schedule to their partner NRG Energy. With this scenario in mind, EVgo stated that negotiating Low Carbon Fuel Standard at this stage would be a deal-breaker for them.

As such, City Staff moved forward with successfully negotiating the liability and risk terms of the agreement and presents this agreement for City Council approval.

FISCAL IMPACT

There is no fiscal impact directly related to this agreement. However, the City is responsible for the enforcement of parking rules in the parking lot. The charging stations will be reserved for electric vehicle charging only. Thus, if vehicles are parked and not charging, enforcement may be necessary. Enforcement activities could result in additional staff time for Police Department and Public Works Department.

RECOMMENDED ACTION

Staff recommends the City Council adopt the resolution authorizing the City Manager to execute the Site Agreement with EVgo, permitting EVgo to install charging stations at the Oak Street/Money Way public parking lot for a term of seven (7) years.

ATTACHMENTS

1. Resolution
2. EVgo Site Agreement

CITY OF ST. HELENA

RESOLUTION No. 2016-

Resolution Authorizing the City Manager to Execute a Site Agreement with EVgo for the Installation, Operation and Maintenance of DC Fast Charging Stations in the Oak Street/Money Way Public Parking Lot for a Term of Seven (7) Years.

RECITALS

- A. The City of St. Helena wishes to promote clean transportation to reduce Greenhouse Gases and other harmful vehicle emissions; and
- B. Electric vehicles have zero tailpipe emissions, and are widely being adopted in California; and
- C. Under California State Clean Air and Greenhouse Gas Reduction Policy, auto manufactures are required to continue to produce and sell electric vehicles in the State of California; and
- D. City Staff released an Request For Proposal inviting Electric Vehicle Service Providers to submit proposals to install electric vehicle charging infrastructure at the Oak Street/Money Way Public Parking Lot in St. Helena; and
- E. Of the three proposals received, EVgo provided a zero cost, turnkey proposal to the City; and
- F. The City Attorney's Office has approved the terms negotiated by City Staff and EVgo.

RESOLUTION

The City Council of the City of St. Helena hereby resolves as follows:

- 1. Authorizes the City Manager to execute the Site Agreement with EVgo.
- 2. Approves the installation of EVgo DC Fast Charging Stations at the Oak Street/Money Way Public Parking Lot.

Approved at a Regular Meeting of the St. Helena City Council on September 27, 2016, by the following vote:

Mayor Galbraith: _____
Vice Mayor White: _____
Councilmember Crull: _____

Councilmember Dohring:

Councilmember Pitts:

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Black, City Clerk

**CHARGING SERVICES AGREEMENT
(EVgo Public Network)**

Host: CITY OF ST. HELENA,

a _____

Agreement Date : September 20 2016

This Charging Services Agreement ("Agreement") is entered into as of the Agreement Date by the City of St. Helena ("Host") and EVGO SERVICES LLC, a Delaware limited liability company ("EVgo"). Capitalized terms not defined herein shall have the meanings given to them in the attached Terms & Conditions, attached as Exhibit A and incorporated by reference herein.

A. Premises

Host Property: City of St. Helena Public Parking Lot located at: 1301 Money Way, St. Helena, CA 94574

The location where the Charging Stations shall be installed at the Host Property (the "Premises") is shown on the attached Exhibit B.

B. Charging Services

1. Term.

- a. The term of this Agreement (as extended from time to time, the "Term") shall commence on the Agreement Date, subject to the Terms & Conditions, and continue until seven (7) years following the date the Charging Stations are first operational (the "Commencement Date"). The Agreement will automatically renew for successive one (1)-year periods, unless terminated by either party upon at least thirty (30) days prior written notice. EVgo shall send to Host notice of the Commencement Date within a reasonable period following the occurrence of such date.
- b. This Agreement may be terminated upon (30) days' written notice to either party without penalty or fee:
 - i) in the case of EVgo, at any time prior to EVgo's submission of a permit application for construction at the Host Property or in the event that EVgo determines that the construction or continued operation of the Charging Stations is impracticable or uneconomical; and
 - ii) in the case of Host, in the event the Commencement Date has not occurred within twelve (12) months following the Agreement Date; provided that Host's rights shall terminate upon the Commencement Date.

2. Charging Services During the Term, EVgo shall provide the following services (the "Charging Services") :

- a. EVgo shall install, at its sole cost and expense:
 - i) Two (2) DC Fast Charging Stations. The two fast charging stations will be compatible with CHAdeMO and SAE Combined Charging System standards.
 - ii) One (1) Level 2 Charging Station which may be added at a later date in EVgo's sole discretion;
 - iii) Related equipment, hardware, software, signage and supporting equipment and structures. This includes obtaining adequate electrical service to the charging stations.

It is EVgo's responsibility to install any infrastructure needed to provide adequate electrical service from existing facilities to the proposed charging stations.

The foregoing is collectively referred to as the "Charging Stations."

- b. EVgo shall, at its sole cost and expense, be responsible for all operation and maintenance of the Charging Stations.
 - c. The Charging Stations shall be available to EVgo Customers as part of its public network of EV charging stations. The Charging Stations will also be available to the general public, subject to reasonable fees for non-EVgo Customers.
 - d. EVgo Customers shall have access to the Premises twenty-four (24) hours per day, seven (7) days per week, and 365/366 days per year and EVgo and its employees, contractors, and vendors may, at any time during the Term, access the Premises and Host Property to maintain, inspect, repair, upgrade or replace any portion of the Charging Stations, except during special circumstances in which access to the Premises is limited or restricted to accommodate City of St. Helena sponsored events. Host, by way of a publically accessible shared calendar and/or PlugShare or like medium, will provide reasonable advance notice of scheduled event dates where access to the Premises and Host Property is limited or restricted.
3. Exclusivity. Host hereby grants EVgo an exclusive right to provide, service and operate DC Fast Charging Stations at the Host Property during the Term hereof. Host retains the right to: (i) install (or permit the installation of) Level 2 charging stations at the Host Property, and (ii) have charging stations of any type installed at locations other than the Host Property that is the subject of this Agreement.
4. Electricity. Unless otherwise agreed by the parties, EVgo shall be responsible for all electricity costs of the Charging Stations. Host shall reasonably cooperate with EVgo's efforts regarding the provision of electricity to the Charging Stations; provided, however, that any cooperation by Host shall be at no cost to Host. Neither Host nor EVgo has any responsibility or liability for interruption, curtailment, failure, or defect in the supply or character of utilities furnished to the Charging Stations, unless the cause of the interruption is covered by the party's indemnity provided for in the Terms and Conditions.
5. Removal Upon Termination. Promptly following the expiration or termination of this Agreement, EVgo shall remove the Charging Stations and all of EVgo's other property associated with the Premises from the Host Property. EVgo shall restore the Host Property to a condition reasonably acceptable to the Host, including, without limitation, removal of electrical equipment, utility lines, hardware, and software; and undertaking site repairs, repaving, patching, and landscaping that is reasonably necessary to restore the Host Property to its original condition, with the exclusion for ordinary wear and tear.
- C. Installation Activities.
- 1. Subject to the requirements of the Terms and Conditions, EVgo shall, at its sole cost and expense, conduct all installation activities (the "Installation Activities") required to support the installation and operation of the Charging Stations and Charging Services, including the hiring and coordination of all vendors and contractors; the installation of electrical equipment, utility lines, hardware, and software; site preparation, trenching, repaving, and landscaping, and all other work necessary to complete the Installation Activities and restore the Host Property to its original condition, with exclusion for ordinary wear and tear.
 - 2. On completion of the installation of the Charging Stations, EVgo shall retain all ownership rights therein and shall have the right to remove all or a portion of the same at any time during the Term, whether or not said items are considered fixtures and attachments to the Premises under applicable laws.

D. Other Provisions. NONE.

HOST:

CITY OF ST. HELENA,

a _____

By: _____

Name: _____

Title: _____

Notice Address:

1480 Main Street
St. Helena, California 94574
Attn: Director of Public Works

EVGO:

EVGO SERVICES LLC,
a Delaware limited liability company

AG

By: Jason Backlund

Name: JASON BACKLUND

Title: VP. Site Development

Notice Address:

1000 North Post Oak Road, Suite 240
Houston, Texas 77055
Attn: COO

with a copy to:

11390 West Olympic Blvd., Suite 250
Los Angeles, CA 90064
Attn: Director of Legal Affairs

Exhibit A
Terms and Conditions

See attached.

TERMS & CONDITIONS

A. GENERAL

1) Premises.

a) During the Term (as defined in the Agreement), Host grants to EVgo a license to use and occupy the Premises for, as applicable, the design, development, construction, installation, and other activities set forth in the Agreement, including without limitation the installation, operation, maintenance, repair, security, replacement, and removal of Charging Stations, signage and associated equipment within the Premises. In addition, Host grants to EVgo the right to use and occupy areas of the Host Property adjacent to the Premises for the construction and installation of the Charging Stations, and shall confine its operations strictly to those sites permitted by applicable law, ordinances, permits and Host.

b) Host shall cause the Premises to be maintained in a clean, safe, and orderly condition, to at least the same standard as other areas at the Host Property that are under Host control are maintained. Unless otherwise specified in the Agreement.

2) Charging Services. During the Term, EVgo shall provide the Charging Services described in the Agreement.

a) Charging Stations on EVgo's public network shall be accessible to all EVgo subscribers and customers ("EVgo Customers"), who shall be charged in amounts reasonably determined by EVgo, which may change from time to time in EVgo's sole discretion. Charging Stations not on public networks shall be accessible only to authorized EVgo Customers in the manner determined by the parties and in accordance with EVgo's product offerings.

b) Host will have access to the same customer support that EVgo generally provides to EVgo Customers, which includes phone support and attempted diagnosis of any technical issue encountered in using any Charging Station. The applicable customer support phone number shall be displayed on or near each Charging Station.

3) Operation and Maintenance.

a) Subject to the terms and conditions of the Agreement, EVgo will operate the Charging Stations for the benefit of EVgo Customers and shall use commercially reasonable efforts to maintain the Charging Stations in good working order and repair.

b) To the extent Host has actual knowledge of the same, Host shall promptly notify EVgo and, as appropriate, emergency response personnel regarding any malfunction of a Charging Station.

4) Taxes. EVgo is solely responsible for personal property, sales, and/or use taxes that are or may be imposed on the Charging Stations. Each party is responsible for its own income, franchise and similar taxes.

5) Method of Payment. For any amounts owed by EVgo to Host, on or before the forty-fifth (45th) day following the applicable due date (or at the end of each calendar month in the case of monthly payments), EVgo shall make a payment to Host of such amount by check or wire transfer or other electronic method mutually agreed upon by EVgo and Host. For any amounts owed by Host to EVgo, EVgo shall invoice Host and Host shall pay such amounts within forty-five (45) days of receipt,

or the parties shall make other mutually acceptable payment arrangements. EVgo may net any amounts owed to it by Host against any amounts it owes Host in determining payment amounts.

6) Termination.

a) The Agreement may be immediately terminated for cause by either party in the event of the following:

i) Breaches. The other party breaches or fails to perform any of its obligations in any material respect, and such breach or failure continues uncured for ten (10) business days after receipt of written notice.

ii) Insolvency. The other party becomes insolvent or proceedings are instituted by or against it under any provision of any federal or state bankruptcy or insolvency laws.

b) Within sixty (60) days following the termination or expiration of the Agreement, EVgo shall remove its property associated with the Premises from the Host Property.

7) Promotional Activities. During the Term of the Agreement, EVgo may promote the availability of the Charging Stations (to the extent they are on EVgo's public network of EV charging stations) through traditional and/or electronic media, including providing the address of the Host Property and a description thereof. No party shall use the other party's trade or service marks, logos or other proprietary materials without the prior written consent of the other party.

8) Signage. Subject to Host's prior approval, EVgo may place EVgo-branded signage within the Host Property and around the Premises at EVgo's sole cost and subject to applicable laws and regulations. At no time may Host place any signage on EVgo property.

9) Installation Activities. The term "Installation Activities" shall refer to the installation activities described in the Agreement.

a) At least fifteen (15) days before beginning the Installation Activities, EVgo shall provide a copy of the construction schedule and installation plans to Host for its approval, which approval shall not be unreasonably delayed or withheld. No work will begin until plans have been approved by Host and all applicable permits and certifications have been obtained.

b) For Installation Activities to be performed by EVgo, EVgo shall:

i) designate the contractors or other service providers and be solely responsible for supervising such Installation Activities;

ii) cause its designated contractors and service providers to obtain from governmental authorities all licenses, permits, or other approvals (collectively, "Approvals") required to conduct such Installations. Host will reasonably cooperate with EVgo's designated contractors and service providers as required to obtain such Approvals;

iii) bring on the Premises and permitted adjacent areas of the Host Property only those materials and equipment that are being used directly in the Installation Activities;

iv) cause designated contractor(s) to include Host as an additional insured on its Commercial General Liability Insurance,

Automobile Liability Insurance and Excess Liability Insurance, with respect to liability arising out of designated contractor's performance of the Installation Activities. Said Insurance shall be primary to Host's Insurance and shall not seek contribution from similar insurance being maintained by the Host as to the acts or omissions of designated contractor(s), and shall contain provisions whereby designated contractor's insurer waives all rights of subrogation against the Host on each of the coverages required herein.

v) perform Installation Activities only during times and days acceptable to Host and in a manner so as to not unreasonably interfere with Host's business operations;

vi) not permit or suffer any mechanic's or materialmen's liens to attach to the Premises. If such a lien attaches to the Premises, EVgo shall remove or bond over such lien at EVgo's sole cost and expense, within twenty (20) days of EVgo receiving written notice thereof from Host.

c) Host shall reasonably cooperate with EVgo to facilitate EVgo's Installation Activities, including the provision of electricity to the Charging Stations; provided, however, that any cooperation by Host shall be at no cost to Host. With respect to any Installation Activities not performed by EVgo or its agents, EVgo shall have no responsibility or liability for any such activities, including obtaining Approvals.

B. REPRESENTATIONS, WARRANTIES & COVENANTS

1) General. Each of Host and EVgo hereby represents and warrants to the other that, as of the Agreement Date: (a) it has all necessary power and authority to execute, deliver, and perform its obligations hereunder; (b) the execution, delivery, and performance of the Agreement have been duly authorized by all necessary action and do not violate any of the terms or conditions of its governing documents, any contract to which it is a party, or any law, regulation, order, or other legal determination applicable to it; (c) there is no pending or, to its knowledge, threatened litigation or proceeding that may adversely affect its ability to perform the Agreement; (d) it is duly organized and validly existing under the laws of the jurisdiction of its organization; (e) the Agreement constitutes a legal, valid and binding obligation of such party, except as enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights and by general principles of equity; and (f) at all times during the Term, it will comply with all federal, state, and local laws, rules, regulations (including, without limitation, all zoning ordinances and building codes) in performing its obligations under the Agreement.

2) Consents and Approvals. Host further represents, warrants and covenants that it has obtained or shall obtain prior to the commencement of EVgo's Installation Activities or Charging Services any and all consents or approvals required in order for Host to grant the rights and perform its obligations under the Agreement, and for EVgo to take the actions contemplated in the Agreement.

C. INSURANCE

1) EVgo Insurance.

a) During the Term, EVgo shall maintain in full force and effect, at its cost and expense, the following coverages and amounts of insurance: (i) Statutory Worker's Compensation Insurance, and Employer's Liability limits of \$1,000,000 per accident per employee; (ii) Commercial General Liability Insurance, written on an occurrence basis,

covering bodily injury (including death), personal injury, and property damage, with limits of not less than \$1,000,000 per occurrence, \$2,000,000 aggregate; (iii) Automobile Liability with a combined single limit of \$1,000,000; and (iv) \$2,000,000 in excess liability coverage per occurrence, which coverage shall sit excess of the scheduled underlying General Liability, and Automobile Liability and Employer's Liability Insurance policies with exclusions that are no more broad than those contained in the underlying policies.

b) With respect to EVgo's Commercial General Liability Insurance, Automobile Liability Insurance and Excess Liability Insurance, Host shall be included as an additional insured with respect to liability arising out of EVgo's performance under the Agreement. EVgo shall consider its own insurance primary, and shall not seek contribution from similar insurance being maintained by the Host as to the acts or omissions of EVgo.

2) Host Insurance. Not Used.

3) Policy Requirements. The insurance policies required under Sections C(1) and C(2) shall: (a) be issued by insurance companies licensed to do business in the state in which the Host Property is located, with a general policyholder's ratings of at least "A-" and a financial rating of at least "Class VIII," in the most current Best's Insurance Reports available on the Agreement Date; if the Best's ratings are changed or discontinued, the parties shall agree to a comparable method of rating insurance companies; and (b) contain provisions whereby each party's insurers waive all rights of subrogation against the other party on each of the coverages required herein. From time to time upon request, each party shall provide the other with a certificate of insurance, evidencing the required coverages.

a) Waiver. Anything in the Agreement to the contrary notwithstanding, EVgo hereby waives every right or cause of action for any and all loss of, or damage to (whether or not such loss or damage is caused by the fault or negligence of the Host or anyone for whom the Host may be responsible) the Charging Stations, or to personal property of EVgo, or its Related Parties, as defined in Section (D)1, regardless of cause or origin. This waiver and release shall also apply to any claims under or through EVgo as a result of any asserted right of subrogation.

b) Casualty and Condemnation. If any portion of the Host Property is damaged by fire or other casualty in a manner that adversely affects EVgo's use of the Premises, then either party may, within thirty (30) days of the date of such fire or other casualty elect to terminate the Agreement on written notice to the other party. If any portion of the Host Property is condemned or taken in any manner for a public or quasipublic use that could adversely affect EVgo's use of the Premises, then EVgo may elect to terminate the Agreement effective as of the date title to the condemned portion of the Host Property is transferred to the condemning authority.

D. INDEMNITY

1) Indemnification. Subject to Section D(2), hereof, each party shall indemnify and hold harmless the other party and its respective affiliates, representatives, agents, officers, directors, managers, members, shareholders, partners, contractors, or employees ("Related Parties") from and against all claims, demands, causes of action, liabilities, costs, damages, losses, penalties, fines, judgments or expenses, including reasonable attorneys' fees and costs of collection (collectively, "Losses") that arise out of or result from (i) any willful misconduct or negligence of such party or its Related Parties, (ii) any

breach by such party of its obligations, representations or warranties under the Agreement; and (iii) in the case of EVgo, the use of the Premises by EVgo or its Related Parties, except to the extent arising out of or resulting from any willful misconduct or active or sole negligence of Host or its Related Parties.

2) **Limitation of Liability (LOL)**. In no event shall either party be liable (in contract or in tort, including negligence and strict liability) to such other party or its Related Parties for any special, indirect or consequential damages including, without limitation, lost profits, relating to the Agreement. Subject to EVgo's obligations in paragraph 5 of the Agreement, of which EVgo remains solely responsible, and subject to the parties indemnity obligations arising out of third party claims in Section D.1), the entire liability of each party for any and all claims of any kind arising from or relating to the Agreement will be subject in all cases to an affirmative obligation on the part of the other party to mitigate its damages. Each party's total liability to the other party and its Related Parties on an aggregate basis arising out of or in connection with the Agreement, whether in contract or in tort, and except as it applies to a party's obligations (if any) pursuant to **Section C [INSURANCE]** and the parties indemnity obligations in Section D(1), shall not exceed the following: in the case of EVgo, the value of the Installation Activities; in the case of Host, the reasonable value of the license rights for EVgo's use of the Host Property.

E. MISCELLANEOUS

1) **Notice**. Any notice provided or permitted to be given under the Agreement must be in writing and be served either by (i) deposit in the mail, addressed to the party to be notified, postage prepaid, and registered or certified, with a return receipt requested, or (ii) deposit with an internationally-recognized overnight delivery carrier, with notice of delivery to the recipient party. Notice given by registered or certified mail or overnight carrier shall be deemed delivered and effective on the date of delivery shown on the return receipt or proof of receipt. For purposes of notice the addresses of the parties shall be as set forth in the Agreement. Each party may change its address for notice by giving notice thereof to the other party.

2) **Assignment**. The Agreement is binding on and inures to the benefit of the parties and their respective heirs, successors, assigns, and personal representatives. In the event the Premises is transferred or Host ceases to have the requisite level of control over the Premises necessary to fulfill its obligations under the Agreement (each, a "**Transfer Event**"), Host shall assign its rights and obligations under the Agreement to the person or entity which would be able to comply with Host's obligations following such Transfer Event. EVgo shall not assign this Agreement without Host Party's prior written consent, and such unauthorized assignment shall, subject to the Host Party's sole discretion, become null and void; provided, however, that EVgo may assign its rights and obligations in and under this Agreement to a successor by merger or acquisition or successor to all or substantially all of its assets at any time and without consent.

3) **No Agency Relationship**. Nothing in the Agreement shall be deemed or construed to create a joint venture, partnership, fiduciary, or agency relationship between the parties for any purpose, and the employees of one party shall not be deemed to be the employees of the other party. Except as otherwise stated in the Agreement, neither party has any right to act on behalf of the other, nor represent that it has such right or authority.

4) **Conflict; Severability**. In any conflict between the Agreement and these Terms & Conditions, the Agreement shall control. If any term of Rev. 080615

the Agreement is held by any court of competent jurisdiction to be invalid, such invalidity shall not invalidate the remainder of the Agreement and the Agreement shall be construed and deemed reformed to the extent necessary to render valid such term and the rights and obligations of the parties shall be enforced accordingly.

5) **Survival**. The provisions of Sections A(6)(b), C(4), D, and E(6) shall survive termination of the Agreement.

6) **Governing Law; Waiver of Jury Trial**. The Agreement shall be governed by and interpreted in accordance with the internal laws of the state where the Host Property is located without giving effect to conflict of law rules. The parties hereby waive any and all rights to request or require that a jury determine any fact, matter, dispute or litigation between them, or render any judgment or decision, in any way concerning the Agreement, and agree that any and all litigation between them arising from or in connection with the Agreement shall be determined by a judge sitting without a jury.

7) **No Waiver**. The failure of a party to insist on strict performance of any provision of the Agreement does not constitute a waiver of or estoppel against asserting the right to require performance in the future and a waiver or estoppel given in any one instance does not constitute the same with respect to a later obligation or breach.

8) **Remedies**. The rights and remedies provided by the Agreement are cumulative, and the use of any right or remedy by any party does not preclude or waive its right to use any or all other remedies. These rights and remedies are given in addition to any other rights a party may have under any applicable law, in equity or otherwise.

9) **Force Majeure; Change in Law**. Neither party is responsible for any delay or failure in performance of any part of the Agreement to the extent that delay or failure is caused by fire, flood, explosion, war, embargo, government requirement, civil or military authority, act of God, act or omission of carriers or other similar causes beyond the party's control. If any rule, directive, order, decision or law adversely impacts the ability for EVgo to perform its obligations under the Agreement without becoming licensed or otherwise regulated by a public utility commission or analogous agency in the relevant jurisdiction, EVgo may, at its option, immediately suspend performance under the Agreement and/or terminate the Agreement upon notice to Host and without penalty.

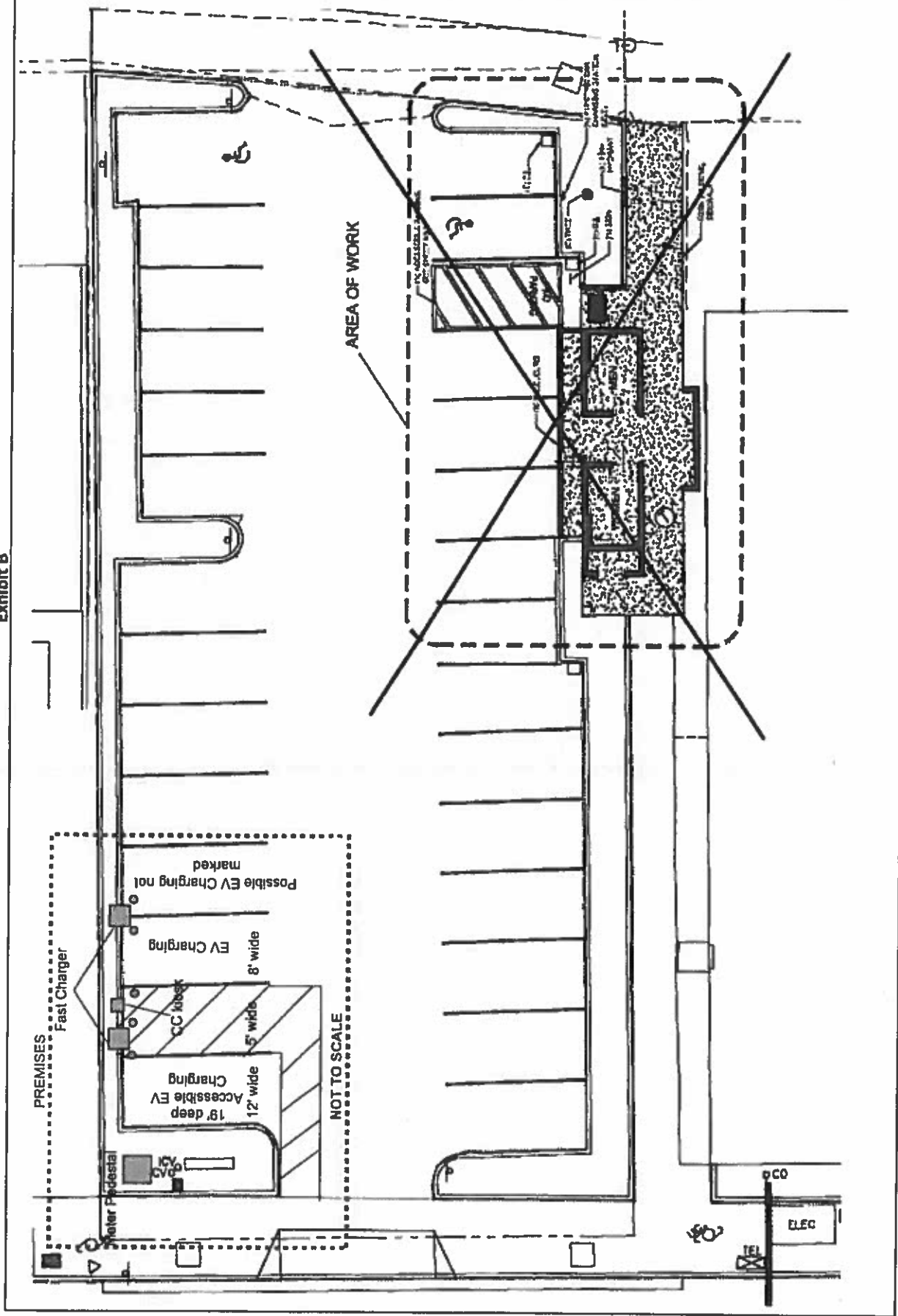
10) **Attorneys' Fees**. Not used.

11) **No Third Party Beneficiaries**. The Agreement does not confer any rights or remedies on any person other than the parties and their respective successors and permitted assigns.

12) **Integration; Amendments**. The Agreement contains all Agreements, promises and understandings between the parties, and that there are no verbal or oral Agreements, promises or understandings between the parties. Any amendment, modification or other change to the Agreement shall be ineffective unless made in a writing signed by the parties hereto.

13) **Counterparts**. The Agreement may be executed in any number of counterparts with the same effect as if all the parties had signed the same document.

14) Construction. All documents or items attached to, or referred to in, the Agreement are incorporated into the Agreement as fully as if stated within the body of the Agreement. Each party has cooperated in the drafting, negotiation and preparation of the Agreement and nothing herein shall be construed against either party on the basis of that party being the drafter of such language.





Report to the City Council
Council Meeting of September 27th, 2016

Agenda Section: Consent

Subject: Consideration and proposed adoption of a resolution accepting the work and directing the filing of the Notice of Completion for the Bell Canyon Reservoir – Install New Frame and Sluice Gate on Water Intake Tower, Capital Improvement Project W-84

CEQA Status: Categorically Exempt, Section 15301, Existing Facilities Class I

Prepared By: Tobias Barr, Public Works Project Manager
Steven Palmer, PE, Director of Public Works/City Engineer

Approved By: Jennifer Phillips, City Manager

BACKGROUND

In a December 2011 during routine inspection by the State Water Resources Control Board (SWRCB), Drinking Water Division, the City was directed to develop a plan and schedule to replace the mid-level valve on the Bell Canyon Reservoir intake tower.

In October of 2012, North Coast Divers, Inc. was contracted to conduct an inspection dive to video document the condition of the damaged intake gate and make recommendations based on those findings. The inspection revealed that the sluice gate and control rod had suffered damage and/or corrosion to a degree that complete replacement of the entire assembly was required.

In April 2013, the dive crew removed the damaged sluice gate from the Bell Canyon Intake Tower, and the opening was sealed with a temporary cofferdam. The sluice gate frame, slide, and control rod was recovered to the surface and custody transferred to the City.

On March 10, 2015, the City Council, by resolution authorized a professional service agreement with COWI North America, Inc. for Plans, Specifications and estimate for the Bell Canyon Reservoir Sluice Gate Replacement.

On August 11, 2015 the City Council authorized Adoption of Resolution Approving the Plans, Specifications; and Authorizing the Bid Request for Bell Canyon Reservoir – Install New Frame and Sluice Gate on Water Intake Tower, CIP Project W-84 and made findings that the project is categorically exempt from the California Environmental Quality Act.

On September 22, 2015 the City Council awarded the construction contract for Bell Canyon Reservoir – Install New Frame and Sluice Gate on Water Intake Tower, CIP W-84 to DRS Marine Inc. During construction to replace the mid valve, it was discovered the upper valve on the intake tower was also not functional. The Public Works Director/City Engineer authorize a Change Order in the amount of \$8,579, which fell under the approved contingency amount, for the inspection of the upper valve.

On July 12 2016 City Council approved a change order in the amount \$31,922 for the critical repairs to the upper valve. On August 26, 2016, the final work was completed on the upper valve repair and the project was completed.

DISCUSSION

All work have been completed. The inspection by COWI Marine found the work to be satisfactory. The intake tower is fully functional and operating normally.

FISCAL IMPACT

There were four Change Orders during the project. The first two were No Cost Change Orders for additional working days to the contract to allow for all materials to be fabricated and received. Change Order No. 3 in the amount of \$8,579 was for inspection of the upper valve, which was found to not be functioning properly. Change Order No. 3 was executed by the Director of Public Works/City Energy because the amount fell within the project's 10% contingency approved with the contract award. The final fourth and final Change Order in the amount of \$31,922 was for the repair of the upper valve and was approved by City Council on July 12, 2016. The total construction contract price is \$128,246. The estimated Project expenditure summary including prior years expenditures is provided in the table below.

Description	Approved Budget	Projected
Preliminary engineering and design	\$ 134,079	\$ 134,079
Construction management/inspection	\$ 25,000	\$ 25,000
Construction Contract	\$ 96,324	\$ 87,745
Contract Change Order No.1 (time only)		\$ 0
Contract Change Order No. 2 (time only)		\$ 0
Contract Change Order No. 3		\$ 8,579
Contract Change Order No. 4	\$ 31,922	\$ 31,922
Total	\$ 287,325	\$ 287,325

The project is funded through Capital Improvement Project W-84 and these costs are included in the current approved project budget.

RECOMMENDED ACTION

Adopt attached resolution to accept the work and direct the filing of the Notice of Completion for Bell Canyon Reservoir – Install New Frame and Sluice Gate on Water Intake Tower, CIP Project W-84.

ATTACHMENTS

1. Resolution
2. Notice of Completion

CITY OF ST. HELENA

RESOLUTION NO. 2016-_____

**ACCEPTING THE WORK AND DIRECTING THE FILING OF THE NOTICE OF
COMPLETION FOR THE BELL CANYON RESERVOIR – INSTALL NEW FRAME
AND SLUICE GATE ON WATER INTAKE TOWER, CAPITAL IMPROVEMENT
PROJECT W-84**

RECITALS

- A. On September 22, 2015 City Council awarded a contract for the Bell Canyon Reservoir – Install New Frame and Sluice Gate on Water Intake Tower, Capital Improvement Project W-84 to DRS Marine Inc. in the amount of \$87,745 and
- B. The Public Works Director/City Engineer authorized a Change Order in the amount of \$8,579 for the inspection of the upper valve, which was found not to be functioning; and
- C. On July 12, 2016 City Council approved a Change Order in the amount of \$31,922 for the repair of the upper valve; and
- D. DRS Marine Inc., has completed the work in accordance with the contract documents for the project; and
- E. If no liens or claims have been filed within 35 days of filing the Notice of Completion, the retained payment funds and any amount due will be released to DRS Marine Inc.

RESOLUTION

The City Council of the City of St. Helena hereby resolves as follows:

- 1. The work performed by DRS Marine Inc., under the subject contract is accepted as complete.
- 2. The Public Works Director/City Engineer is authorized to prepare a Notice of Completion and the City Clerk is directed to file a Notice of Completion with the Napa County Recorder.

Approved at a Regular Meeting of the St. Helena City Council on September 27, 2016, by the following vote:

Mayor Galbraith: _____
Vice Mayor White: _____
Councilmember Crull: _____
Councilmember Dohring: _____
Councilmember Pitts: _____

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Black, City Clerk

Recording Requested By:

City of St Helena
1480 Main Street
St Helena, CA 94574

**Exempt From Recording Fees Per
Government Code Sec. 27383****When Recorded Mail To:**

City Clerk
City of St Helena
1480 Main Street
St Helena, CA 94574

SPACE ABOVE THIS LINE FOR RECORDERS USE ONLY

NOTICE OF COMPLETION**NOTICE IS HEREBY GIVEN THAT:**

- 1 The undersigned is an owner of an interest of estate in the hereinafter described real property, the nature of which interest or estate is: fee simple.
- 2 The full name and address of the undersigned owner and of any and all co-owners are:

Name	Street and No.	City	State
City of St Helena	1480 Main Street	St Helena	CA

- 3 On the 27th day of September, 2016, there was completed upon the hereinafter described real property a work of improvement as a whole and described as follows: **Bell Canyon Reservoir – Install New Frame and Sluice Gate on Water Intake Tower, Capital Improvement Project W-84.**

- 4 The name of the original contractor for the work of improvement as a whole was: **DRS Marine Incorporated.**

- 5 The real property herein referred to is situated in the City of St Helena, County of Napa, State of California, and described as follows: **Bell Canyon Reservoir**

- 6 The street address of the property is: **Bell Canyon Reservoir, 410 Crystal Springs Rd, Napa California 94576**

By: _____

Owner's Authorized Agent's Signature – Sign Before Notary

Steven Palmer, Public Works Director/City Engineer

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____)

On _____ before me, _____
(insert name and title of the officer)

personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is
true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

THIS PAGE IS
INTENTIONALLY
BLANK



Report to the City Council
Council Meeting of September 27, 2016

Agenda Section: New Business

Subject: Second reading and proposed adoption of an ordinance authorizing an amendment to the Contract between the City Council of the City of St. Helena and the Board of Administration of the California Public Employee's Retirement System

CEQA Status: Not a project

Prepared By: Mandy Kellogg, Administrative Services Manager *R*

[Signature]
Approved By: Jennifer Phillips, City Manager

BACKGROUND

The current Memorandum of Understanding (MOUs) with the St. Helena Employees Association (SHEA) and the Unrepresented Employee group, excluding the Fire Chief, contain negotiated provisions by which employees pay a portion of the employer's required California Public Employees' Retirement System (CalPERS) contribution. The negotiated provision included in the SHEA MOU states that effective the first full pay period in January 2016, employees covered by the MOU shall contribute an additional 1% of PERSable compensation toward the City's required contribution. The negotiated provision included in the Unrepresented Compensation Program states as soon as practicable, the City initiate a contract amendment for employees covered by this program, excluding the Fire Chief, for employee cost sharing of an additional 1% of pensionable compensation toward the City's cost of pension benefits.

In accordance with Government Code Section 20516, the City desires to amend its CalPERS Contract with respect to the Miscellaneous Retirement Plan and the Police Safety Management Retirement Plan to allow additional employee cost sharing of the employer rate in the amount of 1% for Classis Miscellaneous members, New Miscellaneous members (PEPRA), Classic Police Safety Management members and New Police Safety Management members (PEPRA). The St. Helena Employees Association has been contributing at these rates since January 2016. However, the City still needs to amend its contract with CalPERS in order for employees to obtain appropriate credit for those contributions. The Unrepresented Employee group will begin contributing these rates upon the effective date of the amended contract, October 25, 2016.

DISCUSSION

In order to formalize the cost sharing provision of the agreements with CalPERS, the City Council must amend the City's contract with CalPERS to incorporate the provisions of the Government Code Section 20516. The CalPERS contract amendment requires the Council to adopt a Resolution of Intention to Approve an Amendment to Contract and to introduce an ordinance authorizing an Amendment to Contract.

The required contract amendment involves enacting the provisions of Government Code Section 20516, Employee Cost Sharing of Additional Benefits, for local miscellaneous members and local police safety members. This amendment is required for all Classic and New members (PEPRA) in SHEA and Unrepresented employee groups, and all members in these groups (excluding the Fire Chief) will participate in the required CalPERS election.

Due to the requirements of Government Code Section 20474 a secret ballot was conducted with all employees affected by the contract amendment to allow the employees to express their choice. The outcome of the election was that the majority of the employees voted to approve participation in the pension cost share of 1%.

The first reading of the ordinance as required by CalPERS was conducted at the August 23rd council meeting. This serves as the Second Reading and proposed Adoption of the Ordinance. The effective date of the Ordinance shall be 30 days after the adoption date on October 27, 2016. The effective date of the Contract Amendment is the first day of the City's next available pay period which would be November 9, 2016.

FISCAL IMPACT

There is no fiscal impact to the City.

RECOMMENDED ACTION

Adoption by title only and waive further reading of an ordinance authorizing an amendment to the Contract between the City Council of the City of St. Helena and the Board of Administration of the California Public Employee's Retirement System.

ATTACHMENTS

1. Ordinance
2. Contract Amendment
3. Certification of Employee Election

CITY OF ST. HELENA

ORDINANCE NO. 2016-

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ST. HELENA
AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY
COUNCIL OF THE CITY OF ST. HELENA AND THE BOARD OF ADMINISTRATION OF
THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

The City Council of the City of St. Helena does ordain as follows:

SECTION 1. That an amendment to the contract between the City Council of the City of St. Helena and the Board of Administration, California Public Employees' Retirement System is hereby authorized, a copy of said amendment being attached hereto, marked Exhibit, and by such reference made a part hereof as though herein set out in full.

SECTION 2. The Mayor of the City Councils hereby authorized, empowered, and directed to execute said amendment for and on behalf of said agency.

SECTION 3. This Ordinance shall take effect 30 days after the date of its adoption, and prior to the expiration of 30 days from the passage thereof shall be published at least once in the St. Helena Star, a newspaper of general circulation, published and circulated in City of St. Helena and thenceforth and thereafter the same shall be in full force and effect.

The foregoing ordinance was introduced at a meeting of the City Council of the City of St. Helena held on August 23, 2016, and adopted at a meeting held on September 27, 2016, by the following vote:

Mayor Galbraith: _____

Vice Mayor White: _____

Councilmember Crull: _____

Councilmember Dohring: _____

Councilmember Pitts: _____

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Black, City Clerk



EXHIBIT

California
Public Employees' Retirement System

AMENDMENT TO CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
City Council
City of St. Helena

The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective March 1, 1968, and witnessed January 9, 1968, and as amended effective February 1, 1989, September 28, 1991, August 16, 1999, July 1, 2001, June 16, 2012 and December 21, 2012 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 15 are hereby stricken from said contract as executed effective December 21, 2012, and hereby replaced by the following paragraphs numbered 1 through 18 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for classic local miscellaneous members entering membership in the miscellaneous classification on or prior to December 21, 2012, age 60 for classic local miscellaneous members entering membership for the first time in the miscellaneous classification after December 21, 2012, age 62 for new local miscellaneous members, age 50 for classic local police members entering membership in the police classification on or prior to June 16, 2012, age 55 for classic local fire members and for those classic local police members entering membership for the first time in the police classification after June 16, 2012 and age 57 for new local safety members.
 2. Public Agency shall participate in the Public Employees' Retirement System from and after March 1, 1968 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.

3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorney fees that may arise as a result of any of the following:
 - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
 - (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.
 - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Local Fire Fighters (herein referred to as local safety members);
 - b. Local Police Officers (herein referred to as local safety members);
 - c. Employees other than local safety members (herein referred to as local miscellaneous members).
5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:
 - a. **PART-TIME RECREATION DEPARTMENT EMPLOYEES; AND**
 - b. **PERSONS COMPENSATED ON AN HOURLY BASIS.**
6. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member entering membership in the miscellaneous classification on or prior to December 21, 2012 shall be determined in accordance with Section 21354 of said Retirement Law subject to the reduction provided therein for Federal Social Security (2% at age 55 Modified).

7. The percentage of final compensation to be provided for each year of credited current service as a classic local miscellaneous member entering membership for the first time with this agency in the miscellaneous classification after December 21, 2012 shall be determined in accordance with Section 21353 of said Retirement Law subject to the reduction provided therein for Federal Social Security (2% at age 60 Modified).
8. The percentage of final compensation to be provided for each year of credited prior and current service as a new local miscellaneous member shall be determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 Supplemental to Federal Social Security).
9. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local fire member shall be determined in accordance with Section 21366 of said Retirement Law subject to the reduction provided therein for Federal Social Security (One-half pay at age 55 Modified).
10. The percentage of final compensation to be provided for each year of credited prior and current service as a new local fire member shall be determined in accordance with Section 7522.25(b) of said Retirement Law (2% at age 57 Supplemental to Federal Social Security).
11. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local police member entering membership in the police classification on or prior to June 16, 2012 shall be determined in accordance with Section 21362.2 of said Retirement Law (3% at age 50 Full), pursuant to Government Code Section 20515.
12. The percentage of final compensation to be provided for each year of credited current service as a classic local police member entering membership for the first time with this agency in the police classification after June 16, 2012 shall be determined in accordance with Section 21363.1 of said Retirement Law (3% at age 55 Full), pursuant to Government Code Section 20515.
13. The percentage of final compensation to be provided for each year of credited prior and current service as a new local police member shall be determined in accordance with Section 7522.25(d) of said Retirement Law (2.7% at age 57 Full), pursuant to Government Code Section 20515.
14. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Section 20042 (One-Year Final Compensation) for classic local safety members and for those classic local miscellaneous members entering membership on or prior to December 21, 2012.
 - b. Section 20515 (Full Formula Plus Social Security) for past and future service for local police members only. Legislation repealed said Section effective January 1, 2002.

- c. **Section 20475 (Different Level of Benefits):** Section 21363.1 (3% @ 55 Full formula) is applicable to classic local police members entering membership for the first time with this agency in the police classification after June 16, 2012.

Section 21353 (2% @ 60 Modified formula) and Section 20037 (Three-Year Final Compensation) are applicable to classic local miscellaneous members entering membership for the first time with this agency in the miscellaneous classification after December 21, 2012.

- d. **Section 20516 (Employees Sharing Additional Cost):**

From and after the effective date of this amendment to contract, 1% for local miscellaneous members in St. Helena Employee's Association, and for Unrepresented Executive Managers, Mid-Managers and Confidential Managers groups.

From and after the effective date of this amendment to contract, 1% for local police members in the Unrepresented Safety Management Group.

The portion of the employer's contribution that the member agrees to contribute from his or her compensation, over and above the member's normal contribution ("Cost Sharing Percentage"), shall not exceed the Employer Normal Cost Rate, as that rate is defined in the CalPERS Actuarial Valuation for the relevant fiscal year. If the Cost Sharing Percentage will exceed the relevant Employer Normal Cost Rate, the Cost Sharing Percentage shall automatically be reduced to an amount equal to, and not to exceed, the Employer Normal Cost Rate for the relevant fiscal year.

15. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.
16. Public Agency shall also contribute to said Retirement System as follows:
- a. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - b. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.
17. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.

18. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the _____ day of _____, _____.

BOARD OF ADMINISTRATION	CITY COUNCIL
PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CITY OF ST. HELENA

BY _____
CHERYL EASON
CHIEF FINANCIAL OFFICER
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Employer Account Management Division
Retirement Social Security Contracts Unit
P.O. Box 942709
Sacramento, CA 94229-2709
(888) CalPERS (225-7377)

CERTIFICATION OF EMPLOYEE ELECTION

I hereby certify that the following employees of the City of St. Helena have expressed their approval or disapproval of said agency's intention to amend its contract to provide Section 20516 (Employees Sharing Additional Cost) of 1% for local miscellaneous members in St. Helena Employee's Association, and for Unrepresented Executive Managers, Mid-Managers and Confidential Managers groups and 1% for local police members in the Unrepresented Safety Management Group on the basis described in the Resolution of Intention adopted by said agency's governing body on August 23, 2016, in such manner as to permit each employee to separately and secretly express his choice and that the outcome of such election was as follows:

	Number of employees eligible to vote	Number of votes approving said participation	Number of votes disapproving said participation
Local Miscellaneous Members as defined in Govt. Code Section 20383	<u>44</u>	<u>28</u>	<u>1</u>
Local Police Officers as defined in Govt. Code Section 20425	<u>1</u>	<u>1</u>	<u> </u>

Cindy Black
Clerk or Secretary

9/19/16
Date

THIS PAGE IS
INTENTIONALLY
BLANK



**Report to the City Council
Council Meeting of September 27, 2016**

Agenda Section: New Business

Subject: Consideration and proposed approval of a resolution appointing an applicant to fill the vacant Library Board of Trustees position expiring on June 30, 2018; and provide additional direction regarding the unfilled Tree Committee position

CEQA Status: Not a CEQA Project

Prepared By: Cindy Black, City Clerk

Approved By: Jennifer Phillips, City Manager

BACKGROUND

The City Clerk held a recruitment seeking applicants from the community to fill a vacant position on the Library Board of Trustees and Tree Committee. The vacancies were generated after receiving two resignations.

The City continues to experience a decline in responsive applicants. No applicants applied to fill the Tree Committee vacant position.

DISCUSSION

The City Clerk's office used various forms of communication reaching out to the community to publicize the recruitment.

The City received two applications for consideration from Bill Ryan and Emily Armstead to fill the Library Board of Trustees vacant position. The term expires June 30, 2018.

The City did not receive any applications for the vacant Tree Committee position that expires on June 30, 2017.

Council may want to consider continuous open recruitment until the Tree Committee vacancy is filled.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDED ACTION

Per resolution 2011-17 Council Rules of Procedure, appointments shall be made by the Mayor and subject to the City Council approval.

Appoint one applicant to the Library Board of Trustees for one term expiring on June 30, 2018.

Provide additional direction to staff regarding the unfilled Tree Committee vacancy.

ATTACHMENTS

Attachment 1 - Resolution Appointing a Member to the Library Board of Trustees

Attachment 2 - Applications for appointment

CITY OF ST. HELENA

RESOLUTION NO. 2016-

**APPOINTING A MEMBER TO THE ST. HELENA
LIBRARY BOARD OF TRUSTEES**

RECITALS

- A. One vacancy for a term of office expiring on June 30, 2018 exists for the Library Board of Trustees.
- B. Two applications have been received from the community for the opening. Protocol calls for appointments to be made by the Mayor and approval by the City Council.

RESOLUTION

NOW, THEREFORE, the City Council of the City of St. Helena resolves as follows:

Library Board of Trustees

1. The Mayor hereby appoints _____ to the St. Helena Library Board of Trustees for the remainder of a term expiring on June 30, 2018.

Approved at a Regular Meeting of the St. Helena City Council on September 27, 2016, by the following vote:

Mayor Galbraith:	_____
Vice Mayor White:	_____
Councilmember Crull:	_____
Councilmember Dohring:	_____
Councilmember Pitts:	_____

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Black, City Clerk



CITY OF
ST. HELENA

SEP 12 2016

OFFICE OF
CITY CLERK

CITY HALL, 1480 MAIN STREET
ST. HELENA, CALIFORNIA 94574

(707) 968-2792

www.sthelenacity.com

APPLICATION FOR APPOINTMENT

Note: Your application will be copied for the City Council and made available to the press and public.

Committee/Commission to which you are applying:

Board of Library Trustees

Name: Emily Armstead

Home Address: [REDACTED] St. Helena, CA 94574

Mailing Address: (see above)

Occupation: Production Financial Accounting Analyst

Business Address: [REDACTED] St. Helena, CA 94574

Home Telephone: [REDACTED] Business Telephone:

E-mail: [REDACTED]

Please indicate if above numbers can be made available to the public upon request: No

Are you a resident of St. Helena? Yes If yes, how long have you lived in St. Helena? 26 years

Current occupation (within last 12 months) Production Financial Accounts Analyst - transition (recent) from Compliance Specialist (same company)

Business interests in last 12 months: (none conflicting)

Previous Committee/Commission Experience:

Undergraduate Representative to the University Librarian Hiring Committee
(Santa Clara Univ.)

Attachment 2
Education/Experience: A resume may be attached containing this and any other information that would be helpful in evaluating your application.

Bachelor of Science - Santa Clara University (2013)

- see attached resume

Professional and/or community service activities:

40 hours community service, 2005-2006

Girls on the Run Napa-Solano, 2014-Present

President, Santa Clara Entrepreneurs' Organization, 2012-2013

Local government related experience: None

Please explain your reasons for wishing to serve on this committee/commission and how you feel that you may contribute

Many of my formulative years were spent at SHPL - it served me well, and I wish to return the favor.

Names, addresses, and phone numbers of three individuals familiar with your background:

Tanet Todd, Executive Director, Girls on the Run Napa-Solano

Angela Baxter, Director of Food Services, SHUSD

Michael Caldarola, attorney-at-law (retired)

Appointments to this position may require you to file a Conflict of Interest Disclosure Statement, which is of public record.

[Signature]
Signature of Applicant

09/02/2016
Date

If you have any questions regarding the appointment procedure, please telephone the City Clerk at (707) 968-2742.

Please return the completed application to:

City of St. Helena
City Clerk
1480 Main Street
St. Helena, CA, 94574

Emily Armstead

[REDACTED] Street, St. Helena, CA 94574 • [REDACTED]

Experience

Production Financial Accounting Analyst, Trinchero Family Estates, St. Helena, CA September 2016 - Present

- Month-end reconciliations; preparation, review, posting, and filing of journal entries and records relating to winery cost centers
- Maintenance of fixed asset ledgers for assigned production cost centers within the SAP fixed asset management module (configuration, master data maintenance, and capitalization)
- Tracking and review of asset and project purchase orders for proper coding, completeness and accuracy
- Standard cost estimates for assigned brands including costing of packaging materials, wine and finished goods
- Cost Center Budget-to-Actual analysis for specific cost centers or facilities
- Month-end, quarter-end and planning data organization, analysis, research, and investigation
- Case goods and bulk wine inventory analysis
- Preparation of quarterly memos to Executive Management relating to winery production actual expenses compared to budget and 24-month rolling forecasts for assigned winery cost centers
- Determination and review of standard costs for wine programs and brands
- Development and maintenance of CIP and cash flow projections for assigned wineries (including maintaining information within SAP, analyzing projects for budget updates, developing latest estimates and updating cash flow projections)

Compliance Specialist II, Trinchero Family Estates, St. Helena, CA July 2016 – September 2016

Compliance Specialist I July 2015 – July 2016

Compliance Clerk July 2014 – July 2015

- Bulk wine tracking, including processing of daily work orders and month end inventory reports for all locations on a daily and monthly basis
- Preparation of daily bulk wine shipping reports and bills of lading
- Assistance with preparation of monthly state shipping reports
- Preparation and distribution of various daily, monthly, and annual production reports and spreadsheets
- Maintenance of TTB required records for bonded wineries, distilled spirits plant, and beverage location
- Certificate of Label Approval (COLA) submissions to the TTB and subsequent product set-ups in Ship Compliant
- Weekly preparatory reconciliation for the transition of bulk wine to cased goods
- Direct-to-consumer shipping compliance for Sales and Marketing

Social Networking Manager, Gordon Biersch Brewing Company, San Jose, CA September 2009 - January 2013

- Ghost-writer for Oxford Companion to Beer articles, "Brewpub" and "Weihestephana" (Oxford University Press)
- Comprehensive management of each social media platform
- Content development for all areas of marketing, including press releases, social networking/web content, newsletter content
- Development and execution of marketing surveys related to product development
- Member of packaging design team

Psychology Lab Research Assistant, Santa Clara University, Santa Clara, California June 2012 - June 2013

- Participation on the research team for research studies, including manipulation of proprioception in college students and manipulation of working memory in older adults

Education

Bachelor of Science, Psychology, Santa Clara University June 2013

Academic & Professional Development

- Stanford Continuing Studies, WSP 245: The Neuroscience of Creative Writing
- President, Santa Clara Entrepreneurs' Organization (SCU), 2012-2013
- ASG Undergrad. Representative to the Hiring Committee for the University Librarian (SCU), 2012-2013
- WIPS, SAP, Ship Compliant, Microsoft Office

Volunteer Work

- Co-leader for Head Coach Training & Executive Support Staff, Girls on the Run, St. Helena, California (Spring 2015 – Present)
- Head Coach, Girls on the Run, St. Helena, California (Spring 2007, Fall 2014, Spring 2015)

CITY OF
ST. HELENA
SEP - 2 2016
OFFICE OF
CITY CLERK

CITY HALL, 1480 MAIN STREET
ST. HELENA, CALIFORNIA 94574
(707) 968-2792

www.sthelenacity.com

APPLICATION FOR APPOINTMENT

Note: Your application will be copied for the City Council and made available to the press and public.

~~Committee~~/Commission to which you are applying:

LIBRARY

Name:

BILL RYAN

Home Address:

923 MARIPOSA LN

Mailing Address:

PO BOX 964, ST HELENA

Occupation:

RET.

Business Address:

Home Telephone: 707 963 7726 Business Telephone:

707 529-6444

E-mail:

ACORN-3@COMCAST.NET

Please indicate if above numbers can be made available to the public upon request:

yes

Are you a resident of St. Helena? yes If yes, how long have you lived in St. Helena?

40 years

Current occupation (within last 12 months)

fishing columnist
notary public

Business interests in last 12 months:

same

Previous Committee/Commission Experience:

current member of N.C. Wildlife Conservation Commission;

" " of QUEEN'S HEARTSAFE Steering Committee
AED / CPR TRAINING

formerly; Pres. of S.H. Farmaceut Board / Director

Education/Experience: A resume may be attached containing this and any other information that would be helpful in evaluating your application.

BS degree in MARKETING + ADVERTISING from

U. of R.I.

U.S. ARMY officer w/ service in Korea

Professional and/or community service activities:

member (former Board Member) - SHAC: Outdoor

Writers Assn of California

Napa Valley Fly Fishing Club

Local government related experience:

member of Nancy Levensberg's St Helena

Economic Development Commission some

years ago.

Volunteer for SH PL outdoor picnic

celebration in 1990.

Former Pres. of Bd of Directors -
- S.H. Farmers Market

Attachment 2

Please explain your reasons for wishing to serve on this committee/commission and how you feel that you may contribute

I have been reading since before TV
and the web. I have written a newspaper
column on fishing for 14 years. Newspaper
fishing report for 10 years.

Names, addresses, and phone numbers of three individuals familiar with your background:

Steve Reed ()

Janet Reichel () St. Helena

Thomas Kern () St. Helena

Appointments to this position may require you to file a Conflict of Interest Disclosure Statement, which is of public record.

Signature of Applicant

Date 8/31/16

If you have any questions regarding the appointment procedure, please telephone the City Clerk at (707) 968-2742.

Please return the completed application to:

City of St. Helena
City Clerk
1480 Main Street
St. Helena, CA, 94574

THIS PAGE IS
INTENTIONALLY
BLANK



**Report to the City Council
Council Meeting of September 27, 2016**

Agenda Section: New Business

Subject: Consideration and proposed adoption of a resolution accepting the Water and Wastewater Rate Study and to proceed with the Proposition 218 requirements for a Water and Wastewater Rate Increase

CEQA Status: Not a CEQA project

**Prepared By: Jennifer Tuell, Water Conservation Coordinator *JT*
Steven Palmer, PE, Director of Public Works/City Engineer *SP***

Approved By: *SP* Jennifer Phillips, City Manager

BACKGROUND

Current water and wastewater rates were last reviewed in 2011. The 2011 rate changes implemented annual rate increases for five years based on the Consumer Price Index (CPI). It is considered a best practice to evaluate water and wastewater (utility) rates every three to five years. The current water and wastewater rates do not provide adequate funding for the water and wastewater systems.

The City contracted with Hansford Economic Consulting to perform a Water and Wastewater Rate Study (November 10, 2015 - Resolution No. 2015-136, and amended the agreement September 13, 2016 - Resolution No. 2016-125). The purpose of this study is to determine the level of funding required to adequately fund the water and wastewater systems while providing the residents and businesses with safe and reliable water and wastewater systems that meet State and Federal requirements. Hansford Economic Consulting along with City Staff comprise the Rate Study Team.

The Study provides an explanation and justification of the calculated water and wastewater rates through June 30, 2022, and it documents adherence to the law regarding setting of rates by a municipality.

In November 1996, California voters approved Proposition 218 requiring compliance with certain procedures and standards with regard to "property-related" fee increases imposed by local governmental agencies. Per California Constitution Article XIID,

Section 6, water and wastewater rates shall not be extended, imposed, or increased by any agency unless it meets all of the following requirements;

1. Revenues derived from the fee or charge shall not exceed the funds required to provide the related service to the property.
2. Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.
3. The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.
4. No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of a service are not permitted.
5. No fee or charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners.

The Study calculates water and wastewater rates by customer type for the next ten years the City can only adopt rates for five years with the proposition 218 notification and hearing process.

DISCUSSION

On May 24, 2016 City Council authorized the re-establishment of the Ad Hoc Revenue Source Task Force (Task Force) to review and provide input on the draft rate study (Resolution No. 2016-66). Two meetings were held, one on August 4, 2016 and the other on September 13, 2016. The Rate Study Team requested feedback on policy decisions related to the Rate Study. These meetings were open to the public and recorded, in the hope of increasing transparency and public participation, as well as providing a place for members of the public to ask questions and receive additional information.

Staff has brought the Rate Study Report to Council to accept and to proceed with the Proposition 218 process. If Council accepts the report and directs staff to proceed with the Proposition 218 notices, the following will be the remaining steps;

1. Develop a Notice of Public Hearing on Proposed Increases to Water and Wastewater Rates, citing the proposed maximum rates, how the property owner can calculate their bill, how the revenues will be utilized, general information about the scheduled public hearing and instructions on how to protest the proposed rates;
2. Mail the notices to property owners and tenants, if any, at least 45 days before the scheduled public hearing (November 29, 2016); and

3. Collect and maintain a count of all written protest votes received. The City cannot impose the new rates if 50% plus one unique parcel protests are submitted to, and validated by, the City Clerk. Immediately after the close of the public hearing, the City Clerk will make a determination if a majority protest exists and report the results to the City Council.
4. If a majority protest does not exist, the City Council may adopt proposed rates by ordinance. If a majority protest does exist, the City Council could - at its discretion - place the matter on the ballot for voter approval.

The draft resolution, if adopted, will facilitate the Proposition 218 proceedings. New water and wastewater rates can be adopted after the Public Hearing scheduled for November 29, 2016 @ 6:00 pm.

FISCAL IMPACT

The fiscal impact of this item is the cost to print and mail Proposition 218 Notices. Water and wastewater rates will not be impacted by this resolution.

RECOMMENDED ACTION

Approve a resolution authorizing the City Manager to begin the Proposition 218 requirements for water and wastewater rate increases; and accept the Draft 2016 Water and Wastewater Rate Study prepared by Hansford Economic Consulting.

ATTACHMENTS

1. Resolution
2. DRAFT - Proposition 218 Notice
3. DRAFT - 2016 Water and Wastewater Rate Study prepared by Hansford Economic Consulting

CITY OF ST. HELENA

RESOLUTION NO. 2016-_____

**Acceptance of Water and Wastewater
Rate Study and Adoption of a
Resolution to Proceed with the
Proposition 218 Requirements for a
Water and Wastewater Rate Increase**

RECITALS

- A. Current water and wastewater rates were last reviewed in 2011. The 2011 rate changes implemented annual rate increases for five years based on the Consumer Price Index (CPI); and
- B. The current water and wastewater rates do not provide adequate funding for the water and wastewater systems; and
- C. The City contracted with Hansford Economic Consulting to perform a Water and Wastewater Rate Study (November 10, 2015 - Resolution No. 2015-136, and amended the agreement September 13, 2016 - Resolution No. 2016-125). The purpose of this study was to determine the level of funding required to adequately fund the water and wastewater systems, providing the residents and businesses with safe and reliable water and wastewater systems that meets State and Federal requirements; and
- D. In November 1996, California voters approved Proposition 218 requiring compliance with certain procedures and standards with regard to "property-related" fee increases imposed by local governmental agencies; and
- E. On May 24, 2016 City Council authorized the re-establishment of the Ad Hoc Revenue Source Task Force (Task Force) to review and provide input on the Rate Study (Resolution No. 2016-66). Two meetings were held, one on August 4, 2016 and the other on September 13, 2016, these meetings were open to the public and recorded; and
- F. Per California Constitution Article XIID, Section 6, water and wastewater rates shall not be extended, imposed, or increased by any agency unless it meets all of the following requirements:
 - 1. Revenues derived from the fee or charge shall not exceed the funds required to provide the related service to the property,
 - 2. Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed,

3. The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel,
4. No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of a service are not permitted, and
5. No fee or charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners.

RESOLUTION

The City Council of the City of St. Helena hereby resolves as follows:

1. Acknowledges acceptance of the Draft 2016 Water and Wastewater Rate Study completed by Hansford Economic Consulting.
2. Directs the City Manager to proceed with the Proposition 218 process, including:
 - Develop a Notice of Public Hearing on proposed increases to water and wastewater rates, citing the proposed maximum rates, how the property owner can calculate their bill, how the revenues will be utilized, general information about the scheduled public hearing and instructions on how to protest the proposed rates;
 - Mail the notices to property owners and/or tenants at least 45 days before the scheduled public hearing (tentatively scheduled for November 29, 2016 at 6:00 pm); and
 - Collect and maintain a count of all written protest votes received. The City cannot impose the new rates if 50% plus one unique parcel protests are submitted to, and validated by, the City Clerk. Immediately after the close of the public hearing, the City Clerk will make a determination if a majority protest exists and report the results to the City Council.
 - If a majority protest does not exist, the City Council may adopt proposed rates by ordinance. If a majority protest does exist, the City Council could - at its discretion - place the matter on the ballot for voter approval.

Approved at a Regular Meeting of the St. Helena City Council on September 27, 2016
by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Alan Galbraith
Mayor

Cindy Black
City Clerk



NOTICE OF PUBLIC HEARING PROPOSED WATER AND WASTEWATER RATE INCREASES

«Customer Name»
«Mailing Address»
«Mailing City»«Zip»

PUBLIC HEARING
November 29, 2016 @ 6:00 p.m.
Vintage Hall Board Room – Second Floor
465 Main Street, St. Helena

PROPOSITION 218 NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City of St. Helena will hold a Public Hearing on Tuesday, November 29, 2016 at 6:00 p.m. at the location stated above to consider the adoption of increases to the rates for its water and wastewater services.

WHY ARE WATER AND WASTEWATER RATE INCREASES NEEDED?

The City has not performed an analysis of its rates for water and wastewater services since 2011. The City's water and wastewater utilities rely on rates to fund operating and capital needs. It is considered a best practice to analyze rate structures every three to five years.

Currently, the water fund is using reserves to fund general operations, and has less than a 25% reserve. The wastewater fund has no reserves. A reserve account is needed in order to fund emergencies and unforeseen costs. In 2011, the City adopted a target of reaching an operating reserve of 25% of the annual budget in each of the water and wastewater funds.

The City makes every effort to provide its customers with the most efficient and cost effective water and wastewater services possible. Rates need to be raised to: (1) adequately fund the water and wastewater systems so they can be operated safely and provide residents and businesses with reliable service; (2) maintain the operational and financial stability of the utilities; (3) comply with state and federal regulatory water and wastewater treatment and disposal requirements; (4) fund water and wastewater infrastructure needs; (5) provide timely maintenance of existing facilities; and (6) provide operating reserves of 25% of the annual water and wastewater budgets for emergencies and unforeseen costs.

The City engaged an independent consultant to examine current and projected water and wastewater utility system revenue needs. The consultant's analysis demonstrates a need to raise water and wastewater rates over the next five years to achieve funding needs. The proposed rate structures will provide revenues that (1) recover costs reasonably borne in providing the services; (2) are equitable to all customer classes; and (3) are proportionate to the cost of the service attributable to the parcels within each customer class.

The September 20, 2016, Water and Wastewater Rate Study and cost data used to calculate the proposed rate increases in the water and wastewater service charges are available online (www.cityofstheleena.org/ratestudy) or in person at the locations identified on Page 6. City staff is also available to answer questions.

Questions?

Contact Jennifer Tuell @
jtuell@cityofsthelena.org
707.968.2635

¿Preguntas?

Contacte a Carlos Uribe
curibe@cityofsthelena.org
707.486.6144

YOUR RIGHTS

If you are the record owner of a property subject to the proposed rates or a tenant directly liable for the payment of water and wastewater service fees (i.e., a customer of record), you may submit a written protest against the proposed rate changes. Written protests may be submitted in person or by mail to the City Clerk, City of St. Helena, 1480 Main Street, St. Helena, CA 94574, or in person at the Public Hearing (date, time and location noted above), so long as they are **received** prior to the conclusion of public testimony at the Public Hearing. Protests that are postmarked but not received prior to the Public Hearing will not be counted. Please identify on the front of the envelope “Water and Wastewater Rate Protest” for any protest, whether mailed or submitted in person to the City Clerk. Protests submitted verbally, by e-mail, facsimile, or other electronic means will not be accepted.

Each protest **must**: (1) be in writing; (2) state that the protest is being submitted in opposition to the proposed water and wastewater rate increases; (3) provide the location of the identified parcel or parcels for which the protest is submitted (by assessor’s parcel number or street address); and (4) include the name and original signature of the property owner or customer of record submitting the protest. Only one written protest per parcel will be counted.

The City Council will consider all written protests timely submitted and consider all public comments made at the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. At the conclusion of the Public Hearing, the City Council will consider adopting the proposed rate increases. If, at the close of the Public Hearing, complete written protests are submitted by the record owners or customers of record for the majority of the parcels served by the City’s water and/or wastewater utilities (50% plus one) (a “majority protest”), the City will not approve the proposed rates. If, at the close of the Public Hearing, a majority protest does not exist, the City Council may impose rate increases up to the maximum amounts proposed. If adopted, the new water and wastewater rates will be effective for the February 2017 billing cycle (inclusive of service provided in January 2017) and thereafter the approved schedule of rate increases will go into effect for each November billing cycle (inclusive of service provided in October) of 2017, 2018, 2019, 2020, and 2021.

MAJOR CAPITAL PROJECTS:

- York Creek Upper Dam Removal/Mitigation- \$6.5M
- Wastewater Treatment Plant Upgrades Phase I - \$7.2M
- Dwyer Road Booster - \$2.6M
- Bell Canyon Intake Tower Replacement - \$2.0M
- Holmes Tank Upgrade - \$1.4M
- Bell Canyon Creek Inflow Measurement - \$0.9M

PROPOSED WATER RATES

The City is proposing to adopt a five-year water rate schedule shown in the table on the Page 3. The rate schedule increases rates to keep in line with funding needs. The City remains committed to operating as efficiently as possible and will only increase rates as needed based on an regular review of utility finances.

Under the current rate structure, customers are charged a monthly fixed service charge and a variable use rate for metered water use. Under the current rate structure, the variable use rate differs depending on the amount of metered water used by customer type. To more accurately represent the cost of delivering water, customer use, and promote water conservation, the City is proposing to implement a seasonal water rate structure, with higher use rates per hundred cubic feet (HCF) in the peak season, May through October, and lower use rates per HCF in

the off-peak season, November through April. In addition, the proposed rate structure includes a drought surcharge. The drought surcharge would be applied when the City determines it is in Phase 1 water restrictions, as will be defined in the city municipal code.

Customers wanting to utilize raw water available at the lower creek reservoir, per St. Helena Municipal Code, Section 13.12.030, must obtain a permit through the City on a quarterly basis. The permit and instructions are available on the City website: <http://www.cityofsthenana.org/resource>.

Proposed Five-Year Water Rate Schedule

Charges	Current	Billing Period Beginning *					
		2/8/2017	11/8/2017	11/8/2018	11/8/2019	11/8/2020	11/8/2021
Service Charge		Monthly Charges per Meter					
5/8", 3/4" & SF 1"	\$27.52	\$43.22	\$51.71	\$60.59	\$64.78	\$68.91	\$73.27
1"	\$63.80	\$80.08	\$96.76	\$114.44	\$123.35	\$132.22	\$141.61
1.5"	\$124.12	\$141.67	\$172.02	\$204.36	\$221.14	\$237.94	\$255.72
2"	\$196.50	\$215.12	\$261.84	\$311.76	\$337.99	\$364.27	\$392.10
3"	\$365.51	\$413.06	\$503.54	\$600.40	\$651.86	\$703.51	\$758.21
4"	\$607.01	\$640.46	\$780.29	\$930.11	\$1,010.10	\$1,090.44	\$1,175.54
6"	\$1,210.18	\$1,252.50	\$1,528.85	\$1,825.17	\$1,983.80	\$2,143.19	\$2,312.05
Private Fire Protection		Monthly Charges per Fire Service Pipe					
4"	\$4.00	\$16.93	\$19.84	\$22.75	\$23.77	\$24.72	\$25.71
6"	\$6.00	\$49.19	\$57.62	\$66.10	\$69.05	\$71.81	\$74.69
8"	\$8.00	\$104.82	\$122.79	\$140.85	\$147.15	\$153.03	\$159.16
Raw Water <i>per Gallon</i>	\$0.00267	\$0.00471	\$0.00552	\$0.00633	\$0.00661	\$0.00688	\$0.00715
TREATED WATER USE CHARGES PER HCF							
NON-DROUGHT PERIOD	[1]						
Off-Peak (Nov-Apr)		\$5.50	\$6.37	\$7.19	\$7.37	\$7.54	\$7.71
Peak (May-Oct)		\$6.11	\$7.09	\$8.00	\$8.20	\$8.38	\$8.58
DROUGHT PERIOD	[1]						
Off-Peak (Nov-Apr)		\$5.81	\$6.73	\$7.60	\$7.79	\$7.97	\$8.15
Peak (May-Oct)		\$6.46	\$7.49	\$8.45	\$8.66	\$8.86	\$9.06

Source: HEC.

* Dates reflect the current billing cycle; if the billing cycle date changes so will these effective dates.

[1] Current Rate Structure rates as follows:

Tiers by customer category (in hcf):		<u>Tier 1</u>	<u>Tier 2</u>		<u>Tier 1</u>	<u>Tier 2</u>
Single family		0-14	15+	Non-residential <=1"	0-36	37+
Multi-family		0-5	6+	Non-residential 1.5"	0-120	121+
				Non-residential 2"	0-192	193+
<i>Price per HCF</i>		\$4.48	\$6.74	Non-residential 3"	0-360	361+
<i>Price per HCF - Landscape Irrigation</i>		\$5.22		Non-residential 4"	0-600	601+
				Non-residential 6"	0-1,250	1,251+
				Non-residential 8"	0-1,920	1,921+

PROPOSED WASTEWATER RATES

Existing wastewater rates are shown in the table below.

Existing Wastewater Rate Schedule

Land Use	Base Monthly Rate (2016)	Usage Rate (\$ per hcf of Winter Water Use)
Residential		[1]
Single Family	\$47.35	\$3.94
Multi-family	[2]	\$3.94
Non-Residential Base Rates		
5/8" & 3/4" Meter	\$42.12	
1" Meter	\$102.42	
1 1/2" Meter	\$202.92	
2" Meter	\$323.53	
3" Meter	\$604.94	
4" Meter	\$1,006.96	
6" Meter	\$2,012.00	
Non-Residential Usage Rates (per hcf)		
Car Wash		\$2.85
Schools		\$3.17
Laundry/Laundromat		\$3.34
Churches		\$3.64
City Buildings		\$3.64
Commercial (General)		\$3.64
Winery (Sutter Home)		\$4.27
Motels without Food		\$4.35
Service Stations/Auto Repair		\$4.70
Mixed Retail with Food		\$6.79
Motels with Food		\$8.75
Restaurant		\$11.68
Grocery		\$11.87
Mortuary		\$11.87
Winery (Merryvale)		\$20.94
Winery (Spottswoode)		\$20.94

Source: City of St. Helena.

curr

- [1] Single family usage charge based on average winter water use, determined as average monthly usage for billing cycles with read dates from January through March. Months with zero usage are to be excluded from the averaging. Usage charge to be adjusted annually in April, based on the newest winter average.
- [2] Multi-family pays same base charges based on meter size as non-residential.
- [3] Multi-Units (2 unit dwellings) currently charged same rate as Single Family. For this rate study, we include them in the Multi-Family rate

The City is proposing to adopt the five-year wastewater rate schedule shown in the table on Page 5. The table indicates the proposed maximum rates and effective dates for the wastewater rates. The rate schedule increases rates to keep in line with funding needs. The City remains committed to operating as efficiently as possible and will only increase wastewater rates as needed based on regular review of wastewater utility finances.

Proposed Five-Year Wastewater Rate Schedule

Customer Category		Fiscal Year Ending					
		2017	2018	2019	2020	2021	2022
<i>Billing Period Beginning * ----></i>		<i>2/8/2017</i>	<i>11/8/2017</i>	<i>11/8/2018</i>	<i>11/8/2019</i>	<i>11/8/2020</i>	<i>11/8/2021</i>
Residential							
Single Family	monthly per unit	\$48.04	\$55.24	\$70.13	\$73.03	\$74.18	\$75.23
Multi-Family	monthly per unit	\$29.07	\$33.42	\$42.43	\$44.18	\$44.88	\$45.52
Mobile Homes	monthly per unit	\$43.11	\$49.57	\$62.93	\$65.53	\$66.56	\$67.51
<i>Residential Rate per HCF</i>	<i>per HCF</i>	<i>\$4.69</i>	<i>\$5.39</i>	<i>\$6.84</i>	<i>\$7.12</i>	<i>\$7.23</i>	<i>\$7.34</i>
Schools Flat Rate per Student	monthly per student	\$1.40	\$1.62	\$2.15	\$2.21	\$2.26	\$2.28
Non-Residential							
Car Wash	monthly per account	\$209.93	\$243.25	\$328.36	\$336.45	\$343.13	\$346.45
Religious Places/Community Centers	monthly per account	\$35.34	\$40.85	\$54.06	\$55.68	\$56.71	\$57.34
Commercial [1]	monthly per account	\$62.70	\$72.20	\$92.64	\$96.19	\$97.78	\$99.09
Groceries and Mortuaries	monthly per account	\$433.93	\$492.12	\$552.00	\$595.15	\$599.41	\$613.71
Laundry	monthly per account	\$970.94	\$1,121.45	\$1,475.85	\$1,522.21	\$1,549.87	\$1,567.76
Mixed Retail w/ Food	monthly per account	\$541.20	\$617.30	\$730.21	\$775.32	\$783.78	\$799.17
Motel with Food	monthly per account	\$2,617.64	\$2,978.36	\$3,444.90	\$3,681.23	\$3,715.59	\$3,795.12
Motel without Food	monthly per account	\$642.15	\$738.08	\$933.28	\$972.87	\$987.93	\$1,002.28
Restaurant	monthly per account	\$840.03	\$952.80	\$1,070.03	\$1,153.27	\$1,161.63	\$1,189.23
Napa Valley College	monthly per account	\$2,889.93	\$3,341.62	\$4,436.77	\$4,565.57	\$4,651.20	\$4,701.87
Service Station	monthly per account	\$93.25	\$107.06	\$134.07	\$140.12	\$142.20	\$144.37
Winery Production (Merryvale/Spottswode)	monthly per account	\$989.21	\$1,116.93	\$1,199.98	\$1,310.53	\$1,315.85	\$1,351.87
Sutter Home Winery	monthly per account	\$876.04	\$1,007.39	\$1,278.85	\$1,331.67	\$1,352.66	\$1,371.89
<i>Car Wash</i>	<i>per HCF</i>	<i>\$3.43</i>	<i>\$3.97</i>	<i>\$5.36</i>	<i>\$5.49</i>	<i>\$5.60</i>	<i>\$5.65</i>
<i>Religious Places/Community Centers</i>	<i>per HCF</i>	<i>\$3.72</i>	<i>\$4.30</i>	<i>\$5.69</i>	<i>\$5.86</i>	<i>\$5.97</i>	<i>\$6.03</i>
<i>Commercial [1]</i>	<i>per HCF</i>	<i>\$4.27</i>	<i>\$4.92</i>	<i>\$6.31</i>	<i>\$6.55</i>	<i>\$6.66</i>	<i>\$6.75</i>
<i>Groceries and Mortuaries</i>	<i>per HCF</i>	<i>\$10.30</i>	<i>\$11.68</i>	<i>\$13.10</i>	<i>\$14.12</i>	<i>\$14.22</i>	<i>\$14.56</i>
<i>Laundry</i>	<i>per HCF</i>	<i>\$3.81</i>	<i>\$4.40</i>	<i>\$5.79</i>	<i>\$5.97</i>	<i>\$6.08</i>	<i>\$6.15</i>
<i>Mixed Retail w/ Food</i>	<i>per HCF</i>	<i>\$6.73</i>	<i>\$7.68</i>	<i>\$9.08</i>	<i>\$9.64</i>	<i>\$9.75</i>	<i>\$9.94</i>
<i>Motel with Food</i>	<i>per HCF</i>	<i>\$7.91</i>	<i>\$9.00</i>	<i>\$10.41</i>	<i>\$11.12</i>	<i>\$11.23</i>	<i>\$11.47</i>
<i>Motel without Food</i>	<i>per HCF</i>	<i>\$4.59</i>	<i>\$5.27</i>	<i>\$6.67</i>	<i>\$6.95</i>	<i>\$7.06</i>	<i>\$7.16</i>
<i>Restaurant</i>	<i>per HCF</i>	<i>\$10.18</i>	<i>\$11.54</i>	<i>\$12.96</i>	<i>\$13.97</i>	<i>\$14.07</i>	<i>\$14.41</i>
<i>Napa Valley College</i>	<i>per HCF</i>	<i>\$3.67</i>	<i>\$4.24</i>	<i>\$5.63</i>	<i>\$5.79</i>	<i>\$5.90</i>	<i>\$5.97</i>
<i>Service Station</i>	<i>per HCF</i>	<i>\$4.82</i>	<i>\$5.53</i>	<i>\$6.93</i>	<i>\$7.24</i>	<i>\$7.35</i>	<i>\$7.46</i>
<i>Winery Production (Merryvale/Spottswode)</i>	<i>per HCF</i>	<i>\$17.31</i>	<i>\$19.55</i>	<i>\$21.00</i>	<i>\$22.93</i>	<i>\$23.03</i>	<i>\$23.66</i>
<i>Sutter Home Winery</i>	<i>per HCF</i>	<i>\$4.50</i>	<i>\$5.17</i>	<i>\$6.57</i>	<i>\$6.84</i>	<i>\$6.95</i>	<i>\$7.04</i>

Source: HEC.

* Dates reflect the current billing cycle; if the billing cycle date changes so will these effective dates.

[1] Commercial includes City buildings.

Under the current rate schedule residential only includes single family residential. Multi-family and mobile home parks are categorized as non-residential. The proposed rate schedule includes all types of residential under the residential category (single family, multi-family, mobile home and so forth), and each dwelling unit will be charged a fixed monthly service charge plus a variable charge based on monthly winter average water use per dwelling unit. Monthly winter average water use is calculated on the months of January through March, excluding any months with zero usage. The average winter water use represents the monthly water consumption that is returned to the wastewater treatment plant.

The current wastewater rates for non-residential customers, including multi-family residential customers, include a fixed monthly service charge per the size of the meter serving the property, and a variable charge based on

monthly winter average water use per account. Changes to the current rate structure include billing schools fixed monthly service charges on a per student basis and billing all other non-residential accounts a fixed monthly service charge per account. As under the current rate structure, under the proposed rate structure non-residential customers (with the exception of schools) will have a variable use charge that reflects the strength of the wastewater discharged by the non-residential customer type. The greater the strength of the wastewater discharged, the more it costs the City to treat the wastewater. Under the proposed rate structure, the rates for all customers are based on flow and wastewater strength. The non-residential variable use charge will be applied to the average winter water used in the months January through March. The City Public Works Director will determine the non-residential customer's strength category for each non-residential customer. When multiple uses are served through one water meter, the City will apply the rate for the dominant use. The proposed modifications are intended to more accurately reflect actual customer usage patterns, and the strength of customer wastewater.

SAVING WATER

Making small changes in our daily habits saves water. Things like finding and fixing leaks, repairing worn out toilet flappers, or adjusting your sprinkler timers to avoid runoff all help. The City is here to help save water in lots of ways! Check out the following rebate programs on the City website: <http://www.cityofsthelena.org/water>.

- Toilet Retrofit
- Clothes Washer
- Smart Irrigation Controller
- Cash for Grass
- Laundry to Landscape (Greywater)
- Rainwater Harvesting
- Recirculating Hot Water Pump
- Water Neutrality Program

To view a copy of the Rate Study please visit:

www.cityofsthelena.org/ratestudy

In-person during regular business hours at:

City Hall
1480 Main Street,
St. Helena, CA 94574

Monday – Friday
8:00 AM – 5:00 PM

St. Helena Public Library
1492 Library Ln,
St Helena, CA 94574

Monday	10:00 AM - 6:00 PM
Tuesday	10:00 AM - 7:00 PM
Wednesday	10:00 AM - 7:00 PM
Thursday	10:00 AM - 9:00 PM
Friday	2:00 PM - 6:00 PM
Saturday	2:00 PM - 6:00 PM

HANSFORD ECONOMIC CONSULTING



City of St. Helena (2016) Water and Wastewater Rate Study

DRAFT

September 20, 2016

TABLE OF CONTENTS

SECTION	PAGE
1. Introduction	1
1.1 Purpose of Study	1
1.2 Background on the Utility Systems	2
1.3 Financial Health of the Utility Funds	3
1.4 Customer Base	5
1.5 Major Assumptions	8
1.6 Rate Structures	10
2. Water Rate Study Summary	12
2.1 Key Findings	12
2.2 Methodology	13
2.3 New Rate Impacts	14
3. Wastewater Rate Study Summary	18
3.1 Key Findings	18
3.2 Methodology	19
3.3 New Rate Impacts	19
4. Combined Utilities Impact	22
4.1 Residential Impacts	22
4.2 Affordability	23
4.3 Large Water Users Impacts	25

LIST OF TABLES

TABLE	PAGE
1 Calculated Water Rates through Fiscal Year Ending 2022	13
2 Calculated Wastewater Rate Schedule	19
3 Affordability of Water Utility Costs for Residents	24

LIST OF FIGURES

FIGURE	PAGE
1 Projected Water Cash Balances	4
2 Projected Wastewater Cash Balances	5
3 Historical Population Growth	6
4 Water Customers	6
5 Water Use by Customer Type	7
6 Typical Annual Wastewater Flows by Customer Type	7
7 Components of Water Revenue Requirement	14
8 Typical Monthly Bill for the Off-Peak Season	15
9 Typical Monthly Bill for the Peak Season	15
10 Non-Residential Water Rate Impact	16
11 Average Monthly Water Charges for Large Water Users	17
12 Components of Wastewater Revenue Requirement	20
13 Bill Impacts for Single Family Homes	20
14 Average Monthly Bill Impact for Sample Non-Residential Users	21
15 Average Monthly Bill Impact for Large Water Users	21
16 Single Family Home Utility Costs in Off-Peak Months, based on 7 HCF	22
17 Single Family Home Utility Costs in Peak Months, based on 17 HCF	22
18 Impact of Combined Utility Bill Increases	23
19 Combined Utilities Impact on Large Water Users	25

Section 1: INTRODUCTION

1.1 PURPOSE OF STUDY

The City's responsibility as a water and wastewater system operator is to first and foremost provide the residents and businesses of the City with clean, safe potable water and a reliable wastewater system that meets State and Federal regulatory requirements; second, to protect its water resources, third to manage and maintain the utility systems infrastructure (assets) to be fiscally responsible to current and future residents, and fourth to support public safety (primarily fire defense).

The purpose of this Water and Wastewater Rate Study (Study) is to determine the level of funding required over the next five years to adequately fund the water and wastewater utility systems. This report provides an explanation and justification of the calculated water and wastewater rates through fiscal year 2022 and it documents adherence to the law regarding setting of rates by a municipality. Per California Constitution Article 13D, water and wastewater rates shall not be extended, imposed, or increased by any agency unless it meets all of the following requirements:

- (1) Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service.
- (2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.
- (3) The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.
- (4) No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of a service are not permitted.
- (5) No fee or charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance or library, services, where the service is available to the public at large in substantially the same manner as it is to property owners.

The Study includes two accompanying documents, 'City of St. Helena Water Rate Study Technical Memorandum' and 'City of St. Helena Wastewater Rate Study Technical Memorandum'. These documents provide the detailed calculations for each utility rate study.

The water financial model projects revenues and expenses, and calculates rates for the next ten years; however, the City is only proposing to adopt rates for the next five years with the Proposition 218 notification and hearing.

On May 24, 2016 St. Helena City Council authorized the re-establishment of the Ad Hoc Revenue Source Task Force (Task Force) to review and provide input on the rate study (Resolution No. 2016-

66). Two meetings were held: one on August 4, 2016 and the other on September 13, 2016. The Rate Study Team, consisting of Hansford Economic Consulting and City staff members, requested feedback on policy decisions related to the Rate Study. These meetings were open to the public and recorded, in the hope of increasing transparency and public participation, as well as providing a place for members of the public to ask questions and receive additional information.

Key acronyms used regularly throughout the report are the following:

City = City of St. Helena
 HCF = Hundred Cubic Feet
 MGD = Million Gallons a Day
 CIP = Capital Improvement Project(s)
 SF = Single Family
 SRF = State Revolving Fund
 MHI = Median Household Income

1.2 BACKGROUND ON THE UTILITY SYSTEMS

The City of St. Helena (City) provides water and wastewater services to residents and businesses inside and outside of the City. The City's water sources include surface water from Bell Canyon Reservoir, groundwater from Stonebridge Wells, and purchased treated water from the City of Napa. The Louis Stralla Water Treatment Plant (water treatment plant), which treats surface water stored in Bell Canyon Reservoir, has a capacity of 4.3 million gallons a day (MGD); however, there are flow limitations in the inlet piping which restricts use of the plant to less than its capacity. Stonebridge Wells includes two active groundwater wells and a filtration facility, including filtration tanks, chlorination facilities, and a backwash return system. The filter removes iron and manganese. Treated water from the City's water sources is distributed via six storage tanks and four pump stations.

The City first entered into an agreement with the City of Napa for delivery of treated water in September 2006. The third amendment to that agreement, entered into in December 2011, increases the minimum annual delivery to 600 acre-feet with optional delivery up to 800 acre-feet. Optional additional delivery of 200 acre-feet may be delivered provided the City of Napa has sufficient water supply. If Napa does not have sufficient supply it will attempt to acquire supplemental dry-year water on a single year basis from an outside source. Price and payment terms of the optional supply will differ from the base supply, as detailed in the agreement.

The City currently distributes over 550 million gallons of clean drinking water each year. Water use fluctuates year to year depending on several factors including, but not limited to, growth, weather, sustained drought, plumbing retrofits, and pricing of water. Untreated water suitable for construction water purposes only is also available for purchase from the Lower Reservoir adjacent to York Creek.

The City's wastewater system consists of a collection system of more than 22 miles of pipe. Effluent is treated at the 0.5 million gallons a day (average daily dry weather flow) treatment plant. The wastewater treatment plant was built in 1967. The secondary level treatment plant discharges to the Napa River or land (City-owned grass fields, redwood/willow trees, and mosquito fish ponds).

The City's National Pollutant Discharge Elimination System (NPDES) permit was renewed in March 2016; at the same time a Cease and Desist Order (CDO) No. R2-2016-0004 was issued because the City is unable to meet the more stringent effluent requirements of the renewed NPDES permit. A draft feasibility study was prepared for the City in August 2016 which recommends improvements at the wastewater treatment plant so that the City can be in compliance and the CDO lifted.

Separate water and wastewater enterprise funds account for the revenues and expenses associated with each of these services. An enterprise fund is a fund that is intended to recover its costs through user fees and charges. Enterprise funds provide the repayment capacity for, and make debt service payments on, any debt incurred for capital projects; therefore, enterprise fund bond-funded projects do not diminish the City's general fund debt capacity.

Enterprise funds need to be managed in a fiscally responsible manner so that users are paying for their current use of the system. Both utility systems need constant maintenance to prolong the life of the assets. If there is insufficient collection of money for system maintenance future users have to pay for repairs when they become critical and costs are more expensive.

1.3 FINANCIAL HEALTH OF THE UTILITY FUNDS

Currently both utility funds are financially at risk. The City continues to use available reserves for both operating expenses and capital improvement projects (projects are funded on a pay-as-you-go basis). The water operating fund currently has \$525,000 of unrestricted cash; the wastewater operating fund has no cash reserves. Total cash balances for operating and capital funds combined as of July 1, 2016 were \$6.1 million in the water fund and \$1.1 million in the wastewater fund.

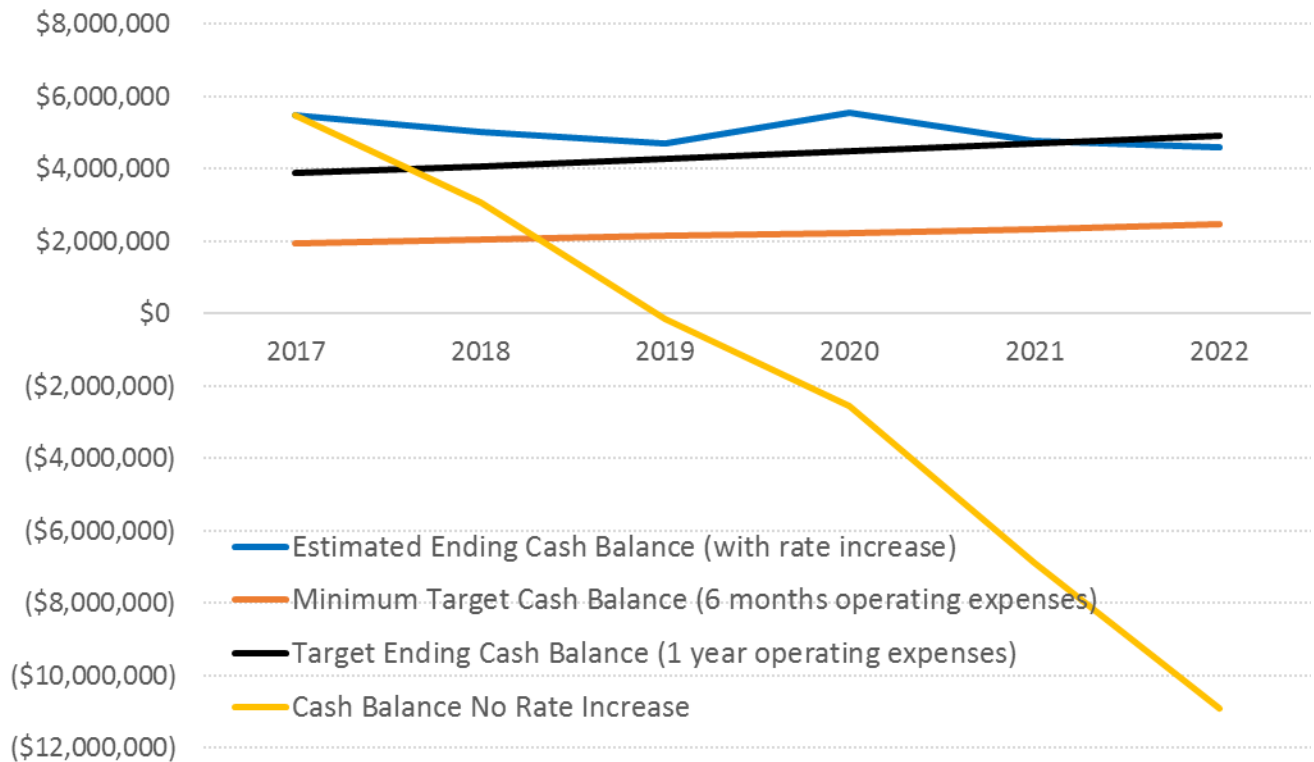
Utility system costs typically increase at a greater rate than inflation and while City rates have increased in recent years they have not kept pace with the fiscal needs of the water and wastewater enterprise funds. In addition, the current rates do not collect for system rehabilitation of either system which has resulted in the City having to use reserves and delay necessary capital improvements. The lack of improvements to major infrastructure has resulted in heavy fines to the City. If rates are not increased to pay for these items, the City's General Fund will need to be utilized. These are unsustainable actions that will negatively impact other City services such as parks, streets, and library if not corrected.

The revenue requirement is the amount that must be raised from rates or other charges for service net of other income such as investment earnings, area surcharges, finance charges, and other miscellaneous revenues. The revenue requirement for the water fund is projected to increase from \$5.5 million to \$8.3 million over the next 5 years. The revenue requirement for the wastewater fund is projected to increase from \$3.0 million to \$4.6 million over the next 5 years.

Including the operating and capital funds for each utility, both the water and wastewater enterprise funds will have negative cash balances within two years without rate increases.

Figure 1 shows the projected cash balances (operating and capital funds combined) for water and **Figure 2** shows the projected cash balances for wastewater (operating and capital funds combined) through fiscal year 2022.

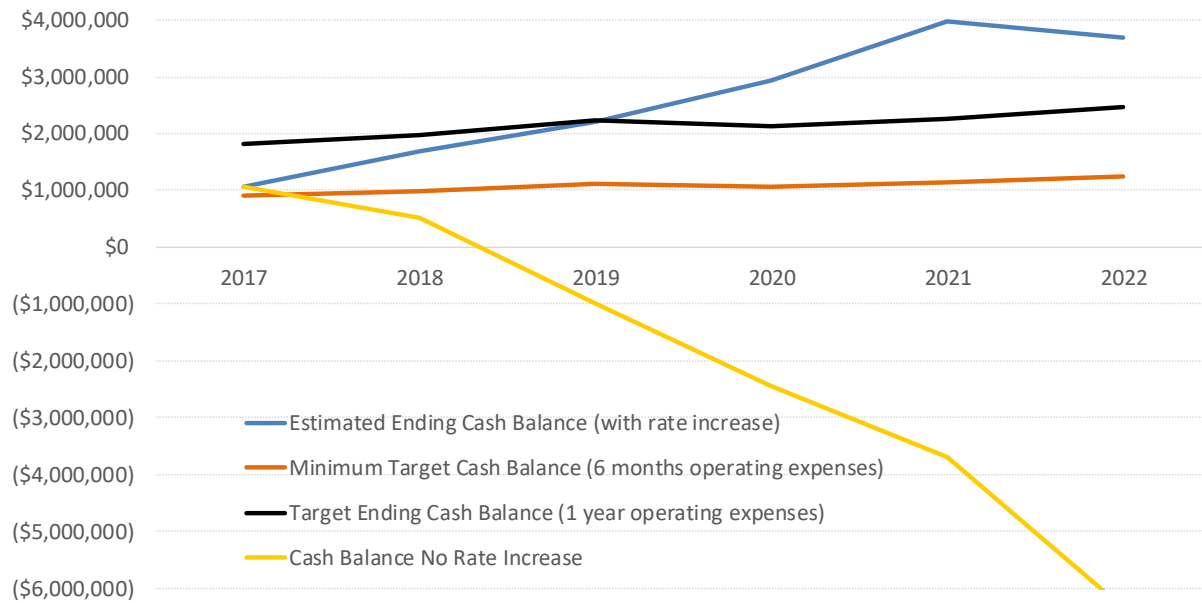
Figure 1
Projected Water Cash Balances



The blue lines show the projected total cash balance with rate increases. The yellow lines show the projected cash balances with no rate increases. The black lines show the target cash balance, equal to one year of operating expenses, and the orange lines show the minimum cash balance at 6 months operating expenses. The goal over time is for the black and blue lines to be as close as possible. These graphs demonstrate that the rate increases are essential.

The projected cash balance for wastewater (with a rate increase) is greater than the target cash balance because of cash outlay necessary in future years for capital improvements, including more than \$2 million for completion of the operations building and shop at the wastewater treatment plant.

Figure 2
Projected Wastewater Cash Balances



1.4 CUSTOMER BASE

The City services a population of approximately 6,000. The City experienced population decline which began before, and lasted through, the Great Recession (2004 through 2014). Population is now slightly greater than it was in 2000. The average annual population growth from 2000 to 2015 was 0.1%. According to the US Census Bureau there are 2.47 persons per occupied housing unit, a figure that has remained relatively stable since 2000. Historical population change is shown in **Figure 3** below.

The City has approximately 2,600 water connections and serves more than 3,000 residential households, about 260 non-residential establishments, including businesses, schools, religious places and community centers, more than 20 industrial customers, and about 30 irrigation-only customers. A pie chart illustrating the customer base is shown in **Figure 4**.

Water use by residential and non-residential customer type is shown in **Figure 5**. Although residential customers comprise 87% of the total customer base, they use 50% of total water deliveries. Industrial customers, who comprise only 1% of the customer base use 21% of total water deliveries.

Figure 3
Historical Population Growth

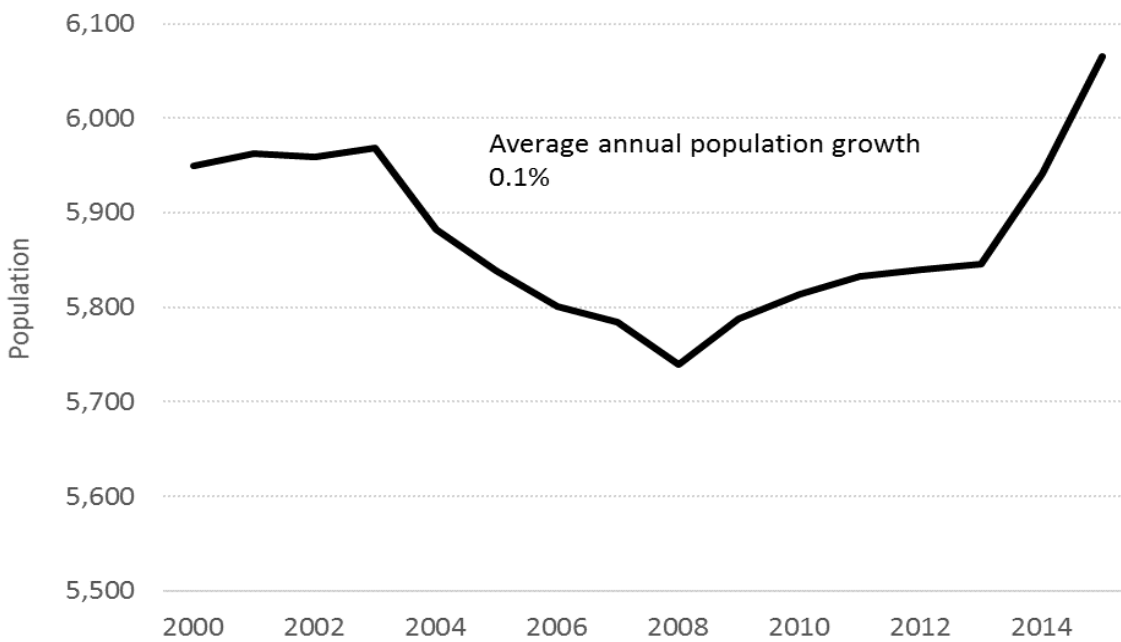


Figure 4
Water Customers

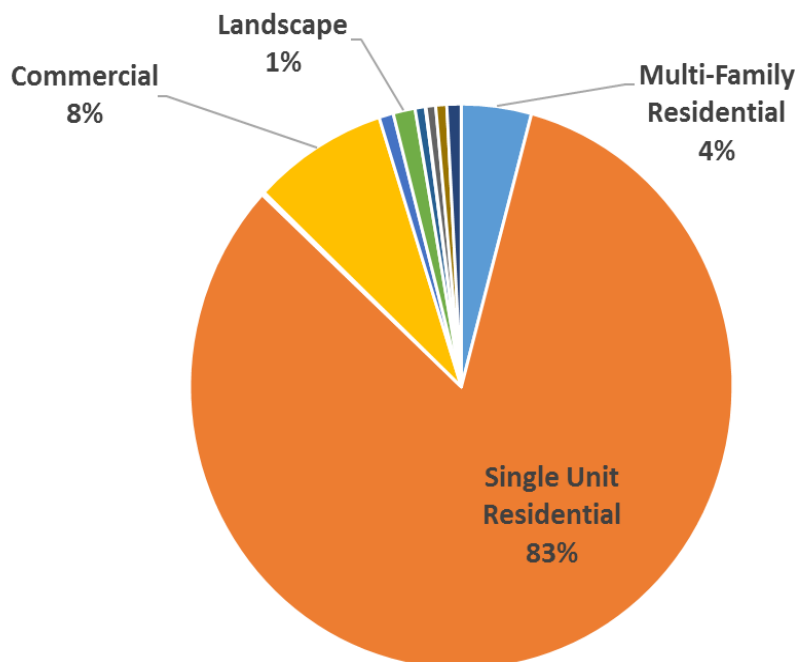
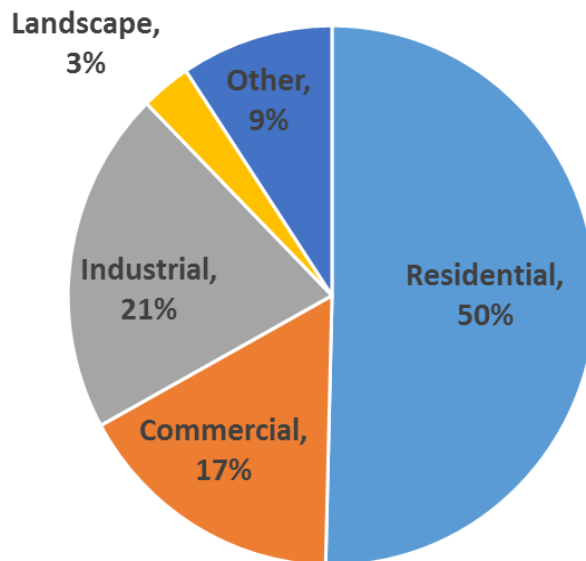
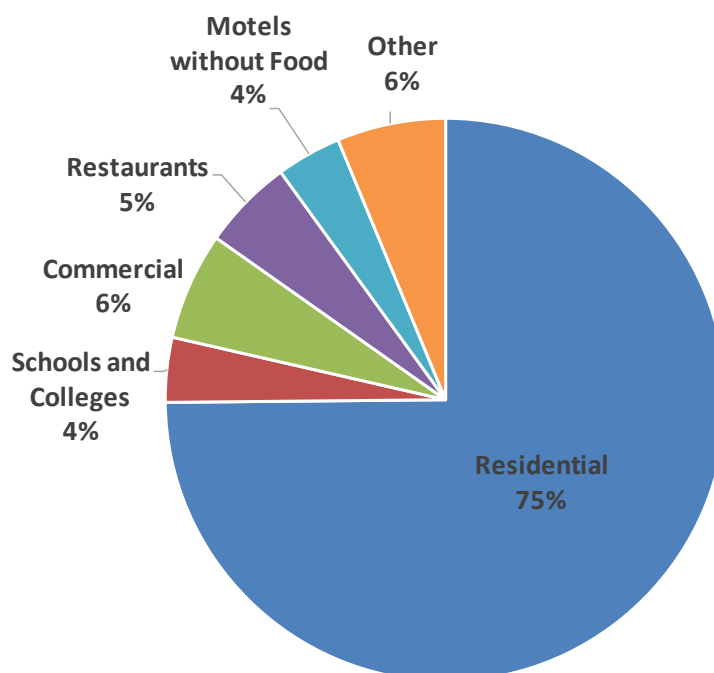


Figure 5
Water Use by Customer Type



The City provides wastewater service to the same households, institutional uses and businesses, with the exception of those having septic systems. **Figure 6** shows typical annual flow to the wastewater treatment plant by residential and non-residential customer types.

Figure 6
Typical Annual Wastewater Flow by Customer Type



1.5 MAJOR ASSUMPTIONS

Several major assumptions influence the scope of the report and findings herein. They are summarized here:

- Water CIP Projects will be funded through rates, grants, old and new debt, impact fees, and reserves.** The York Creek upper dam removal and mitigation project as well as the Meadowood tank upgrades project are expected to be partially grant funded, and partially funded by existing bond proceeds. The Bell Canyon Creek flow measurement project will be partially funded by existing bond proceeds. For large infrastructure projects the City will apply to advantageous loan and grant programs. Pump station upgrades and the Bell Canyon intake tower replacement are assumed to be funded by new debt. Spill containment at both the Bell Creek intake and Stonebridge Well, valve replacement at the Bell Valve House, as well as the Bell Canyon reservoir improvements, will be funded by reserves. Rates (cash) will be used for all other capital outlay needs for existing customers. Impact fees will be used to fund capital project costs attributable to new customers. The water enterprise fund will loan the impact fee fund cash to pay for the new customers' share of facility costs.
- Wastewater CIP Projects will be funded through rates, reserves and debt.** Reserves will be used to fund the replacement of the wastewater reclamation facility operations building and shop. Phase 1 and Phase 2 of the wastewater treatment plant upgrades are assumed to be funded by new debt. Cash will be used for all other capital improvement projects. The wastewater impact fee fund has sufficient cash to pay for new customers' share of wastewater facility costs.
- Future users' share of costs updated.** The water and wastewater impact fees must be updated to reflect the CIP presented in the Rate Study. The cash balances for impact fee funds 764 (water) and 774 (wastewater) have not been updated in the Study; with updated CIPs for both utility systems the impact fees need to be updated. An increase in the water impact fee would improve the repayment period from future to existing customers and reduce future rate increases for existing customers.
- System rehabilitation costs are fully accounted for in the rate models.** Both the water and wastewater rate models include a calculated annual cost for long-term replacement of facilities. Facilities include existing and new facilities built in the next five years. The Study projects that a capital repair and replacement reserve of \$1.4 million could be accumulated in the wastewater fund by 2022. It is not anticipated that any reserve for capital repair and replacement could be accumulated in the water fund.
- New growth.** New development is assumed to increase at a pace of five single family units per year. This pace of growth was estimated using the St. Helena average annual change in US Census reported number of occupied housing units from 2000 to 2015, and is consistent with the City's General Plan.

- **Rate structure is modified for both water and wastewater.** In an effort to allocate costs as equitably as possible with available data, the Study modifies the rate structures for both utilities as described further below and elsewhere in this report.
- **The new rate structures are assumed to be in effect February 8, 2017. The following five rate increases are assumed to be in effect November 8 of each year (November 2017, 2018, 2019, 2020, and 2021).** The rate increases go into effect as soon as possible to increase cash flow, and in the fall when price changes have less impact to customers than in the summer months. The new rates would be reflected on the City's February (and thereafter November) utility bills. The rate change dates are based on the City's current billing cycles; if the dates of the billing cycles change (for example meter reads change from the 8th of each month to the 10th of each month) the rate changes will follow the date of the new billing cycle.
- **Low income utilities subsidies, authorized by City Resolution No. 2006-44, are funded by the City general fund so that some utility customers do not subsidize others.** The general fund transfers the appropriate subsidy amount for low income households into the water and wastewater funds to maintain the revenue requirement.
- **Water-specific Assumptions:**
 - **New water meter replacement fee.** With the useful service life of a meter being approximately 20 years, the City needs to collect funds for a routine meter replacement program, replacing about five percent of the meters in the system each year. There are approximately 2,500 meters to be serviced with an approximate annual cost of \$46,000 in 2016 dollars. The new meter replacement fee is included in the updated service charges.
 - **Meadowood area surcharges are eliminated.** Customers in the Meadowood area, which is outside of the City limits, currently pay a surcharge based on consumption by all using those facilities plus a uniform maintenance surcharge. Per the decision made during the September 13th, 2016 Task Force meeting, Meadowood area customers will no longer pay a surcharge.
 - **The percentage of revenue requirement collected in base (flat) fees/service charges gradually increases.** Fixed costs comprise about 70% of the City's water system total annual operating costs. Currently the City collects 30% of costs in service charges and 70% in use charges. The water rate study gradually increases the base charges from 30% of revenue requirement to 36% of revenue requirement over the next five years. Greater revenue collection from service charges increases revenue stability for the enterprise funds. The increase is gradual to avoid large increases to households on fixed incomes.
 - **Single family residential 1" meter customers pay the same rates as single family residential 5/8" meter customers.** The total number of 5/8" meters was adjusted to include single family 1" meters. Due to CA Residential Code Section R313 (fire sprinklers), almost all new residential development is required to install 1" meters in

order to have sufficient flow for sprinklers; however, most existing homes built prior to implementation of CA Residential Code Section R313 have a 5/8" or 3/4" meter. Because the 1" residential customers utilize the same average amount of water as the 3/4" and 5/8" customers, it is appropriate for them to pay the same rates, and not be penalized by the fire sprinklers requirement.

- **The new water rate structure includes a drought-year surcharge.** A drought year will be defined in the City municipal code. When the City implements Phase 1 drought restrictions it would also implement drought rates. Drought rates are only applied to use charges (does not affect service charges). Drought rates are 6% higher than non-drought rates because during drought years the cost of water per 1,000 gallons is 6% higher than during non-drought years.

1.6 RATE STRUCTURES

Water Rate Structures

The water rate study calculated water charges under two methods of collection for costs recovered through use charges. A brief summary of the rate structure differences is provided below. The Task Force chose the seasonal rate structure as the preferred water rate structure at the September 13th, 2016 Task Force Meeting; therefore, the Study only presents findings of the seasonal rate structure. Details of the seasonal rate structure, along with results, are presented in Section 2.

WATER STUDY	
Uniform Rate Structure	
Same as current rate structure except no tiers for use charges	
All customers pay a base charge by meter size per month + a uniform use charge for all treated water	
Seasonal Rate Structure	
All customers pay a base charge by meter size per month + a seasonal use charge for all water (higher during the peak than off-peak months)	
Peak = May through October Off-Peak = November through April	

Wastewater Rate Structures

In the financial modeling for the wastewater rate study two rate structures were considered for collection of the revenue requirement; a modified rate structure and a new rate structure. A comparison of the two rate structures considered is provided on the following page. Per the August 4th, 2016 and September 13th, 2016 Task Force meetings, the City's Task Force chose the new rate structure as the preferred rate structure; therefore, the Study only presents findings of the new rate structure. For record keeping the modified rate structure findings are presented in Attachment B of the 'City of St. Helena Wastewater Rate Study Technical Memorandum'.

WASTEWATER STUDY	
Modified Rate Structure	
	Same as current rate structure except religious places/community centers are broken out as their own rate category
	Single family pay monthly flat base rate and a flow charge per Hundred Cubic Feet (HCF) of average winter month water
	Multi-family/mobile homes and non-residential pay monthly flat base rate based on meter size per month and a flow charge per HCF of average winter month water
New Rate Structure	
	Mobile Home parks classified as residential; religious places/community centers are broken out as their own rate category
	All Residential (single family, multi-family and mobile homes) pay flat base rates based on number of dwelling units plus a flow charge per HCF of average winter month water
	Flat monthly charge for schools based on number of students
	Non-residential pay a flat base rate by customer type (per account) plus a flow charge per HCF of average winter month water

Section 2: WATER RATE STUDY SUMMARY

2.1 KEY FINDINGS

- The City has been pulling from reserves for water system operations. At the end of fiscal year 2016 (June 30) the operating fund had a positive unrestricted net position of roughly \$5 million. At the end of fiscal year 2017, the operating fund is expected to be depleted to an unrestricted net position of about \$525,000. System rehabilitation is being funded from reserves because depreciation is not currently included in the rates. This is unsustainable.
- It is projected that in fiscal year 2017 the water fund will have a 0.72 debt service coverage ratio. The City is out of compliance with its bond covenants to maintain a 1.20 minimum debt service coverage ratio. This must be rectified immediately.
- The City has identified a minimum of \$17.7 million, net of grant funds and existing bond proceeds, of water system capital improvements in today's dollars to be funded over the next 10 years. This cost is inflated to a total of \$20.8 million dollars over the next 10 years.
 - The funding plan applies two City-awarded grants, which total \$1,787,876, for the York Creek dam removal and creek restoration project, as well as existing water bonds in the amount of \$2.7 million.
 - Meadowood tank upgrades are partially funded by \$120,100 from existing bond proceeds.
 - The City will continue to aggressively pursue any grant opportunities.
 - \$0.2 million for pump station upgrades, and \$2.1 million for Bell Canyon intake tower replacement are assumed to be financed by new debt.
 - All other system improvement costs will be cash-funded.
 - The project for installation of smart meters is currently unfunded; however, the project is not anticipated to start in the next five years. The total cost for this project is estimated at \$1.5 million, and
 - A new water meter replacement fee for routine replacement of existing meters, which is included in the monthly service charge, will fund \$0.3 million of meter replacement costs, not included in the CIP.
- By raising the rates in February 2017 the City will generate sufficient revenue to meet its bond covenants, to begin building a healthy reserve, to fund necessary planned capital improvements, and to fully fund water operations without using other City funds. A healthy reserve is necessary to fund emergencies and other unanticipated capital projects. Without the rate increases the water fund is projected to have a negative balance of <\$10.9 million> by the end of fiscal year 2022. The water fund would have to be loaned money from other City funds, taking away money for other essential City services such as parks, library and streets.

Current and calculated water rates are shown in **Table 1**.

Table 1
Calculated Water Rates through Fiscal Year Ending 2022

		Billing Period Beginning *					
Charges	Current	2/8/2017	11/8/2017	11/8/2018	11/8/2019	11/8/2020	11/8/2021
Service Charge		Monthly Charges per Meter					
5/8", 3/4" & SF 1"	\$27.52	\$43.22	\$51.71	\$60.59	\$64.78	\$68.91	\$73.27
1"	\$63.80	\$80.08	\$96.76	\$114.44	\$123.35	\$132.22	\$141.61
1.5"	\$124.12	\$141.67	\$172.02	\$204.36	\$221.14	\$237.94	\$255.72
2"	\$196.50	\$215.12	\$261.84	\$311.76	\$337.99	\$364.27	\$392.10
3"	\$365.51	\$413.06	\$503.54	\$600.40	\$651.86	\$703.51	\$758.21
4"	\$607.01	\$640.46	\$780.29	\$930.11	\$1,010.10	\$1,090.44	\$1,175.54
6"	\$1,210.18	\$1,252.50	\$1,528.85	\$1,825.17	\$1,983.80	\$2,143.19	\$2,312.05
Private Fire Protection		Monthly Charges per Fire Service Pipe					
4"	\$4.00	\$16.93	\$19.84	\$22.75	\$23.77	\$24.72	\$25.71
6"	\$6.00	\$49.19	\$57.62	\$66.10	\$69.05	\$71.81	\$74.69
8"	\$8.00	\$104.82	\$122.79	\$140.85	\$147.15	\$153.03	\$159.16
Raw Water <i>per Gallon</i>	\$0.00267	\$0.00471	\$0.00552	\$0.00633	\$0.00661	\$0.00688	\$0.00715
TREATED WATER USE CHARGES PER HCF							
NON-DROUGHT PERIOD	[1]						
Off-Peak (Nov-Apr)		\$5.50	\$6.37	\$7.19	\$7.37	\$7.54	\$7.71
Peak (May-Oct)		\$6.11	\$7.09	\$8.00	\$8.20	\$8.38	\$8.58
DROUGHT PERIOD	[1]						
Off-Peak (Nov-Apr)		\$5.81	\$6.73	\$7.60	\$7.79	\$7.97	\$8.15
Peak (May-Oct)		\$6.46	\$7.49	\$8.45	\$8.66	\$8.86	\$9.06

Source: HEC.

* Dates reflect the current billing cycle; if the billing cycle date changes so will these effective dates.

[1] Current Rate Structure rates as follows:

Tiers by customer category (in hcf):		<u>Tier 1</u>	<u>Tier 2</u>		<u>Tier 1</u>	<u>Tier 2</u>
Single family	0-14	15+	Non-residential <=1"		0-36	37+
Multi-family	0-5	6+	Non-residential 1.5"		0-120	121+
			Non-residential 2"		0-192	193+
<i>Price per HCF</i>	<i>\$4.48</i>	<i>\$6.74</i>	Non-residential 3"		0-360	361+
<i>Price per HCF - Landscape Irrigation</i>	<i>\$5.22</i>		Non-residential 4"		0-600	601+
			Non-residential 6"		0-1,250	1,251+
			Non-residential 8"		0-1,920	1,921+

2.2 METHODOLOGY

The detailed methodology for calculation of rates is presented in the 'City of St. Helena Water Rate Study Technical Memorandum'. Under the new seasonal rate structure, customer bills continue to be comprised of 2 fees: (1) fixed monthly service charges (now also including a meter replacement fee), and (2) variable use charges. The new seasonal rate structure is as follows:

- All customers pay the same usage rate per HCF for treated water off-peak (Nov-Apr) and peak (May-Oct). The peak rate is higher than the off-peak rate to reflect the additional costs of water operations during the peak period. Analysis in the 'City of St. Helena Water Rate

Study Technical Memorandum' demonstrates that water operations costs are 11% higher during the peak period.

2.3 NEW RATE IMPACTS

Components of revenue requirement are shown in **Figure 7**. Operating expenses are the largest component of cost, followed by capital replacement/repair, debt service, and operating reserves.

Single Family Residential Impacts

Figure 8 shows the water bill impact for a typical single family home in the off-peak months using the seasonal water rate structure in a non-drought year. Single family homes typically use 7 HCF per month in the winter (calculated using January and February data 2011 through 2015). **Figure 9** shows the water bill impact for a typical single family home in the peak months using the seasonal water rate structure in a non-drought year. Single family homes typically use 17 HCF per month in the summer (calculated using July and August data 2011 through 2015).

Figure 7
Components of Water Revenue Requirement

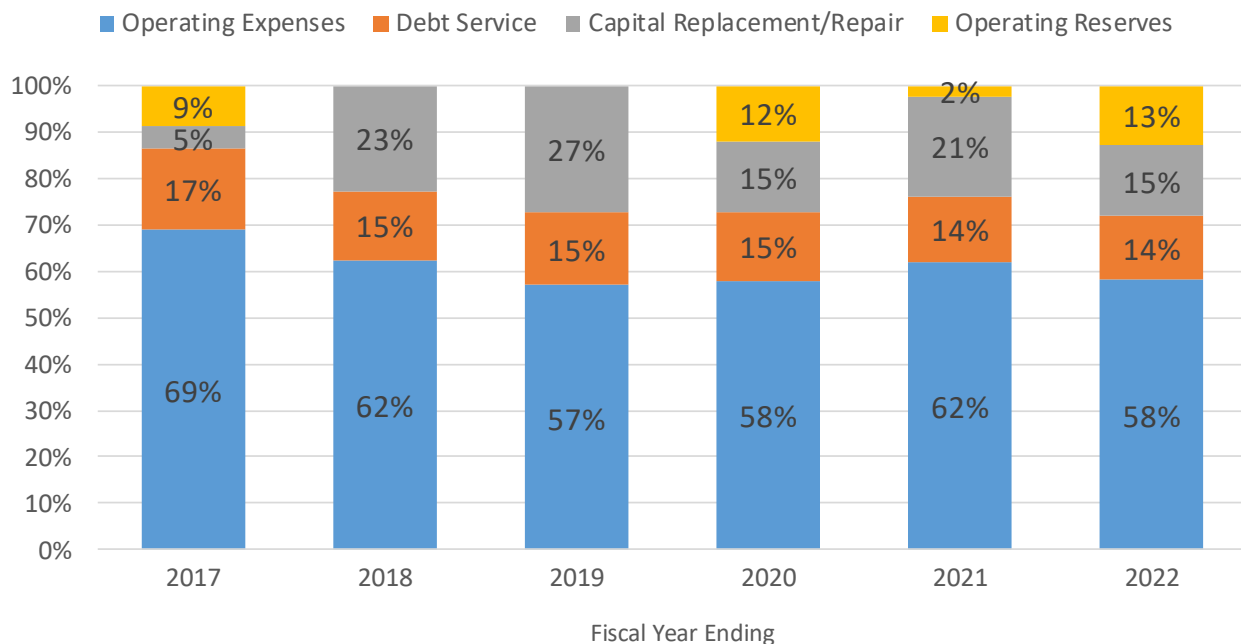


Figure 8
Typical Water Monthly Bill for the Off-Peak Season

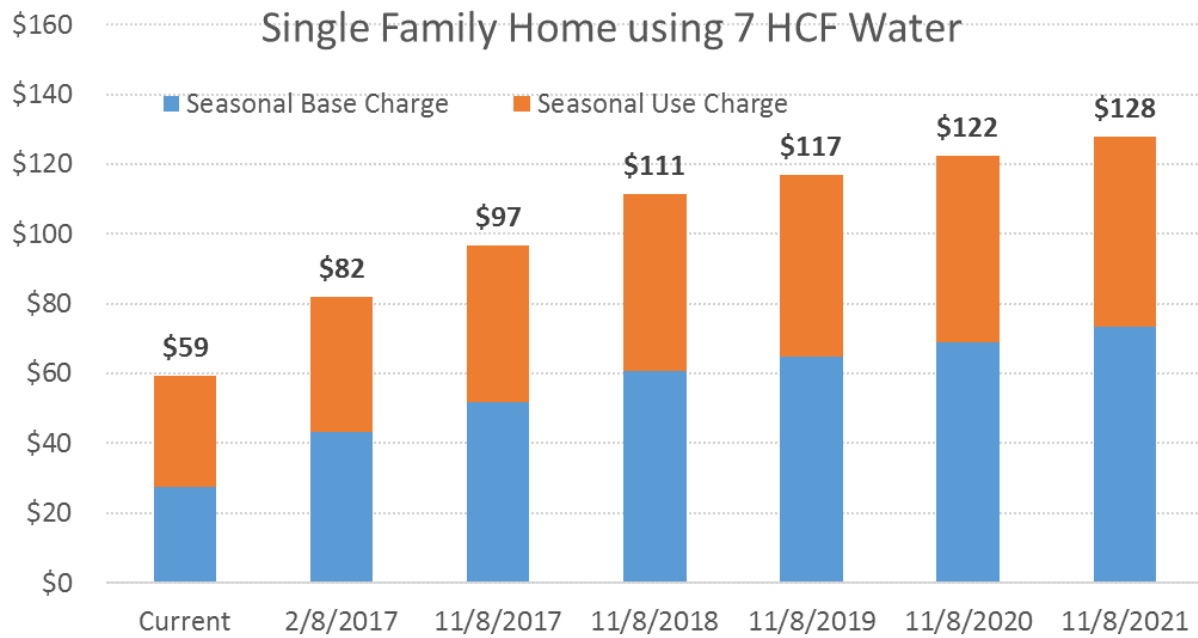
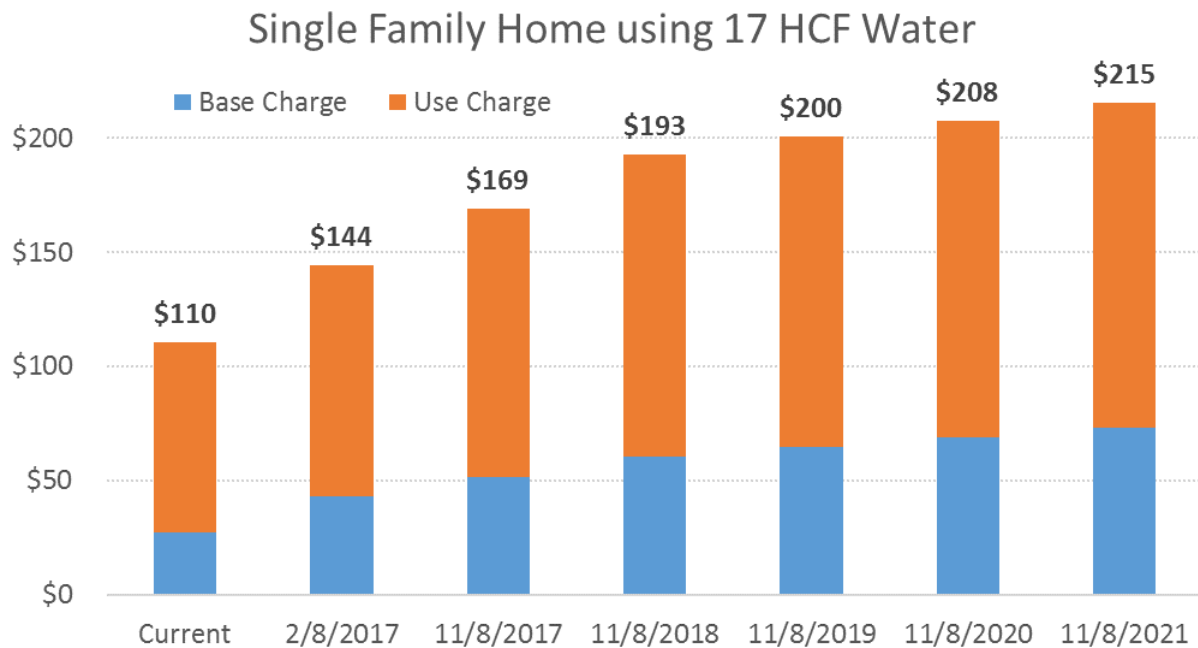


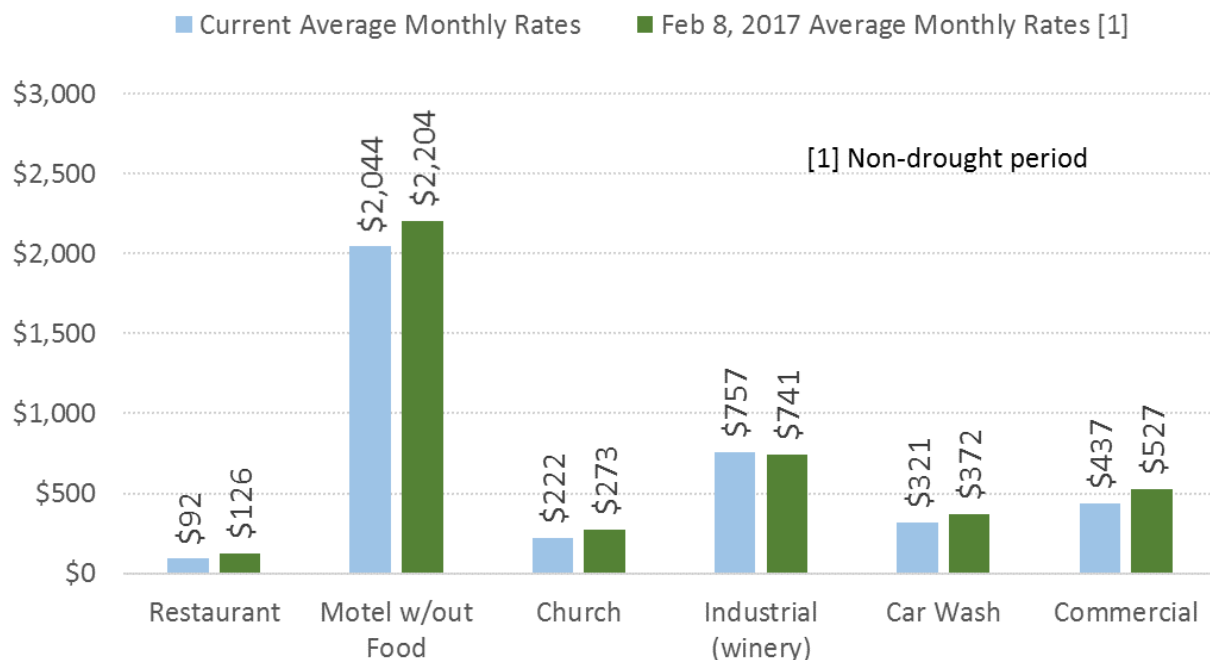
Figure 9
Typical Water Monthly Bill for the Peak Season



Non-Residential Users

Six types of non-residential users were selected to illustrate the impacts of water rate increases in February 2017; these include a restaurant, a motel without food, a church, an industrial customer (winery), a cash wash, and a commercial office. **Figure 10** illustrates the impact to each type of water user assuming a non-drought year. Charges are calculated using actual consumption by the customers between January 2015 and December 2015. The impact is greater for all customers with the exception of the industrial customer.

Figure 10
Non-Residential Water Rate Impact

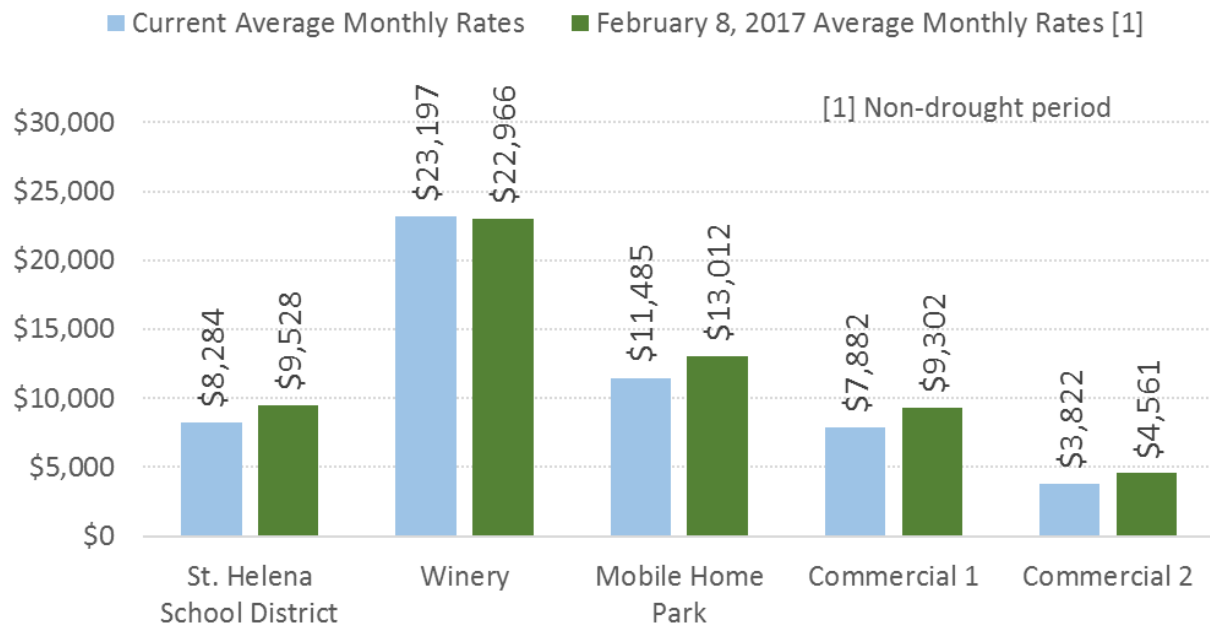


Large Water Users

The largest water users in the City include the St. Helena School District, wineries, mobile home park, and some large commercial businesses.

The Study examines the impact to a selection of these users in **Figure 11** using current charges and February 8, 2017 charges assuming a non-drought year. Charges are calculated using actual consumption by the customers between January 2015 and December 2015. In the selection, average monthly charges increase for all customers except the winery. Actual water bills will differ from customer to customer.

Figure 11
Average Monthly Water Charges for Large Water Users



Section 3: WASTEWATER RATE STUDY SUMMARY

3.1 KEY FINDINGS

- The City has been using wastewater fund reserves to fund operations. At the end of fiscal year 2016 (June 30) the operating fund had a negative unrestricted net position of <\$79,804>. At the end of fiscal year 2017, the operating fund is expected to have a negative unrestricted net position of <\$27,000>. System rehabilitation is being funded from reserves because depreciation is not currently included in the rates. This is unsustainable.
- The City has identified a minimum of \$15.4 million, net of grant funds and existing bonds, in capital improvements in today's dollars to be funded over the next 10 years. In future dollars this totals \$17.7 million to be funded over the next 10 years. The financing plan assumes that:
 - Phases 1 and 2 of the wastewater treatment plant upgrades will be debt-financed.
 - Reserves will be used to finance \$3.7 million for replacement of the wastewater reclamation facility operations building and shop, which is expected to be accomplished fiscal year 2021 through fiscal year 2023.
 - Cash will fund the remaining CIP costs.
- By raising the rates in February 2017 the City will generate sufficient revenue to meet its bond covenants, to begin building a healthy reserve, to fund necessary capital improvements and to fully fund wastewater operations without using other City funds. A healthy reserve is necessary to fund emergencies and other unanticipated capital projects. Without the rate increase the wastewater fund is projected to have a negative fund balance within two fiscal years and would have to be loaned money from other City funds, taking away money for other essential City services.
- The new rate structure improves equity among certain customer classes by basing rates on typical flow and strength characteristics of each customer type. Multi-family dwellings and mobile home parks, which display characteristics more similar to residential than non-residential, are shifted to residential. Schools pay on a flat monthly rate per student basis. Non-residential customers' water use is determined by average winter water use, by customer type, to account for water that does not go to the wastewater treatment plant (applied outdoors or otherwise does not enter the sewer collection system).

Table 2 on the next page shows the new wastewater rate schedule. The current rate schedule cannot be compared with the new rate schedule because the structure is different; however, a single family unit currently pays a base monthly charge of \$47.35 and a monthly use charge of \$3.94 per HCF of winter water use.

Table 2
Calculated Wastewater Rate Schedule
- New Rate Structure

Customer Category		Fiscal Year Ending					
		2017	2018	2019	2020	2021	2022
Billing Period Beginning * ---->		2/8/2017	11/8/2017	11/8/2018	11/8/2019	11/8/2020	11/8/2021
Residential							
Single Family	monthly per unit	\$48.04	\$55.24	\$70.13	\$73.03	\$74.18	\$75.23
Multi-Family	monthly per unit	\$29.07	\$33.42	\$42.43	\$44.18	\$44.88	\$45.52
Mobile Homes	monthly per unit	\$43.11	\$49.57	\$62.93	\$65.53	\$66.56	\$67.51
Residential Rate per HCF	per HCF	\$4.69	\$5.39	\$6.84	\$7.12	\$7.23	\$7.34
Schools Flat Rate per Student	monthly per student	\$1.40	\$1.62	\$2.15	\$2.21	\$2.26	\$2.28
Non-Residential							
Car Wash	monthly per account	\$209.93	\$243.25	\$328.36	\$336.45	\$343.13	\$346.45
Religious Places/Community Centers	monthly per account	\$35.34	\$40.85	\$54.06	\$55.68	\$56.71	\$57.34
Commercial [1]	monthly per account	\$62.70	\$72.20	\$92.64	\$96.19	\$97.78	\$99.09
Groceries and Mortuaries	monthly per account	\$433.93	\$492.12	\$552.00	\$595.15	\$599.41	\$613.71
Laundry	monthly per account	\$970.94	\$1,121.45	\$1,475.85	\$1,522.21	\$1,549.87	\$1,567.76
Mixed Retail w/ Food	monthly per account	\$541.20	\$617.30	\$730.21	\$775.32	\$783.78	\$799.17
Motel with Food	monthly per account	\$2,617.64	\$2,978.36	\$3,444.90	\$3,681.23	\$3,715.59	\$3,795.12
Motel without Food	monthly per account	\$642.15	\$738.08	\$933.28	\$972.87	\$987.93	\$1,002.28
Restaurant	monthly per account	\$840.03	\$952.80	\$1,070.03	\$1,153.27	\$1,161.63	\$1,189.23
Napa Valley College	monthly per account	\$2,889.93	\$3,341.62	\$4,436.77	\$4,565.57	\$4,651.20	\$4,701.87
Service Station	monthly per account	\$93.25	\$107.06	\$134.07	\$140.12	\$142.20	\$144.37
Winery Production (Merryvale/Spottswood)	monthly per account	\$989.21	\$1,116.93	\$1,199.98	\$1,310.53	\$1,315.85	\$1,351.87
Sutter Home Winery	monthly per account	\$876.04	\$1,007.39	\$1,278.85	\$1,331.67	\$1,352.66	\$1,371.89
Car Wash	per HCF	\$3.43	\$3.97	\$5.36	\$5.49	\$5.60	\$5.65
Religious Places/Community Centers	per HCF	\$3.72	\$4.30	\$5.69	\$5.86	\$5.97	\$6.03
Commercial [1]	per HCF	\$4.27	\$4.92	\$6.31	\$6.55	\$6.66	\$6.75
Groceries and Mortuaries	per HCF	\$10.30	\$11.68	\$13.10	\$14.12	\$14.22	\$14.56
Laundry	per HCF	\$3.81	\$4.40	\$5.79	\$5.97	\$6.08	\$6.15
Mixed Retail w/ Food	per HCF	\$6.73	\$7.68	\$9.08	\$9.64	\$9.75	\$9.94
Motel with Food	per HCF	\$7.91	\$9.00	\$10.41	\$11.12	\$11.23	\$11.47
Motel without Food	per HCF	\$4.59	\$5.27	\$6.67	\$6.95	\$7.06	\$7.16
Restaurant	per HCF	\$10.18	\$11.54	\$12.96	\$13.97	\$14.07	\$14.41
Napa Valley College	per HCF	\$3.67	\$4.24	\$5.63	\$5.79	\$5.90	\$5.97
Service Station	per HCF	\$4.82	\$5.53	\$6.93	\$7.24	\$7.35	\$7.46
Winery Production (Merryvale/Spottswood)	per HCF	\$17.31	\$19.55	\$21.00	\$22.93	\$23.03	\$23.66
Sutter Home Winery	per HCF	\$4.50	\$5.17	\$6.57	\$6.84	\$6.95	\$7.04

Source: HEC.

* Dates reflect the current billing cycle; if the billing cycle date changes so will these effective dates.

[1] Commercial includes City buildings.

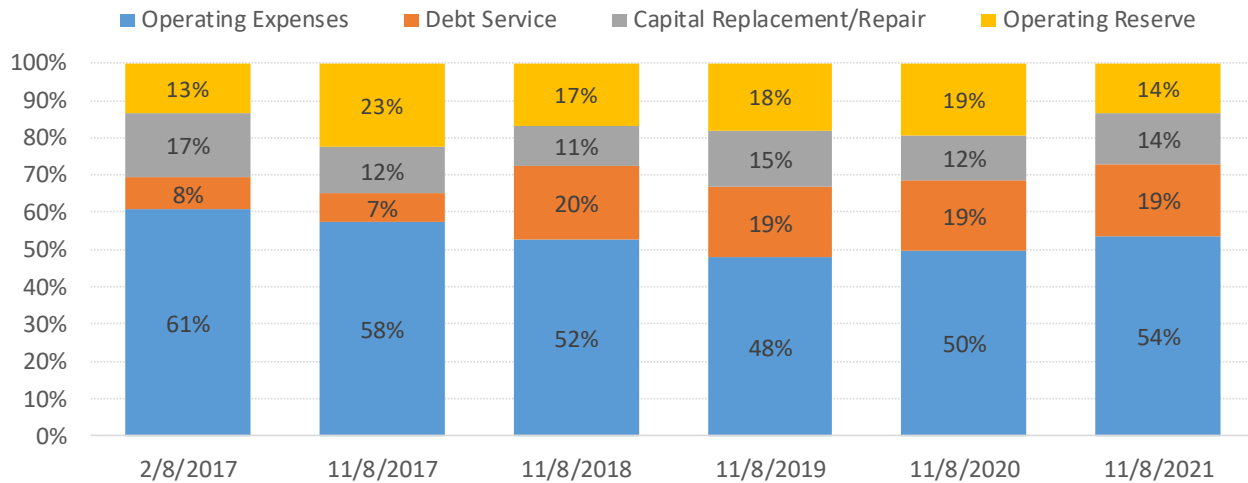
3.2 METHODOLOGY

The detailed methodology for calculation of rates is presented in the 'City of St. Helena Wastewater Rate Study Technical Memorandum'.

3.3 NEW RATE IMPACTS

Components of wastewater fund revenue requirement is shown in **Figure 12**. Operating expenses is the largest component of cost (more than 50%).

Figure 12
Components of Wastewater Revenue Requirement



Residential Bill Impacts

Figure 13 shows monthly bill impacts of the rate increases to single family residential customers under the new rate structure for the next five years.

Figure 13
Wastewater Bill Impact for Single Family Homes

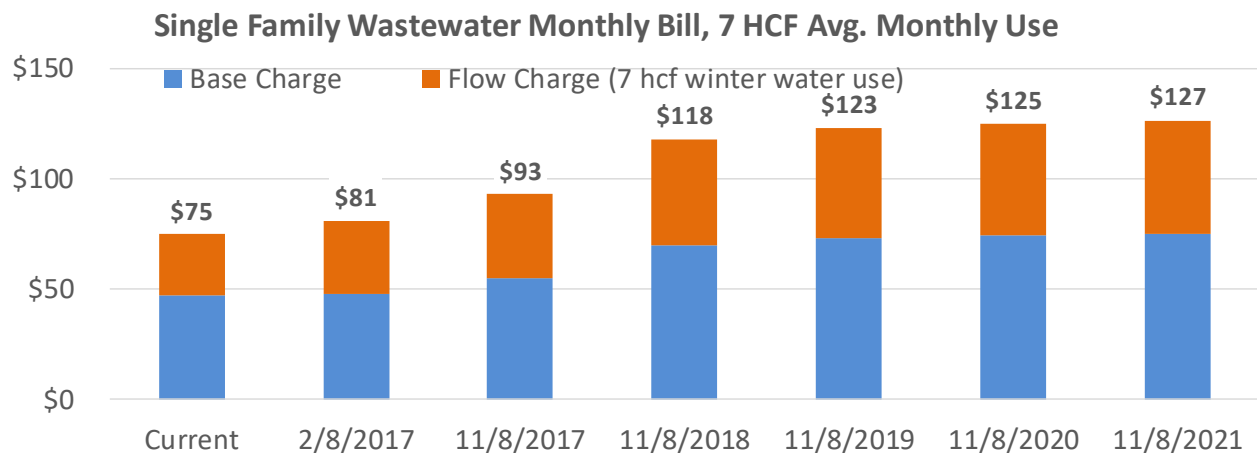


Figure 14 estimates monthly bill impacts of the February 8, 2017 rate changes for a sample of non-residential users. Because monthly bills for non-residential customers will vary from month to month and business type to business type, the examples given are only illustrative. Each non-residential customer will experience a different impact.

Figure 14
Average Wastewater Monthly Bill Impact for Sample Non-Residential Users

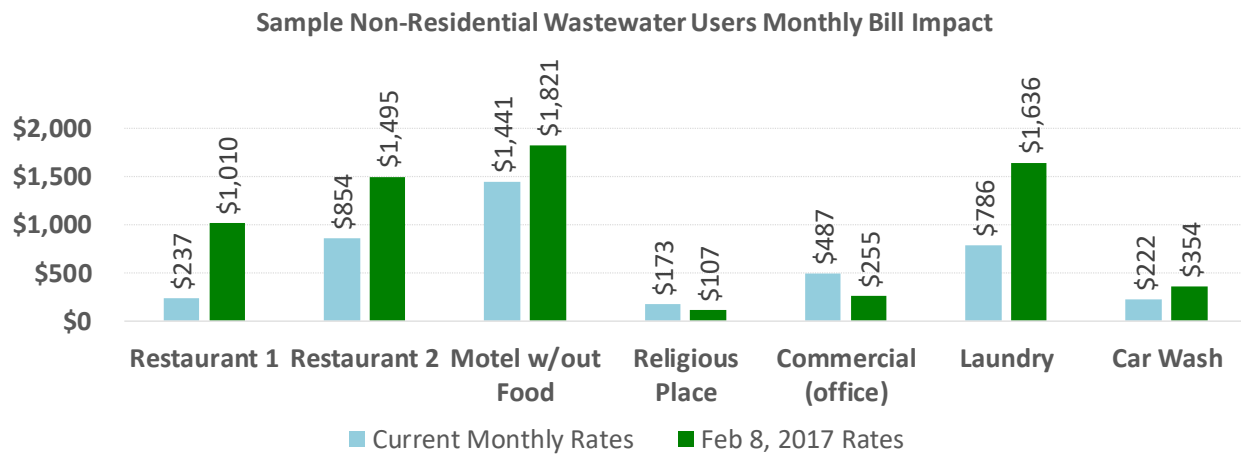
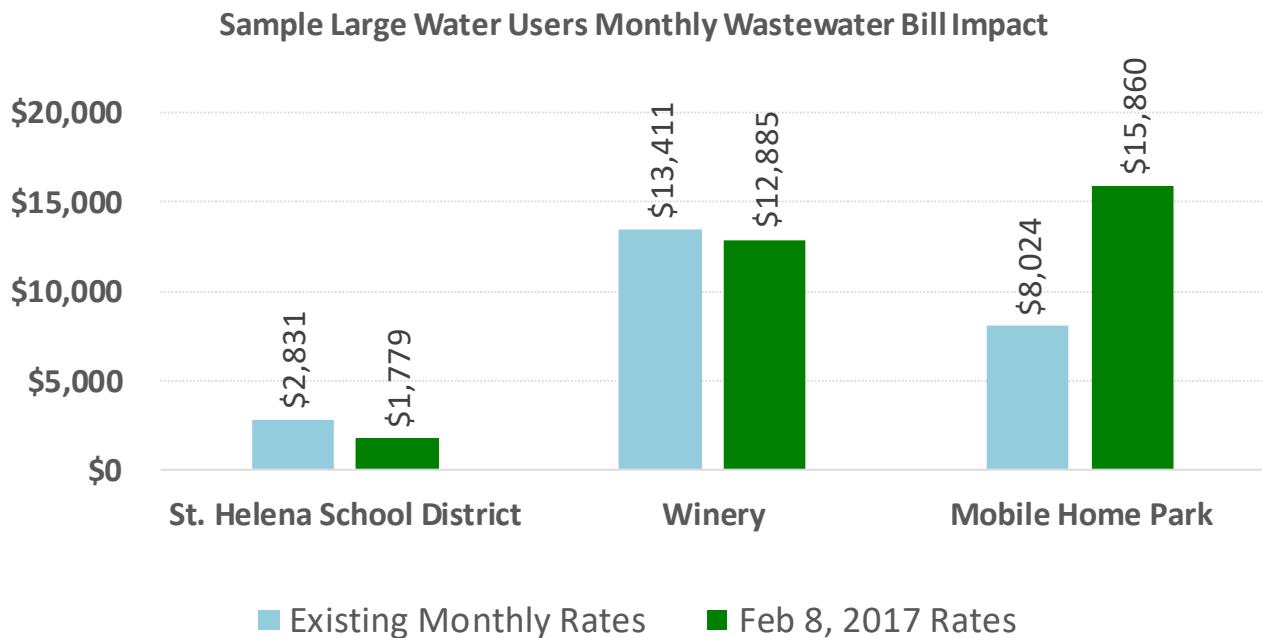


Figure 15 illustrates the impact on the same large water users as in the water rate study, with the exception of the two commercial businesses which do not receive City wastewater service.

Figure 15
Average Wastewater Monthly Bill Impact for Large Water Users



Section 4: COMBINED UTILITIES IMPACT

4.1 RESIDENTIAL IMPACTS

The combined impact of increased water and wastewater rates on typical single family home utility bills is illustrated in **Figure 16** for a typical off-peak month (using 7 HCF water, 7 HCF wastewater), and **Figure 17** for a typical peak month (using 17 HCF water, 7 HCF wastewater). Both comparisons assume a non-drought year.

Figure 16
Single Family Home Utility Costs in Off-Peak Months, based on 7 HCF

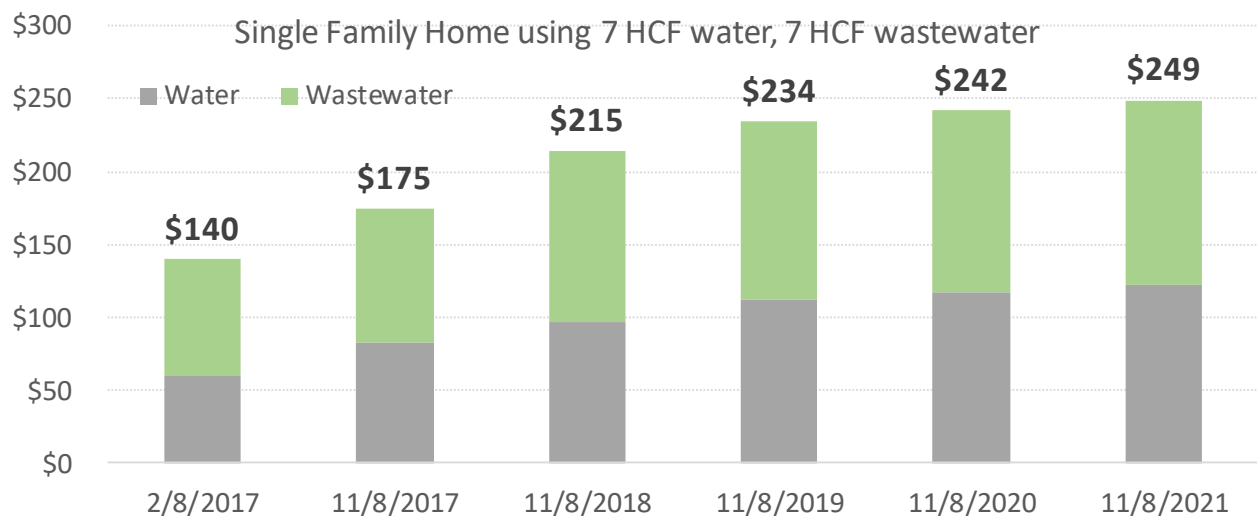


Figure 17
Single Family Home Utility Costs in Peak Months, based on 17 HCF

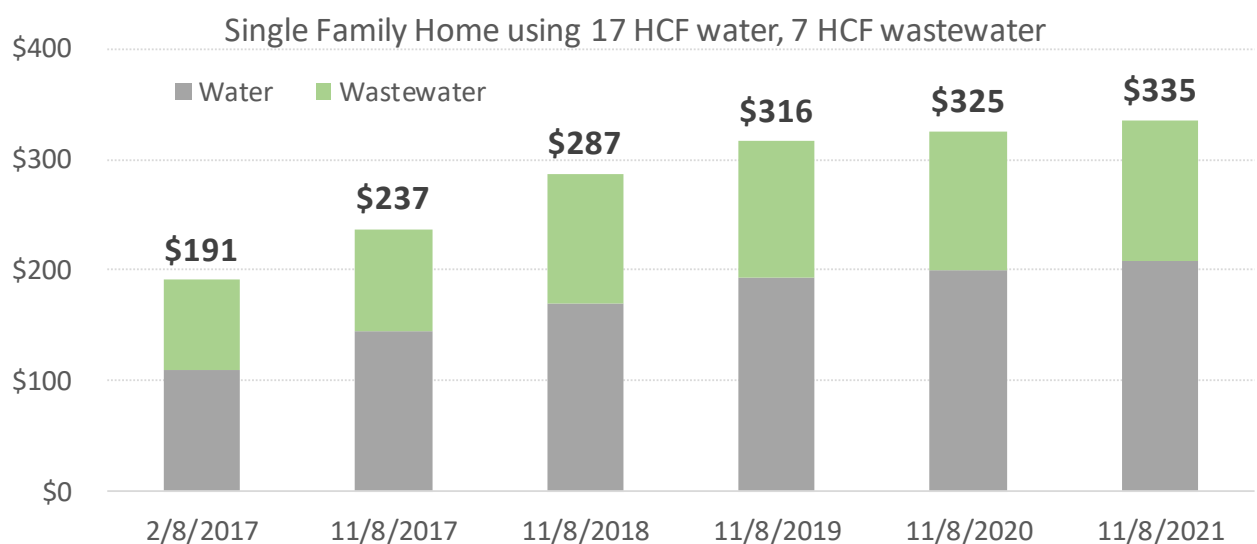
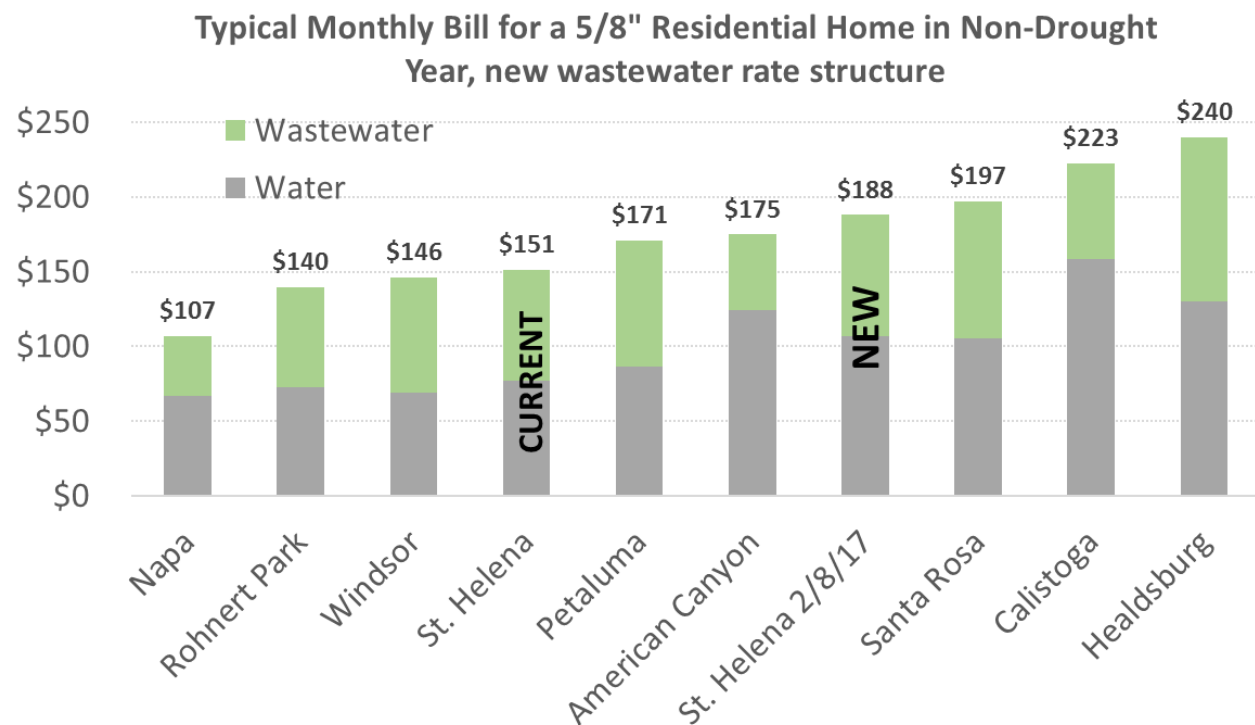


Figure 18 illustrates what a household using an average of 11 HCF of water and 7 HCF of wastewater in a month would pay for combined water and wastewater in several comparison cities. For St. Helena, the use rate was calculated using the average of the peak and off-peak use rates. St. Helena's combined water and wastewater rates are currently in the middle of the range and will stay in the middle of the range with the proposed 24% rate increase. Note that the comparison cities utilized may be in the process of rate increases as well; this is a snapshot in time.

Figure 18
Impact of Combined Utility Bill Increases



4.2 AFFORDABILITY

The combined impact of increased utility costs must be considered together since they can increase costs beyond what is considered an affordable threshold. The affordability thresholds are guidelines used by State and Federal funding agencies when determining financing terms for debt-financing projects. The State Revolving Fund (SRF) program bases its evaluation of affordability of water rates on two criteria:

1. The Median Household Income (MHI) of the community compared to the State MHI, and
2. The percentage of MHI spent on water related bills.

Generally, water rates are considered to be burdensome if they are greater than 2.50% of MHI, and wastewater rates are considered to be burdensome if they are greater than 2.00% of MHI (or combined, a total of 4.50% of MHI). If a community's MHI is less than 80 percent of the State MHI,

the community is considered “Disadvantaged”, in which case a rate greater than 1.5 percent of MHI is considered burdensome. St. Helena is not considered disadvantaged, as the City’s MHI is more than 127% of the State MHI.

Currently, St. Helena’s combined water utility costs are 2.32% of MHI. With the increase in costs in February 2017 water costs will total 1.64% of MHI and wastewater will total 1.24% of MHI. Together, the utilities costs will total 2.88% of MHI. The water rates are, per the State’s definition, well within the affordable threshold. The affordability calculations are shown in **Table 3**.

Table 3
Affordability of Water Utility Costs for Residents

Item	Current Rates	Proposed 2/8/2017 Rates
St. Helena Monthly Median Household Income (MHI) [1]	\$6,535	\$6,535
Monthly Water Bill		
Monthly Water Bill for 11 HCF [2]	\$76.80	\$107.08
Water Bill as Percentage of MHI [3]	1.18%	1.64%
Monthly Wastewater Bill		
Monthly Wastewater Bill for 7 HCF	\$74.93	\$80.84
Wastewater Bill as Percentage of MHI [3]	1.15%	1.24%
Total Monthly Utilities Bill	\$151.73	\$187.92
Monthly Utilities Bill as Percentage of MHI [3]	2.32%	2.88%
Median Household Income (MHI)		
Estimated California [1]	\$61,489	
Estimated St. Helena [1]	\$78,421	
St. Helena MHI as a percentage of the State MHI [4]	127.54%	

Source: HEC, California State Water Resources Control Board, and US Census Bureau.

aff comb

[1] 2014 5-year American Community Survey.

[2] Assumes a non-drought year and average seasonal use rate.

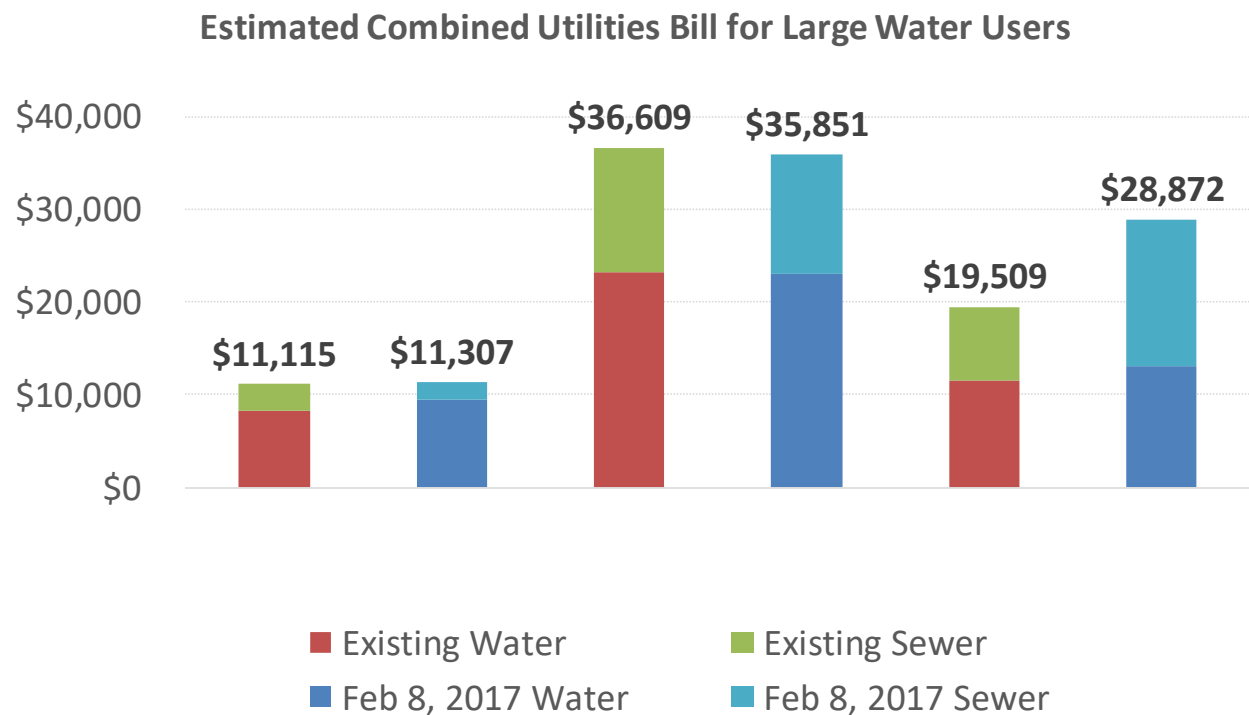
[3] The EPA considers bills unaffordable if combined water and wastewater bills are >4.5% of MHI. The State Clean Water SRF program only provides better loan terms (such as extended term financing, lower interest and principal forgiveness) to communities that are NOT Disadvantaged if the wastewater bill is >4% of MHI.

[4] Per the State Water Resources Control Board, a community with an MHI <80% of the Statewide MHI is Disadvantaged.

4.3 LARGE WATER USERS IMPACTS

Figure 19 shows the cumulative impact of utility rate increases to some of St. Helena's largest water users. The St. Helena School District's water bill increases but its wastewater bill decreases, resulting in a small net increase. The winery's water bill decreases slightly and its wastewater bill decreases slightly, resulting in a net decrease. The mobile home park's water bill increases slightly; however, its wastewater bill almost doubles.

Figure 19
Combined Utilities Impact on Large Water Users



HANSFORD ECONOMIC CONSULTING



City of St. Helena (2016) Water Rate Study Technical Memorandum

DRAFT

September 20, 2016

Technical Memorandum DRAFT WATER RATE STUDY

To: City of St. Helena

From: Catherine Hansford

Date: September 20, 2016

This technical memorandum presents the detailed water rate study. Support tables are provided in **Attachment A**.

THE WATER FUND

Revenues

The water system is 97% funded by water sales (rates) revenue, 1% by Meadowood area rate surcharges, and 2% by other revenues including investment earnings, finance charges, fees/fines, and other miscellaneous revenues.

Rate revenue is generated according to the current water rate schedule shown in **Table 1**. Under the current rate schedule all customers pay a service charge (or base charge) and a use charge. The service charge is different by meter size, and the use charge varies by customer type. All customers pay use charges in two tiers. The tier 1 rate is applied to single family homes for the first 14 units of water. A unit of water is a hundred cubic feet (HCF). Tier 2 is applied to all water use greater than 14 units consumed each month. The amount of water that tier 1 applies to each month differs by customer type, as shown in **Table 1**.

The Madrone Knoll pump facility (otherwise called the Meadowood pump facility) specifically benefits Meadowood area customers, who are outside the St. Helena city limits. Meadowood area customers pay an additional monthly surcharge for electric use at Meadowood pump facility plus a monthly maintenance fee. The schedule of current Meadowood surcharges is shown in **Table 2**.

Table 1
Current Water Rate Schedule

Customer	Rate Schedule	
Monthly Fixed Service Charge		
Meter Size		Basis of Charge
5/8"	\$27.52	Month
3/4"	\$27.52	Month
1"	\$63.80	Month
1.5"	\$124.12	Month
2"	\$196.50	Month
3"	\$365.51	Month
4"	\$607.01	Month
6"	\$1,210.18	Month
8"	\$1,935.52	Month
Residential Use Charge		[1]
Tier 1 (0-14 Units)	\$4.48	Unit
Tier 2 (15+ Units)	\$6.74	Unit
Multi-Family Residential Use Charge		
Tier 1 (0-5 Units)	\$4.48	Unit
Tier 2 (6+ Units)	\$6.74	Unit
Non-Residential Use Charge		
5/8", 3/4", 1"		
Tier 1 (0-36 Units)	\$4.48	Unit
Tier 2 (37+ Units)	\$6.74	Unit
1.5"		
Tier 1 (0-120 Units)	\$4.48	Unit
Tier 2 (121+ Units)	\$6.74	Unit
2"		
Tier 1 (0-192 Units)	\$4.48	Unit
Tier 2 (193+ Units)	\$6.74	Unit
3"		
Tier 1 (0-360 Units)	\$4.48	Unit
Tier 2 (361+ Units)	\$6.74	Unit
4"		
Tier 1 (0-600 Units)	\$4.48	Unit
Tier 2 (601+ Units)	\$6.74	Unit
6"		
Tier 1 (0-1,250 Units)	\$4.48	Unit
Tier 2 (1,251+ Units)	\$6.74	Unit
8"		
Tier 1 (0-1,920 Units)	\$4.48	Unit
Tier 2 (1,921+ Units)	\$6.74	Unit
Landscape Irrigation Rate (\$ per unit) [2]	\$5.22	Unit

Source: City of St. Helena.

curr rates

[1] 1 unit=100 cubic feet.

[2] Service must be for landscape irrigation of public space (park, school or residential common area). Customer must implement water conservation best management practices, as determined by the city. Customer must accept more stringent water use cutbacks during periods of water shortage, as determined by the City.

Table 2
Current Monthly Meadowood Area Surcharges

*Total Water Consumption in HCF used by all accounts served
 by the same special reservoirs and pumping stations*

0-150	\$1.81
151-200	\$1.45
201-250	\$1.25
251-300	\$1.07
301-350	\$0.88
351-400	\$0.80
401-450	\$0.74
451-500	\$0.65
501-550	\$0.56
551-600	\$0.50
601-1,250	\$0.49
1,251-1,500	\$0.48
1,501-1,750	\$0.47
1,751-2,000	\$0.43
2,001-2,250	\$0.40
2,251-2,500	\$0.39
2,501-2,750	\$0.37
2,751-3,000	\$0.36
3,001-3,250	\$0.34
3,251-3,500	\$0.33
3,501-3,750	\$0.32
3,751 and more	\$0.31
Per Residential Unit	\$27.94
Meadowood Complex (99 units + clubhouse)	\$2,793.60

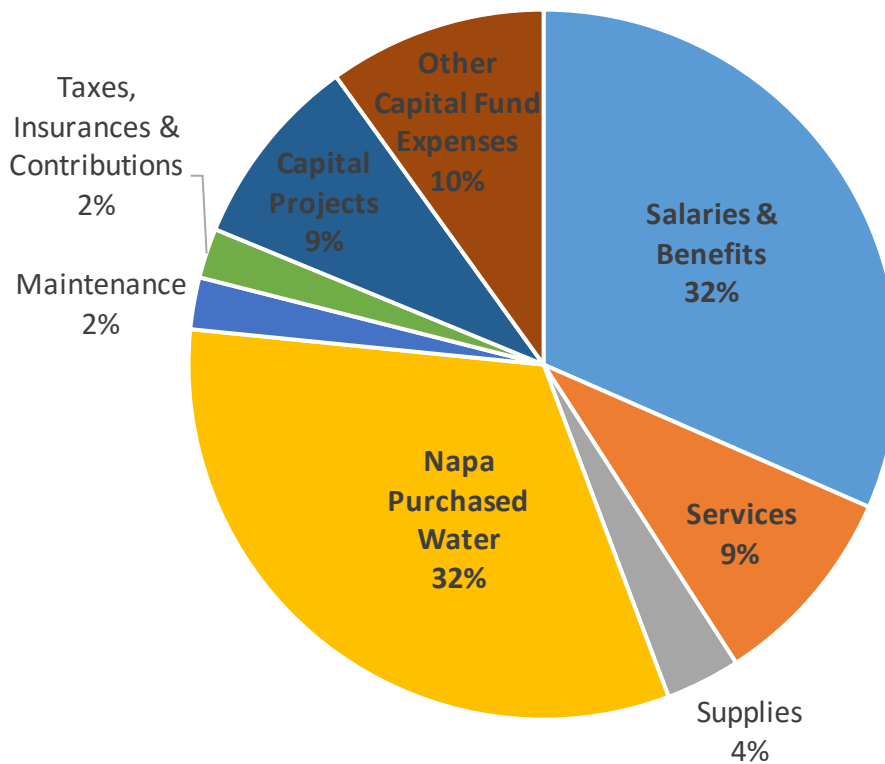
Source: City of St. Helena.

pump

Expenses

The water fund includes an operating and capital fund. Annual operating costs include all water system operating and capital expenses. Over the past five years, personnel costs (salaries and benefits), Napa purchased water, capital projects, other capital fund expenses, and services have been the largest expenditure items. Personnel costs and Napa purchased water have comprised approximately 64 percent of annual costs. Percentage share of historical expenses by expense category is shown in **Figure 1**.

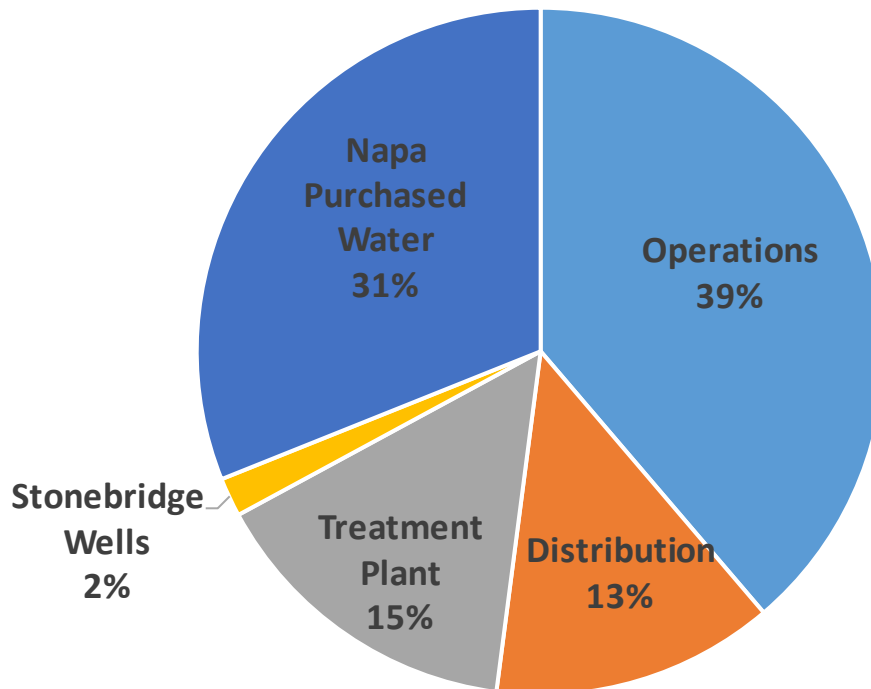
Figure 1
Typical Annual Water Fund Expenses



The operating fund expenses are further broken down into operations, distribution, treatment plant, Stonebridge Wells, and Napa purchased water. Percentage share of historical operating annual expenses by these categories is shown in **Figure 2**.

Supporting financial data is provided in Attachment A, **Tables A-1** through **A-3**.

Figure 2
Operating Fund Expenses



THE WATER SYSTEM

The City's water sources include surface water from Bell Canyon Reservoir, groundwater from Stonebridge Wells, and purchased treated water from the City of Napa. The Louis Stralla Water Treatment Plant (water treatment plant), which treats surface water stored in Bell Canyon Reservoir, has a capacity of 4.3 million gallons a day (MGD); however, there are flow limitations in the inlet piping which restricts use of the plant to less than its capacity. Stonebridge Wells includes two active groundwater wells and a filtration facility, including filtration tanks, chlorination facilities and a backwash return system. The filter removes iron and manganese. Treated water from the City's water sources is distributed via six storage tanks and four pump stations.

The City first entered into an agreement with the City of Napa for delivery of treated water in September 2006. The third amendment to that agreement, entered into in December 2011, increases the minimum annual delivery to 600 acre-feet with optional delivery up to 800 acre-feet. Optional additional delivery of 200 acre-feet may be delivered provided the City of Napa has sufficient water supply. If Napa does not have sufficient supply it will attempt to acquire supplemental dry-year water on a single year basis from an outside source. Price and payment terms of the optional supply will differ from the base supply, as detailed in the agreement.

Untreated water available for construction water purposes only is also available for purchase from the Lower Reservoir adjacent to York Creek.

Historical system-wide water deliveries are shown in **Table 3**. Almost three-quarters of annual water production is used year-round consistently, and 26% of water production is additional water delivered for increased demand between May and October.

Table 3
Monthly Water Delivery

Month	2013	2014	2015		Avg. Annual Water Delivery (millions of gallons)	Percent of Delivery by Month
<i>millions of gallons</i>						
Jan	27.731	36.865	27.682		30.759	6%
Feb	25.853	24.743	29.805		26.800	5%
Mar	32.701	28.927	39.625		33.751	6%
Apr	43.635	31.822	39.224		38.227	7%
May	59.950	49.464	41.328		50.247	9%
Jun	57.567	50.268	46.679		51.505	10%
Jul	65.613	57.505	51.105		58.074	11%
Aug	67.830	56.303	54.491		59.541	11%
Sep	72.640	55.720	55.173		61.178	11%
Oct	65.278	52.195	52.491		56.655	11%
Nov	44.466	32.516	35.409		37.463	7%
Dec	38.386	30.405	28.648		32.480	6%
Total	601.651	506.733	501.661	A	536.681	100%
Peaking Period (May through October inclusive)				B	337.200	63%
Base Monthly Flow				C	33.247	
Base Annual Flow				D = C*12	398.962	74%
Additional Flow				E = A-D	137.719	26%

Source: City of St. Helena.

delivery

The City uses conjunctive management to preserve its water supplies in the long-term. The share of water supply from one particular source might change month to month. **Figure 3** shows the percentage share of water supply each month using data from 2013 and 2014, both non-drought years. The graph shows that Bell Canyon water is consistently about 40% of the total water supply each month. Water from the City of Napa and Stonebridge Wells fluctuates from year to year but the most variable use of water supply is Stonebridge Wells.

During a non-drought year approximately 40% of water supply is from Bell Canyon, 32% from the City of Napa, and 28% from Stonebridge Wells. This is illustrated in **Figure 4**. During a drought year the City reduces pumping from Stonebridge Wells to preserve groundwater supplies. The percentage share of water supplies during a drought year are 46% from Bell Canyon, 38% from the

City of Napa, and 16% from Stonebridge Wells, as illustrated in **Figure 5**. Total water deliveries are reduced during a drought year. In 2013, a non-drought year, almost 602 million gallons of water were delivered. In 2015, a drought year, almost 502 million gallons of water were delivered.

Figure 3
Water Sources by Month in a Non-Drought Year

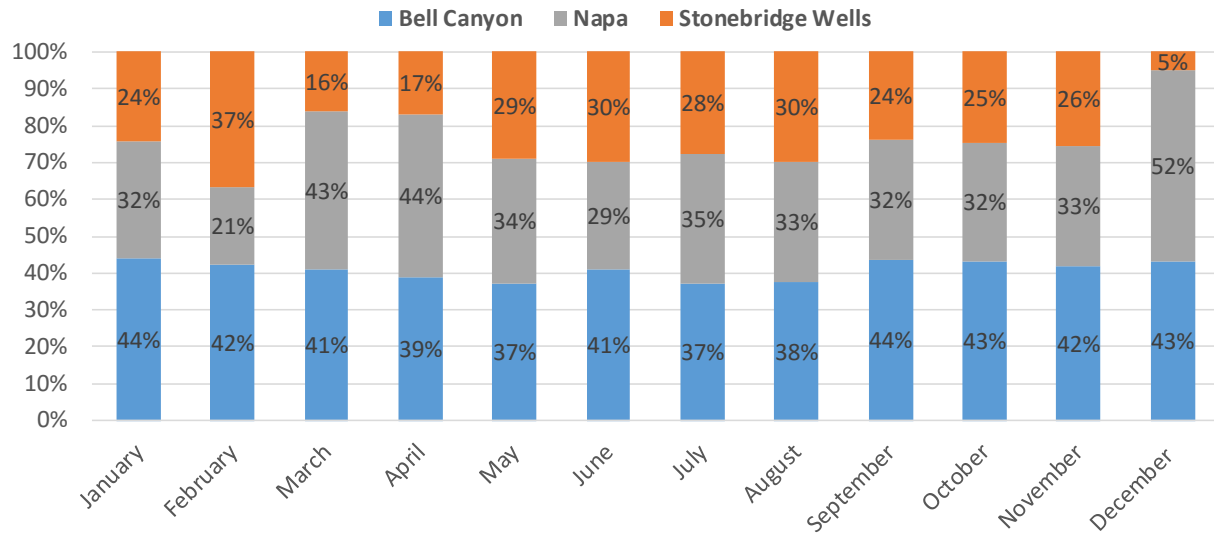


Figure 4
Water Supplies in a Non-Drought Year

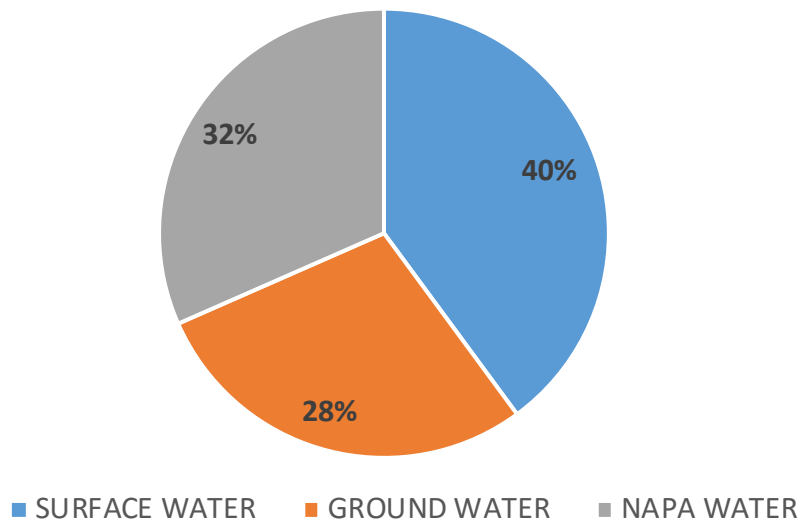
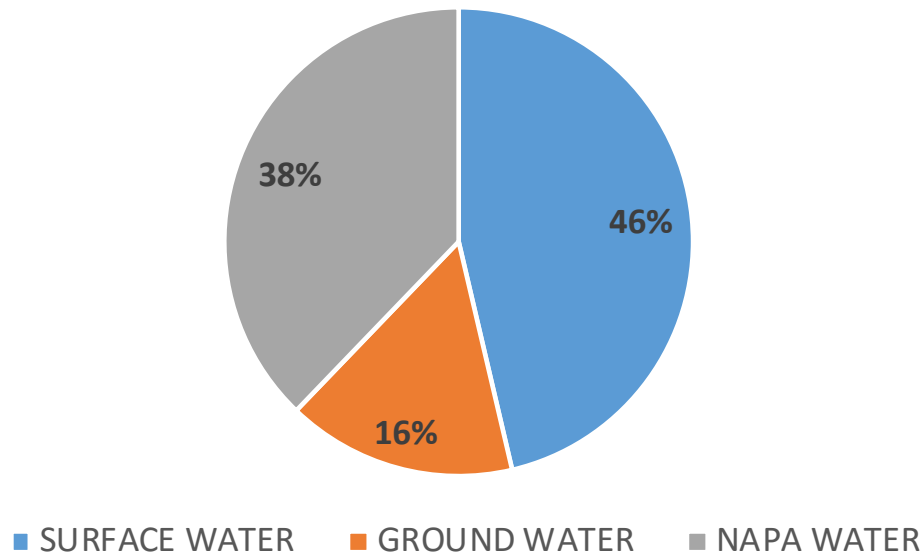


Figure 5
Water Supplies in a Drought Year



WATER USE

Water use fluctuates year to year depending on several factors including, but not limited to, growth, weather, sustained drought, plumbing retrofits, and pricing of water. Average water use by customer type for the past five years is used as the basis on which to project water use over the next five years in the rate study. Historical annual and average annual water use by customer type is shown in **Table A-4**.

Comparison of production and consumption in **Table A-5** shows that unaccounted for water is about 7% of total deliveries which is well within acceptable industry standards. Some unaccounted water will be for hydrant flushing, running to waste at wells and other operational uses of water. Not all unaccounted for water is leaked.

Customer Characteristics

St. Helena experiences greater water demand during summer months than winter months primarily due to outdoor irrigation applications of water. **Table 4** shows average monthly annual use, winter use, and summer use by customer category. With the exception of multi-family, commercial, and laundry customers all water customers use twice as much water, or more, during the summer months than they do in the winter months.

Table 4
Customer Usage Characteristics

Customer Type	Number of		Average Monthly Use	Winter Monthly Average	Summer Monthly Average	Summer to Winter Ratio
	Accounts	Units				
			<i>hcf monthly use per unit</i>	[1]	[2]	
Residential						
Single Unit	2,028	2,028	11	7	17	2
Multi-Fam	102	673	7	6	7	1
Mobile Homes	4	247	7	7	13	2
Subtotal Residential	2,134	2,948				
Non-Residential			<i>use per meter</i>			
Commercial	197		34	28	41	1
Industrial	21		541	359	647	2
Landscape	32		53	11	108	10
Religious Places [3]	15		17	9	28	3
Laundry	1		256	265	254	1
Library Schools	14		119	73	164	2
Motel/Hotel	16		152	93	170	2
City Owned	21		52	18	74	4
Subtotal Non-Residential	317					
Total	2,451	2,948				

Source: City of St. Helena and HEC.

char

[1] January and February consumption.

[2] July and August consumption.

[3] Includes community centers.

REVENUE REQUIREMENT

The revenue requirement refers to the amount of money that must be raised for revenue sufficiency of the water fund through rates. The projection of revenue requirement is the cornerstone for calculation of rates. This section explains the derivation of revenue requirement for this Study. Components of revenue requirement include:

- Capital Improvements
- Debt Service
- Meter Replacement Program
- Operations Expenses and Reserves
- System Rehabilitation

Non-water sales revenue projections are credited against projected operations costs. Non-water sales include investment earnings, finance charges (late fees for past due payments), existing Meadowood area surcharges, meter replacement fees, and other miscellaneous revenues.

Capital Improvements

Water system capital costs in any one year are dependent on the state of the current infrastructure to serve existing customers and necessary improvements to accommodate potential new customers. **Table 5** summarizes the capital improvement costs identified by the City as necessary in the next ten years. The costs do not include project costs that already have funding sources identified (i.e. have a grant secured or are to be funded with existing City bond proceeds). All costs are expressed in future dollars. The total ten-year capital improvements projects (CIP) cost is estimated at \$20.8 million. Of this total it is anticipated that \$13.8 million will be spent in the next five years.

Costs are further allocated to existing and future customers based on their estimated use of the facilities. Only \$2.0 million of the total cost is for projects partially benefiting future customers. These projects include Meadowood tank upgrades, Dwyer Road booster improvements, Bell House valve replacement, Holmes tank upgrade, Bell Canyon creek flow measurement, Tank 2 rehabilitation, and Bell Canyon intake tower replacement. **Table A-6** and **Table A-7** provide the water system CIP detail in current and future dollars. Future costs are inflated using the Engineering News Record Construction Cost Index (ENR CCI) past 20-year annual average increase of 3.1%.

Table 5
Capital Improvement Costs Summary

Customer	Estimated CIP Costs in Future Dollars		
	Through 2022	2023 to 2027	Total CIP
Existing Customer Share	\$11,747,982	\$7,006,340	\$18,754,322
Future Customer Share	\$2,045,145	\$0	\$2,045,145
Total Existing and Future	\$13,793,127	\$7,006,340	\$20,799,466

Source: HEC.

cip share

CIP funding sources of costs are shown in **Table 6**, with supporting data in **Table A-8**.

Table 6
Sources of Funding for CIP Costs

Source	Total Cost	Total Through FY 2022	Fiscal Year Ending					
			2017	2018	2019	2020	2021	2022
				Year 1	Year 2	Year 3	Year 4	Year 5
Future \$'s								
Cash - Capital Fund	\$14,571,782	\$7,565,442	\$274,386	\$1,496,091	\$2,069,348	\$1,195,209	\$1,750,606	\$779,802
Cash - Operations Fund	\$405,604	\$405,604	\$0	\$0	\$0	\$56,453	\$349,151	\$0
Debt - Capital Fund	\$2,001,334	\$2,001,334	\$569,522	\$1,431,811	\$0	\$0	\$0	\$0
Reserves	\$1,775,602	\$1,775,602	\$0	\$159,385	\$0	\$0	\$0	\$1,616,217
Existing Customers CIP	\$18,754,322	\$11,747,982	\$843,908	\$3,087,287	\$2,069,348	\$1,251,662	\$2,099,757	\$2,396,019

Source: City of St. Helena and HEC.

exis rates

Debt Service

The City has existing debt service for a water revenue bond sold in 2006. In 2012, the City entered into an installment purchase agreement with the California Statewide Communities Development Authority to finance for water and wastewater system improvements. The debt is secured by a pledge of the net revenues of the water and wastewater system. The installment purchase agreement includes provisions requiring that the City set rates, fees and charges for each fiscal year so as to yield system net revenues during each fiscal year equal to at least 120% of the annual debt service (including parity debt). The City is currently, and has been, out of compliance with this requirement, which will impact the City's rating for future debt if not corrected. Existing yearly debt service payments are shown in **Table A-9**.

New debt service is assumed to be incurred, financed by the State Drinking Water Revolving Fund (DWSRF), for pump station upgrades and Bell Canyon intake tower replacement. The total estimated DWSRF-funded project costs are \$2.3 million. Due to the size of the projects a 15% contingency factor was added to the estimated City cost. The calculated annual new debt service is calculated based on total project costs of \$2.7 million. The estimated annual debt service is \$167,000 although an additional 10% is due in the first 10 years of the loan to build up a reserve of one year of debt service. Existing customers' share of the debt is 86%; the remaining debt service is for future customers' share of the Bell Canyon intake tower replacement costs. The calculated new debt is shown in **Table 7**.

Table 7
Estimated DWSRF New Debt

Item	Construction Fiscal Year
Projects Needed in Next 3 Years	2018
Pump Station Upgrades	\$212,514
Bell Canyon Intake Tower Replacement	\$2,104,494
Subtotal Costs	\$2,317,008
Contingency (15%) [1]	\$347,551
Total	\$2,664,559
Estimated Annual Debt Service [2], [3]	\$166,118
<i>Existing Customers Debt Service</i>	<i>\$143,485</i>
<i>Future Customers Debt Service</i>	<i>\$22,632</i>
Total Debt-Financed Infrastructure Cost	\$2,664,559
Estimated Total Financing Costs	\$657,795

Source: State Water Resources Control Board and HEC.

new debt

[1] State-funded projects typically cost more (more administration as well as American Iron and Steel requirements, and labor reporting).

[2] DWSRF loan assumptions:

Interest Rate (2016 rate is 1.6%)	2.2%
Term (years)	20

[3] Annual debt service is 10% higher for the first 10 years to build one year of res

Meter Replacement Program

The City does not currently collect for replacement of water meters; costs of replacement are currently paid for with reserves, which is unsustainable. This rate study includes calculation of annual costs to replace meters. Each year City crews will replace older water meters that are near the end of their useful life, or which are inaccurately measuring water flow. The cost to replace meters by size of meter was used to determine the annual cost of the meter replacement program. The estimated meter replacement fee revenues are shown in **Table 8**. Meter replacement program costs will increase as the number of City water meters increases and as the cost of installation increases. It is estimated that the meter replacement program will increase from approximately \$47,000 in 2017 to \$54,000 in 2022. Meter replacement costs by size are shown in **Table A-10**.

Table 8
Estimated Meter Replacement Fee Program Cost

Item	Assumption	Fiscal Year Ending					
		2017	2018	2019	2020	2021	2022
		Year 1	Year 2	Year 3	Year 4	Year 5	
Projected Growth in Water Meters			5	5	5	5	5
City Water Meters in 2016 [1]		2,485	2,485	2,485	2,485	2,485	2,485
Projected City Water Meters		2,485	2,490	2,495	2,500	2,505	2,510
Estimated Replacement Cost per Meter [2]	3.0%	\$374	\$385	\$397	\$409	\$421	\$434
Percentage of Meters Replaced	20-yr cycle	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Estimated Meter Replacement Program Cost		\$46,494	\$47,985	\$49,524	\$51,112	\$52,751	\$54,442

Source: City of St. Helena and HEC.

meter cost

[1] Includes each meter in compound meters.

[2] Weighted average cost of meters.

Operations Expenses and Reserves

Budgeted fiscal year 2017 expenses are used to project future year expenditures. All operating expenditures are increased 5% each year with the exception of maintenance, taxes, insurances and contributions which are increased at 10% per year, and Napa purchased water, increased at 3% per year per the 2011 amended agreement with the City of Napa. **Table A-11** shows historical annual average operating cost increases of 5.3%.

The water rate study has a target cash reserve of six to twelve months of operating expenses. Additional rate revenue will have to be collected to achieve this reserve fund target within the five-year period.

System Rehabilitation

Depreciation is used as the basis for which to collect rates to cover system rehabilitation costs. Inclusion of system rehabilitation costs demonstrates fiscal responsibility toward the assets to potential future investors and helps to establish good credit¹. Depreciation is calculated based on existing water facilities and new facilities built in the next 5-year period. **Table 9** shows the total annual amount included in the rates for system rehabilitation. Supporting data is provided in **Tables A-12** and **A-13**.

¹ Per Governmental Accounting Standards Board (GASB) 34, local governments must report on the value of their infrastructure assets and plan for asset maintenance (including collecting sufficient revenue) to obtain good credit when issuing bonds or procuring other forms of financing for long-term construction projects.

Table 9
System Rehabilitation Annual Budget Estimate

Depreciation	Fiscal Year Ending					
	2017	2018	2019	2020	2021	2022
Existing Assets Annual Depreciation	\$875,144	\$902,107	\$929,901	\$958,551	\$988,084	\$1,018,526
New Assets Annual Depreciation	\$72,094	\$104,294	\$158,594	\$268,189	\$309,305	\$343,313
Total Annual Depreciation	\$947,239	\$1,006,401	\$1,088,495	\$1,226,740	\$1,297,389	\$1,361,840
Percentage of Depreciation in Rates	100%	100%	100%	100%	100%	100%
Estimated System Rehabilitation Cost	\$947,200	\$1,006,400	\$1,088,500	\$1,226,700	\$1,297,400	\$1,361,800

Source: HEC.

depr

Meadowood Area Surcharges

Currently approximately \$50,000 each year is generated from surcharges applied in the Meadowood area, which is outside of the City limits. Per the September 13, 2016 Task Force meeting, Meadowood area surcharges are to be eliminated when new rates go into effect February 8, 2017.

Revenue Requirement

Table 10 on page 16 provides the projection of annual costs and revenues and the resulting revenue requirement through fiscal year 2027. Total revenue requirement is projected to increase from \$5.5 million in fiscal year 2017 to \$8.3 million in fiscal year 2022, and \$9.4 million in fiscal year 2027.

COST CLASSIFICATION

After determining a utility's revenue requirements, a utility's next step is determining the cost of service. Utilizing a public agency's approved budget, financial reports, operating data, and capital improvement plans, the rate study categorizes (functionalizes) the costs, expenses, and assets of the water system among major operating functions to determine the cost of service.

After the assets and the costs of operating those assets are properly categorized by function, the rate study allocates those "functionalized costs" to the various customer classes (e.g., single-family residential, multi-family residential and commercial) by determining the characteristics of those classes and the contribution of each to incurred costs such as peaking factors or different delivery costs, service characteristics and demand patterns. Rate design is the final part of the rate-making procedure. The revenue requirement and cost of service analysis are used to determine appropriate rates for each customer class.

Cost classification provides a guideline for the City in determining the portion of revenue requirement to collect through service charges versus use charges. Generally, rates reflect fixed costs in the service charges (flat monthly rates) and variable costs in the use charges (per HCF of

water). Through the cost classification analysis, it is calculated that fixed costs comprise about 70% of St. Helena's water system total annual operating costs. Currently St. Helena collects 30% of costs recovered through rates in service charges and 70% in use charges.

If all fixed costs (70%) were in the service charge the bill increase would be dramatic for people on a fixed income. This rate study gradually increases the allocation of total costs to base charges from 31% in 2017, to 36% in 2022, and to 41% in 2027. Allocation of the projected revenue requirement is shown in **Table 11**. Supporting detail is shown in **Tables A-14 and A-15** in **Appendix A**.

Table 10
Projected Revenue Requirement

Operating Expenses		Fiscal Year Ending											
Grand Revenues		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Annual Increase	Budgeted	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		
Operating Expenses	Salaries & Benefits	5.0%	\$1,612,243	\$1,692,855	\$1,777,498	\$1,866,373	\$1,959,691	\$2,057,676	\$2,160,560	\$2,268,588	\$2,382,017	\$2,501,118	\$2,626,174
	Services	5.0%	\$507,525	\$532,901	\$559,546	\$587,524	\$616,900	\$647,745	\$680,132	\$714,139	\$749,846	\$787,338	\$826,705
	Supplies	5.0%	\$138,690	\$145,625	\$152,906	\$160,551	\$168,579	\$177,007	\$185,858	\$195,151	\$204,908	\$215,154	\$225,911
	Napa Purchased Water	3.0%	\$1,349,019	\$1,389,490	\$1,431,174	\$1,474,109	\$1,518,333	\$1,563,883	\$1,610,799	\$1,659,123	\$1,708,897	\$1,760,164	\$1,812,969
	Maintenance	10.0%	\$157,079	\$172,787	\$190,066	\$209,072	\$229,979	\$252,977	\$278,275	\$306,103	\$336,713	\$370,384	\$407,422
	Taxes, Insurances & Contributions	10.0%	\$133,167	\$146,484	\$161,132	\$177,245	\$194,970	\$214,467	\$235,913	\$259,505	\$285,455	\$314,001	\$345,401
	Meter Replacement Program		\$19,373	\$47,985	\$49,524	\$51,112	\$52,751	\$54,442	\$56,186	\$57,987	\$59,845	\$61,763	\$63,741
	WTP Condition Assessment		\$0	\$0	\$0	\$0	\$174,576	\$0	\$0	\$0	\$0	\$0	\$0
	Update GIS Maps of Water System		\$0	\$0	\$0	\$56,453	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Water Master Plan Update		\$0	\$0	\$0	\$0	\$174,576	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses			\$3,917,096	\$4,128,126	\$4,321,846	\$4,582,439	\$5,090,354	\$4,968,197	\$5,207,724	\$5,460,595	\$5,727,681	\$6,009,921	\$6,308,323
Debt Service													
Existing (2012B & 2006A Bonds)		\$989,251	\$982,916	\$985,767	\$982,373	\$980,513	\$980,132	\$974,551	\$974,027	\$971,916	\$969,490	\$964,087	
New Debt for 2018 Improvements		\$0	\$0	\$182,729	\$182,729	\$182,729	\$182,729	\$182,729	\$182,729	\$182,729	\$182,729	\$182,729	
Subtotal Debt Service			\$989,251	\$982,916	\$1,165,102	\$1,163,243	\$1,162,861	\$1,157,281	\$1,156,757	\$1,154,646	\$1,152,220	\$1,146,816	
Capital Projects (cash funded)		\$274,386	\$548,891	\$1,062,948	\$106,709	\$523,906	\$0	\$555,020	\$395,253	\$0	\$0	\$0	
System Rehabilitation		\$0	\$947,200	\$1,006,400	\$1,088,500	\$1,226,700	\$1,297,400	\$1,361,800	\$1,440,400	\$1,497,900	\$1,575,300	\$1,629,700	
Operating Reserves		\$500,000	\$0	\$0	\$950,000	\$200,000	\$1,100,000	\$600,000	\$700,000	\$1,000,000	\$800,000	\$600,000	
Total Costs			\$5,680,733	\$6,607,133	\$7,559,690	\$7,892,750	\$8,204,202	\$8,528,458	\$8,881,824	\$9,380,227	\$9,537,441	\$9,684,840	
Non-Operating Credits (Expenses)													
Investment Earnings	constant	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	
Finance Charges	constant	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	
Surcharge-Meadowood [1]		\$48,643	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other Revenue	constant	\$32,850	\$32,850	\$32,850	\$32,850	\$32,850	\$32,850	\$32,850	\$32,850	\$32,850	\$32,850	\$32,850	
Meter Replacement Fee		\$19,373	\$47,985	\$49,524	\$51,112	\$52,751	\$54,442	\$56,186	\$57,987	\$59,845	\$61,763	\$63,741	
Total Non-Operating Credits (Expenses)			\$161,866	\$141,835	\$144,962	\$146,601	\$148,292	\$150,036	\$151,837	\$153,695	\$155,613	\$157,591	
Total Revenue Requirement			\$5,518,867	\$6,465,298	\$7,416,316	\$7,747,788	\$8,057,602	\$8,380,166	\$8,731,788	\$9,001,167	\$9,226,532	\$9,381,828	\$9,527,249
Percent Increase in Revenue Requirement [2]			24%	17%	15%	4%	4%	4%	3%	3%	2%	2%	
Source: City of St. Helena and HEC.													
rev rev													

rev req

Source: City of St. Helena and HEC.
 [1] FY 2017 costs from 2017 budget for "Surcharge- Meadowood" plus "Pumping Charge". Per Task Force September 13, 2016 meeting, Meadowood surcharges are eliminated.
 [2] Percentage increase for FY 2017 based on FY 2016 water sales.

Table 11

Allocation of Revenue Requirement to Service and Use Charges

Costs	Fiscal Year Ending											
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Total Revenue Requirement												
	[1]											
		\$5,518,867	\$6,465,298	\$7,416,316	\$7,747,788	\$8,057,602	\$8,380,166	\$8,731,788	\$9,001,167	\$9,226,532	\$9,381,828	\$9,527,249
Fire Services	0.48%	\$26,569	\$31,126	\$35,704	\$37,300	\$38,792	\$40,345	\$42,037	\$43,334	\$44,419	\$45,167	\$45,867
Non-Fire Services Rev. Req.												
Customer Charges	9.43%											
		9.43%	9.43%	9.43%	9.43%	9.43%	9.43%	9.43%	9.43%	9.43%	9.43%	9.43%
Subtotal in Customer Charges		\$520,435	\$609,684	\$699,366	\$730,624	\$759,840	\$790,258	\$823,416	\$848,819	\$870,071	\$884,716	\$898,429
% in base	[1]	21.23%	22.23%	23.23%	24.23%	25.23%	26.23%	27.23%	28.23%	29.23%	30.23%	31.23%
Subtotal in Capacity Charges		\$1,171,870	\$1,437,487	\$1,723,098	\$1,877,590	\$2,033,246	\$2,198,443	\$2,378,005	\$2,541,379	\$2,697,274	\$2,836,491	\$2,975,730
% in use	[1]	68.85%	67.85%	66.85%	65.85%	64.85%	63.85%	62.85%	61.85%	60.85%	59.85%	58.85%
Subtotal in Use Charges		\$3,799,993	\$4,387,001	\$4,958,147	\$5,102,274	\$5,225,724	\$5,351,120	\$5,488,329	\$5,567,635	\$5,614,768	\$5,615,454	\$5,607,223
Source: HEC.		cost alloc										

[1] Percentages shown are rounded to the nearest one hundredth.

RATES ANALYSIS

Service Charges. Service costs are divided into customer costs and capacity costs. Customer costs are allocated to customers based on the number of water accounts (which is the same as the number of meters). Capacity costs are allocated to customers based on the number of equivalent meters, determined by the relative hydraulic capacity of the meter size relative to a 5/8-inch meter. **Table 12** shows the calculation of equivalent meters, calculation of equivalent fire units, and number of meters by meter size. Total number of meters by customer type is shown in **Table A-16**.

The total number of 5/8" meters was adjusted to include single family 1" meters. Due to CA Residential Code Section R313 (fire sprinklers), almost all new residential development is required to install 1" meters in order to have sufficient flow for sprinklers; however, most existing homes built prior to implementation of CA Residential Code Section R313, have a 5/8" or 3/4" meter. Because the 1" residential customers utilize the same average amount of water as the 3/4" and 5/8" customers, it is appropriate for them to pay the same rates, and not be penalized by the fire sprinklers requirement.

Table 12
Estimated Meter and Fire Equivalent Units

Meter Size	Number of Meters	Meter Flow (gpm)	Meter Ratio	Equivalent Meter Units	Number of Fire Services	Pipe Flow	Equivalent Fire Units
		[1]	[1]			[2]	
5/8"	1,987	20	1.0	1,987			
1"	330	50	2.5	825		1	0
1.5"	61	100	5.0	305		3	0
2"	47	160	8.0	376		6	0
3"	7	320	16.0	112		18	0
4"	9	500	25.0	225	79	38	3,027
6"	11	1,000	50.0	550	33	111	3,673
8"	0	1,600	80.0	0	14	237	3,321
Total	2,452			4,380	126		10,021

Source: American Water Works Association, City of St. Helena and HEC.

m equiv

[1] AWWA standard meter flow and ratios - assumes all larger meters are compound meters (AWWA C702). 1.5" meters and smaller are displacement type. 2" and larger are compound type meters.

[2] Hazen-Williams equation for flow through pressure conduits is pipe diameter raised to the 2.63 power.

The calculation of monthly service charges through fiscal year 2022 is shown in **Table 13**. The total service charges include addition of the customer and capacity charges. All 5/8", 3/4" and single family residential 1" meters pay the same service charge.

Table 13
Calculated Monthly Service Charge per Meter

		Fiscal Year Ending					
		2017	2018	2019	2020	2021	2022
Billing Period Beginning*		2/8/2017	11/8/2017	11/8/2018	11/8/2019	11/8/2020	11/8/2021
Customer Costs		\$520,435	\$609,684	\$699,366	\$730,624	\$759,840	\$790,258
Customer Accounts		2,451	2,456	2,461	2,466	2,471	2,476
Cost per Account per Month		\$17.69	\$20.69	\$23.68	\$24.69	\$25.63	\$26.60
Capacity Costs		\$1,171,870	\$1,437,487	\$1,723,098	\$1,877,590	\$2,033,246	\$2,198,443
Est. Billable Meter Equivalents		4,032	4,037	4,042	4,047	4,052	4,057
Meter Size	Meter						
	Ratio	Capacity Costs Monthly Service Charges per Meter					
5/8", 3/4" & SF 1"	1.0	\$24.22	\$29.67	\$35.52	\$38.66	\$41.82	\$45.16
1"	2.5	\$60.55	\$74.18	\$88.81	\$96.66	\$104.54	\$112.89
1.5"	5.0	\$121.10	\$148.37	\$177.62	\$193.31	\$209.08	\$225.79
2"	8.0	\$193.76	\$237.39	\$284.20	\$309.30	\$334.53	\$361.26
3"	16.0	\$387.52	\$474.77	\$568.40	\$618.59	\$669.05	\$722.52
4"	25.0	\$605.50	\$741.83	\$888.12	\$966.55	\$1,045.39	\$1,128.94
6"	50.0	\$1,211.01	\$1,483.66	\$1,776.24	\$1,933.11	\$2,090.78	\$2,257.87
		Total Base Monthly Charges per Meter					
Meter Size							
5/8", 3/4" & SF 1"		\$41.91	\$50.36	\$59.21	\$63.35	\$67.44	\$71.75
1"		\$78.25	\$94.87	\$112.49	\$121.35	\$130.16	\$139.49
1.5"		\$138.80	\$169.05	\$201.31	\$218.00	\$234.70	\$252.38
2"		\$211.46	\$258.07	\$307.88	\$333.99	\$360.15	\$387.86
3"		\$405.22	\$495.46	\$592.08	\$643.28	\$694.68	\$749.12
4"		\$623.20	\$762.52	\$911.80	\$991.24	\$1,071.02	\$1,155.53
6"		\$1,228.70	\$1,504.35	\$1,799.93	\$1,957.80	\$2,116.41	\$2,284.47

Source: City of St. Helena and HEC.

service charge

* Dates reflect the current billing cycle; if the billing cycle date changes so will these effective dates.

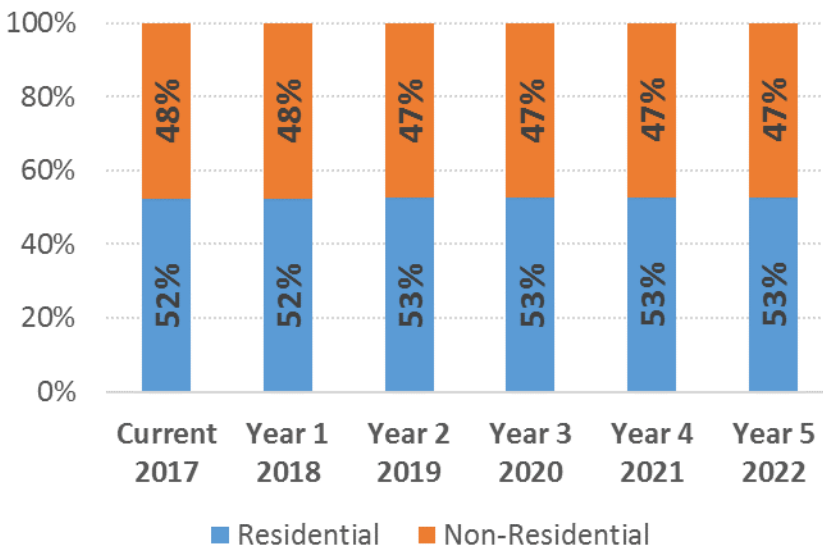
Seasonal Rate Structure

Two rate structures were evaluated for collection of use charges: the uniform rate structure and the seasonal rate structure. The September 13th, 2016 Task Force meeting selected the seasonal rate structure as the preferred rate structure for the Study; therefore, only the seasonal rate structure is presented herein.

Total costs allocated to use charges are divided by projected water demand in the peak and off-peak seasons to calculate the use rate per HCF in the peak and off-peak seasons. The use rate during each season is the same for all treated water customers. Water use by season is determined

in **Table A-17**. Total annual projected water demand is shown in **Figure 6**, with supporting data in **Table A-18**.

Figure 6
Projected Water Demand



The projection of water demand incorporates assumed growth of 5 units per year and an expectation that as water rates increase demand will decrease. The projection of water demand accounts for reduced consumption due to increased rates. The relationship between increased prices and decreased demand is referred to as price elasticity. Price elasticity varies by geography due to many micro-economic variables. Hansford Economic Consulting (HEC) applied industry knowledge to establish assumed price elasticity factors for St. Helena. The price elasticity and water demand analysis is shown in **Tables A-18** through **A-20**.

Off-peak water rates are lower November through April (off-peak months) than during peak months (May through October). During the peak months the costs of operating the water system are 11% higher. Supporting data is provided in **Tables A-17** and **A-21**.

Drought Surcharge

In addition to the seasonal rate structure the City may implement a drought surcharge. The drought surcharge would be implemented when the City enters Phase I drought regulations. **Table A-22** calculates a drought surcharge ratio that would be applied to the seasonal rate structure. The drought surcharge would only be applied to use charges, not to service charges. The analysis demonstrates that during drought years the cost of water is 6% higher than during non-drought years.

The calculation of use charges is shown in **Table 14**.

Table 14
Calculated Use Charges per HCF

		Fiscal Year Ending					
		2017	2018	2019	2020	2021	2022
	Billing Period Beginning*	2/8/2017	11/8/2017	11/8/2018	11/8/2019	11/8/2020	11/8/2021
Allocated Cost		\$3,799,993	\$4,387,001	\$4,958,147	\$5,102,274	\$5,225,724	\$5,351,120
Total Consumption		645,800	643,042	644,175	646,780	647,544	648,219
Cost per HCF		\$5.88	\$6.82	\$7.70	\$7.89	\$8.07	\$8.26
SEASONAL RATE STRUCTURE							
Off-Peak Water Use (Nov-Apr)	37%	240,040	239,015	239,436	240,404	240,688	240,939
Peak Water Use (May-Oct)	63%	405,760	404,027	404,739	406,376	406,856	407,280
Total Consumption		645,800	643,042	644,175	646,780	647,544	648,219
Calculated Cost per HCF by Season -- NON-DROUGHT PERIOD							
Off-Peak Costs per HCF		\$5.50	\$6.37	\$7.19	\$7.37	\$7.54	\$7.71
Peak Costs per HCF	1.11	\$6.11	\$7.09	\$8.00	\$8.20	\$8.38	\$8.58
Calculated Cost per HCF by Season -- DROUGHT PERIOD							
Off-Peak Costs per HCF	1.06	\$5.81	\$6.73	\$7.60	\$7.79	\$7.97	\$8.15
Peak Costs per HCF	1.11	\$6.46	\$7.49	\$8.45	\$8.66	\$8.86	\$9.06

Source: HEC.

use charge

* Dates reflect the current billing cycle; if the billing cycle date changes so will these effective dates.

A small portion of fixed costs are associated with private fire protection. Fire costs are allocated to fire customers based on the number of equivalent fire units. Fire service charges are calculated in **Table 15**.

Calculated meter replacement fees are shown in **Table 16**. Meter replacement fees are calculated using data presented in **Table A-10**. The raw water cost and rate per HCF for February 8, 2017 is calculated in **Table 17**. Raw water may only be taken from the Lower Reservoir for construction-related water applications.

Table 15
Calculation of Fire Service Charges

		2017	2018	2019	2020	2021	2022
Fire Services		Current	Year 1	Year 2	Year 3	Year 4	Year 5
Billing Period Beginning*		2/8/2017	11/8/2017	11/8/2018	11/8/2019	11/8/2020	11/8/2021
Fire Services Cost Allocation		\$26,569	\$31,126	\$35,704	\$37,300	\$38,792	\$40,345
Equivalent Fire Units		10,021	10,021	10,021	10,021	10,021	10,021
Monthly Cost per Equivalent Fire Uni		\$0.44	\$0.52	\$0.59	\$0.62	\$0.65	\$0.67
Pipe Size	Pipe Flow	Monthly Charge					
1"	1	\$0.44	\$0.52	\$0.59	\$0.62	\$0.65	\$0.67
1.5"	3	\$1.28	\$1.50	\$1.72	\$1.80	\$1.87	\$1.95
2"	6	\$2.74	\$3.20	\$3.68	\$3.84	\$3.99	\$4.15
3"	18	\$7.95	\$9.31	\$10.68	\$11.15	\$11.60	\$12.07
4"	38	\$16.93	\$19.84	\$22.75	\$23.77	\$24.72	\$25.71
6"	111	\$49.19	\$57.62	\$66.10	\$69.05	\$71.81	\$74.69
8"	237	\$104.82	\$122.79	\$140.85	\$147.15	\$153.03	\$159.16

Source: HEC.

fire

* Dates reflect the current billing cycle; if the billing cycle date changes so will these effective dates.

Table 16
Calculated Meter Replacement Fees by Meter Size

Meter Size	Fiscal Year Ending					
	2017	2018	2019	2020	2021	2022
		Year 1	Year 2	Year 3	Year 4	Year 5
					<i>Annual escalator</i>	
3/4" or less	\$1.31	\$1.35	\$1.39	\$1.43	\$1.47	\$1.52
1"	\$1.83	\$1.89	\$1.94	\$2.00	\$2.06	\$2.12
1-1/2"	\$2.88	\$2.96	\$3.05	\$3.14	\$3.24	\$3.33
2"	\$3.66	\$3.77	\$3.88	\$4.00	\$4.12	\$4.24
3"	\$7.84	\$8.08	\$8.32	\$8.57	\$8.83	\$9.09
4"	\$17.26	\$17.78	\$18.31	\$18.86	\$19.42	\$20.01
6"	\$23.79	\$24.51	\$25.24	\$26.00	\$26.78	\$27.58

Source: HEC.

meter fee

Table 17
Raw Water Rate Calculation for Fiscal Year 2017

Costs	Estimated Cost FY 2016-17
Total Operating Costs [1]	\$3,897,723
Less Napa Purchased Water	\$1,349,019
Less Stonebridge Wells Costs	\$85,400
Less Distribution Costs	\$685,930
Less Treated Water Costs	\$834,407
Total Raw Water Operating Costs	\$1,628,897
City Water Supplies (gallons) [2]	345,701,088
Cost per Gallon	\$0.00471
Cost per HCF	\$3.52

Source: City of St. Helena.

raw

[1] Equals total operating costs in the revenue requirement table less the meter replacement program costs, WTP condition assessment costs, updating GIS maps costs, and Water Master Plan update costs.

[2] Based on annual average production of city groundwater and surface water.

A summary of the calculated water rates schedule through fiscal year 2027 is given in **Table 18**.

Table 18

Calculated Water Rates

Charges	Current	Billing Period Beginning *										
		2/8/2017	11/8/2017	11/8/2018	11/8/2019	11/8/2020	11/8/2021	11/8/2022	11/8/2023	11/8/2024	11/8/2025	11/8/2026
Service Charge												
5/8" , 3/4" & SF 1"	\$27.52	\$43.22	\$51.71	\$60.59	\$64.78	\$68.91	\$73.27	\$78.00	\$82.13	\$85.96	\$89.22	\$92.44
1"	\$63.80	\$80.08	\$96.76	\$114.44	\$123.35	\$132.22	\$141.61	\$151.81	\$160.89	\$169.42	\$176.87	\$184.27
1.5"	\$124.12	\$141.67	\$172.02	\$204.36	\$221.14	\$237.94	\$255.72	\$275.02	\$292.36	\$308.75	\$323.18	\$337.55
2"	\$196.50	\$215.12	\$261.84	\$311.76	\$337.99	\$364.27	\$392.10	\$422.31	\$449.54	\$475.34	\$498.13	\$520.85
3"	\$365.51	\$413.06	\$503.54	\$600.40	\$651.86	\$703.51	\$758.21	\$817.59	\$871.27	\$922.24	\$967.41	\$1,012.46
4"	\$607.01	\$640.46	\$780.29	\$930.11	\$1,010.10	\$1,090.44	\$1,175.54	\$1,267.90	\$1,351.51	\$1,430.96	\$1,501.49	\$1,571.85
6"	\$1,210.18	\$1,252.50	\$1,528.85	\$1,825.17	\$1,983.80	\$2,143.19	\$2,312.05	\$2,495.35	\$2,661.38	\$2,819.23	\$2,959.46	\$3,099.36
Private Fire Protection												
4"	\$4.00	\$16.93	\$19.84	\$22.75	\$23.77	\$24.72	\$25.71	\$26.79	\$27.62	\$28.31	\$28.78	\$29.23
6"	\$6.00	\$49.19	\$57.62	\$66.10	\$69.05	\$71.81	\$74.69	\$77.82	\$80.22	\$82.23	\$83.61	\$84.91
8"	\$8.00	\$104.82	\$122.79	\$140.85	\$147.15	\$153.03	\$159.16	\$165.84	\$170.95	\$175.23	\$178.18	\$180.95
Raw Water <i>per Gallon</i> [1]	\$0.00267	\$0.00471	\$0.00552	\$0.00633	\$0.00661	\$0.00688	\$0.00715	\$0.00745	\$0.00768	\$0.00788	\$0.00801	\$0.00813
TREATED WATER USE CHARGES PER HCF												
SEASONAL RATE STRUCTURE												
NON-DROUGHT PERIOD												
Off-Peak (Nov-Apr)	[2]	\$5.50	\$6.37	\$7.19	\$7.37	\$7.54	\$7.71	\$7.90	\$8.01	\$8.06	\$8.05	\$8.03
Peak (May-Oct)		\$6.11	\$7.09	\$8.00	\$8.20	\$8.38	\$8.58	\$8.79	\$8.90	\$8.97	\$8.96	\$8.93
DROUGHT PERIOD												
Off-Peak (Nov-Apr)	[2]	\$5.81	\$6.73	\$7.60	\$7.79	\$7.97	\$8.15	\$8.35	\$8.46	\$8.52	\$8.51	\$8.49
Peak (May-Oct)		\$6.46	\$7.49	\$8.45	\$8.66	\$8.86	\$9.06	\$9.28	\$9.41	\$9.47	\$9.46	\$9.44
Source: HEC.												
* Dates reflect the current billing cycle; if the billing cycle date changes so will these effective dates.												
[1] Raw water costs increased from fiscal year 2016-17 by the same percentage increase as the revenue requirement.												
[2] Current Rate Structure rates as follows:												
Tiers by customer category (in hcf):												
		Tier 1	Tier 2			Tier 1	Tier 2			Tier 1	Tier 2	
	Single family	0-14	15+	Non-residential <=1"	0-36	37+	Non-residential 4"	0-600	601+	0-600	601+	
	Multi-family	0-5	6+	Non-residential 1.5"	0-120	121+	Non-residential 6"	0-1,250	1,251+	0-1,250	1,251+	
Price per HCF		\$4.48	\$6.74	Non-residential 2"	0-192	193+	Non-residential 8"	0-1,920	1,921+	0-1,920	1,921+	
Price per HCF - Landscape Irrigation		\$5.22		Non-residential 3"	0-360	361+						

Source: HEC.

* Dates reflect the current billing cycle; if the billing cycle date changes so will these effective dates.

[1] Raw water costs increased from fiscal year 2016-17 by the same percentage increase as the revenue requirement.

[2] Current Rate Structure rates as follows:

Tiers by customer category (in hcf):

Single family
Multi-family

Price per HCF

Price per HCF - Landscape Irrigation

Tier 1
0-14
0-5Tier 2
15+
6+Non-residential <=1"
Non-residential 1.5"
Non-residential 2"
Non-residential 3"Tier 1
0-36
0-120
0-192
0-360Tier 2
37+
121+
193+
361+Non-residential 4"
Non-residential 6"
Non-residential 8"Tier 1
0-600
0-1,250
0-1,920Tier 2
601+
1,251+
1,921+

proj rates

CASH FLOW

Table 19 and **Table 20** on the following pages show the projected cash flow and cash flow by fund, respectively, through fiscal year 2027. With adoption of the calculated rates it is anticipated that the City will be able to meet all water enterprise fund obligations and achieve at least six months of operating expenses in cash reserves in each year of the projection. The cash flow table demonstrates that a debt service coverage ratio of at least 1.20 will be met. In addition, the City may be able to designate (put aside) up to \$3.1 million by fiscal year ending 2027 for future cash funding of system rehabilitation.

Figure 6 shows projected water fund balances with and without rate increases as well as target and minimum operating cash reserves.

Figure 6
Projected Water Fund Cash Balance (Operating and Capital Funds combined)

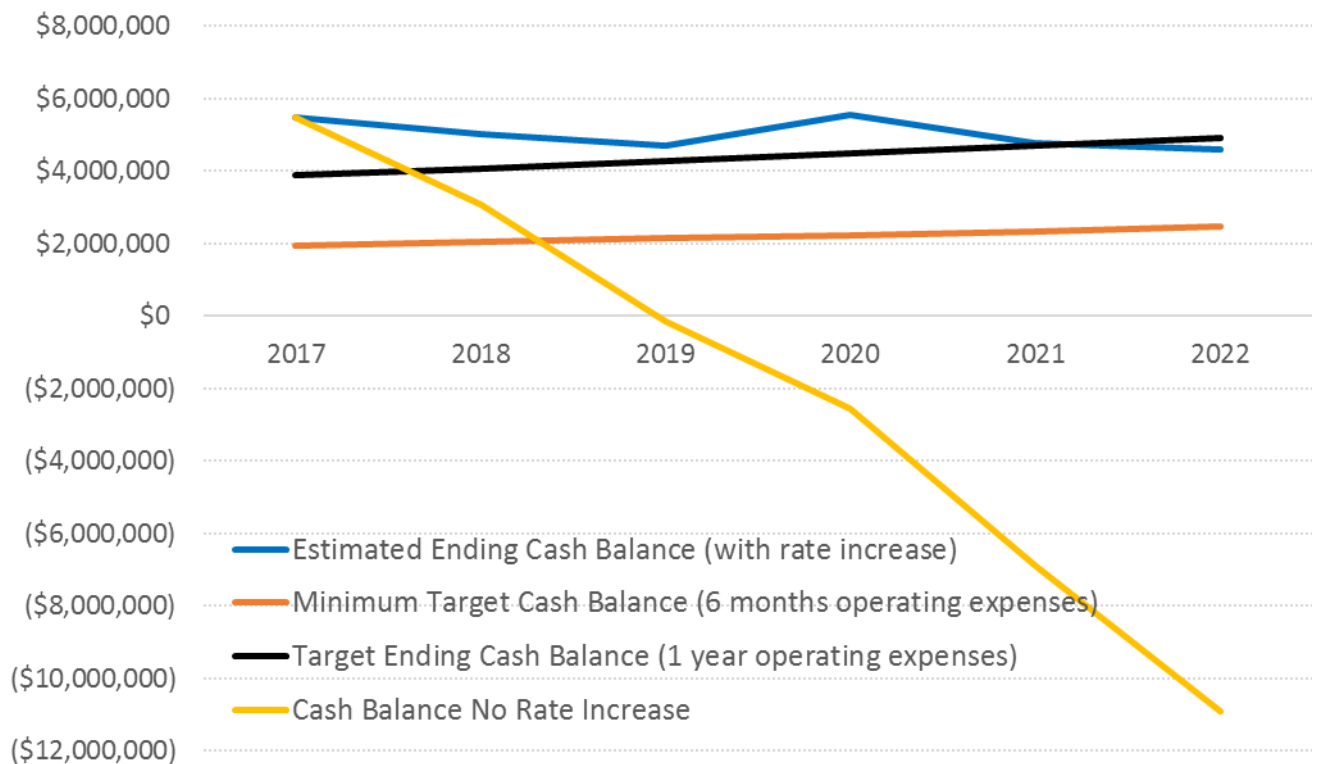


Table 19
Projected Cash Flow

Revenues and Expenses	2017 Estimated	Fiscal Year Ending									
		2018 Year 1	2019 Year 2	2020 Year 3	2021 Year 4	2022 Year 5	2023 Year 6	2024 Year 7	2025 Year 8	2026 Year 9	2027 Year 10
<i>Billing Period Beginning*</i>	<i>2/8/2017</i>	<i>11/8/2017</i>	<i>11/8/2018</i>	<i>11/8/2019</i>	<i>11/8/2020</i>	<i>11/8/2021</i>	<i>11/8/2022</i>	<i>11/8/2023</i>	<i>11/8/2024</i>	<i>11/8/2025</i>	<i>11/8/2026</i>
Revenue											
Water Sales [1]	\$4,459,929	\$6,107,560	\$7,032,975	\$7,566,302	\$7,878,287	\$8,191,127	\$8,527,126	\$8,817,476	\$9,050,515	\$9,221,566	\$9,362,015
Meadowood Surcharge [1]	\$53,088	\$62,031	\$66,335	\$70,995	\$76,044	\$81,517	\$87,454	\$93,898	\$100,895	\$108,497	\$116,760
Meter Replacement Fee	\$19,373	\$47,612	\$49,139	\$50,715	\$52,341	\$54,019	\$55,750	\$57,537	\$59,381	\$61,283	\$63,247
Other Revenues	\$93,850	\$93,850	\$93,850	\$93,850	\$93,850	\$93,850	\$93,850	\$93,850	\$93,850	\$93,850	\$93,850
Total Revenues	\$4,626,240	\$6,311,054	\$7,242,299	\$7,781,862	\$8,100,521	\$8,420,513	\$8,764,181	\$9,062,761	\$9,304,641	\$9,485,196	\$9,635,872
Operating Expenses											
Net Revenue before Debt Service and System Rehabilitation	\$709,144	\$2,182,928	\$2,920,454	\$3,199,423	\$3,010,168	\$3,452,317	\$3,556,457	\$3,602,166	\$3,576,960	\$3,475,275	\$3,327,548
Debt Service	\$989,251	\$982,916	\$1,168,496	\$1,165,102	\$1,163,243	\$1,162,861	\$1,157,281	\$1,156,757	\$1,154,646	\$1,152,220	\$1,146,816
Debt Service Coverage [2]	0.72	2.22	2.50	2.75	2.59	2.97	3.07	3.11	3.10	3.02	2.90
System Rehabilitation	\$0	\$947,200	\$1,006,400	\$1,088,500	\$1,226,700	\$1,297,400	\$1,361,800	\$1,440,400	\$1,497,900	\$1,575,300	\$1,629,700
Net Revenue	(\$280,107)	\$252,812	\$745,558	\$945,821	\$620,225	\$992,056	\$1,037,376	\$1,005,009	\$924,414	\$747,755	\$551,032
Beginning Balance [3]	\$6,113,512	\$5,474,019	\$5,018,555	\$4,701,164	\$5,540,276	\$4,766,595	\$4,590,032	\$5,092,389	\$5,722,146	\$7,178,934	\$8,370,648
Net Revenue	(\$280,107)	\$252,812	\$745,558	\$945,821	\$620,225	\$992,056	\$1,037,376	\$1,005,009	\$924,414	\$747,755	\$551,032
Cash Funded Capital Projects	(\$274,386)	(\$548,891)	(\$1,062,948)	(\$106,709)	(\$523,906)	\$0	(\$555,020)	(\$395,253)	\$0	\$0	\$0
Spill Containment at Bell Creek & Stonebridge	\$0	(\$159,385)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bell Canyon Reservoir Improvements	\$0	\$0	\$0	\$0	\$0	(\$1,079,726)	\$0	\$0	\$0	\$0	\$0
Bell Valve House Valve Replacement	\$0	\$0	\$0	\$0	\$0	(\$536,491)	\$0	\$0	\$0	\$0	\$0
Bell Canyon Creek Flow Measurement	(\$85,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer Out to Impact Fee Fund	\$0	\$0	\$0	\$0	(\$870,000)	(\$70,000)	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Add Back System Depreciation Net of CIP	\$0	\$0	\$0	\$0	\$0	\$517,598	\$0	\$0	\$512,375	\$423,959	\$512,699
Ending Balance	\$5,474,019	\$5,018,555	\$4,701,164	\$5,540,276	\$4,766,595	\$4,590,032	\$5,092,389	\$5,722,146	\$7,178,934	\$8,370,648	\$9,454,379
<i>Months of Operating Expenses in Reserve</i>	<i>17</i>	<i>15</i>	<i>13</i>	<i>15</i>	<i>11</i>	<i>11</i>	<i>12</i>	<i>13</i>	<i>15</i>	<i>17</i>	<i>18</i>
Designated [4]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000	\$1,300,000	\$2,400,000	\$3,100,000
Undesignated Ending Balance	\$5,474,019	\$5,018,555	\$4,701,164	\$5,540,276	\$4,766,595	\$4,590,032	\$5,092,389	\$5,522,146	\$5,878,934	\$5,970,648	\$6,354,379
<i>Undesignated Months of Op. Exps. in Reserve</i>	<i>17</i>	<i>15</i>	<i>13</i>	<i>15</i>	<i>11</i>	<i>11</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>
Target Balance [5]	\$3,897,723	\$4,080,141	\$4,272,322	\$4,474,874	\$4,688,452	\$4,913,755	\$5,151,537	\$5,402,608	\$5,667,836	\$5,948,158	\$6,244,582

Source: City of St. Helena and HEC.

* Dates reflect the current billing cycle; if the billing cycle date changes so will these effective dates.

[1] Rates for FY 2017 calculated as 7 months of current rates plus 5 months of rates implemented in February 2017. Rates for all future fiscal years calculated as 4 months of the rates implemented in February of the prior fiscal year plus 8 months of the rates implemented in November of the current fiscal year.

[2] Debt service coverage should be at least 1.20.

[3] Estimated beginning balance for the operating and capital funds combined per the City 2016/17 Budget.

[4] New designated fund for capital repairs and replacement.

[5] Minimum six months and target balance is one year of operating expenses.

Table 20
Projected Cash Flow by Fund

Fund	2017 Estimated	2018 Year 1	2019 Year 2	2020 Year 3	2021 Year 4	2022 Year 5	2023 Year 6	2024 Year 7	2025 Year 8	2026 Year 9	2027 Year 10
Operating Fund 561											
Beginning Balance	\$4,923,632	\$4,643,525	\$4,896,337	\$4,541,894	\$4,937,716	\$4,137,941	\$4,477,595	\$4,884,971	\$5,159,980	\$6,616,769	\$7,808,483
Net Revenue	(\$280,107)	\$252,812	\$745,558	\$945,821	\$620,225	\$992,056	\$1,037,376	\$1,005,009	\$924,414	\$747,755	\$551,032
Add Back System Depreciation Net of CIP	\$0	\$0	\$0	\$0	\$0	\$517,598	\$0	\$0	\$512,375	\$423,959	\$512,699
Transfer Out to Capital Fund	\$0	\$0	(\$1,100,000)	(\$550,000)	(\$550,000)	(\$1,100,000)	(\$650,000)	(\$750,000)	\$0	\$0	\$0
Transfer In (Out) -Impact Fee Fund	\$0	\$0	\$0	\$0	(\$870,000)	(\$70,000)	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Ending Balance	\$4,643,525	\$4,896,337	\$4,541,894	\$4,937,716	\$4,137,941	\$4,477,595	\$4,884,971	\$5,159,980	\$6,616,769	\$7,808,483	\$8,892,214
Capital Fund 763											
Beginning Balance	\$1,189,880	\$830,494	\$122,218	\$159,270	\$602,561	\$628,654	\$112,438	\$207,418	\$562,165	\$562,165	\$562,165
Transfer In from Operating Fund	\$0	\$0	\$1,100,000	\$550,000	\$550,000	\$1,100,000	\$650,000	\$750,000	\$0	\$0	\$0
Capital Projects Expenses [1]	(\$359,386)	(\$708,276)	(\$1,062,948)	(\$106,709)	(\$523,906)	(\$1,616,217)	(\$555,020)	(\$395,253)	\$0	\$0	\$0
Ending Balance	\$830,494	\$122,218	\$159,270	\$602,561	\$628,654	\$112,438	\$207,418	\$562,165	\$562,165	\$562,165	\$562,165
Combined Operating and Capital Funds	\$5,474,019	\$5,018,555	\$4,701,164	\$5,540,276	\$4,766,595	\$4,590,032	\$5,092,389	\$5,722,146	\$7,178,934	\$8,370,648	\$9,454,379
Impact Fee Fund 764											
Beginning Balance	\$685,291	\$702,091	\$620,876	\$388,259	\$114,398	\$8,850	\$3,208	\$2,722	\$2,730	\$3,243	\$4,274
Transfer In (Out) -Operating Fund [2]	\$0	\$0	\$0	\$0	\$870,000	\$70,000	(\$20,000)	(\$20,000)	(\$20,000)	(\$20,000)	(\$20,000)
Fee Revenues [3]	\$16,800	\$17,225	\$17,660	\$18,106	\$18,564	\$19,033	\$19,514	\$20,007	\$20,513	\$21,031	\$21,563
Expenses											
Meadowood Tank Upgrades	\$0	\$0	\$136,913	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dwyer Road Booster	\$0	\$0	\$0	\$259,225	\$223,069	\$0	\$0	\$0	\$0	\$0	\$0
Bell Valve House Valve Replacement	\$0	\$0	\$0	\$0	\$0	\$94,675	\$0	\$0	\$0	\$0	\$0
Holmes Tank Upgrade	\$0	\$0	\$0	\$32,743	\$771,043	\$0	\$0	\$0	\$0	\$0	\$0
Bell Canyon Creek Flow Measurement	\$0	\$88,876	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tank 2 Rehabilitation	\$0	\$9,563	\$113,364	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$702,091	\$620,876	\$388,259	\$114,398	\$8,850	\$3,208	\$2,722	\$2,730	\$3,243	\$4,274	\$5,837

Source: City of St. Helena and HEC.

[1] Cash-funded projects only. Projects that are debt-funded are included in the operating fund.

[2] Future users' share of debt service is approximately \$25,000 each year starting in fiscal year 2019.

[3] Assumes growth of 5 units per year and the current impact fee

\$1.68 per building square foot

Fee assumed to grow 2.5% per year.

2,000 average home building square feet

The impact fee needs to be revised for these CIP costs.**\$3,360 Average fee per unit**

fund flow

ATTACHMENT A
WATER RATE STUDY
SUPPORT TABLES

Table A-1
City of St. Helena Water Rate Study
Historical Water Fund Financial Performance

DRAFT

	Actual Financials for Fiscal Year Ending					Avg. Annual Percentage Change
Revenues and Expenses	2011	2012	2013	2014	2015	
OPERATING						
Revenues						
Charges For Services	\$3,062,669	\$4,313,393	\$4,731,720	\$4,883,409	\$4,237,307	8.5%
Miscellaneous	\$6,117	\$12,088	\$28,246	\$12,491	\$89,673	95.7%
Total Revenues	\$3,068,786	\$4,325,481	\$4,759,966	\$4,895,900	\$4,326,980	9.0%
Expenses						
Personnel	\$1,207,335	\$1,214,927	\$1,176,559	\$1,131,354	\$1,362,727	3.1%
Contracted Services	\$21,451	\$56,561	\$0	\$0	\$0	-100.0%
Purchased Water	\$787,525	\$1,178,400	\$1,189,925	\$1,327,251	\$1,272,770	12.8%
Utilities	\$105,749	\$106,389	\$147,994	\$170,384	\$161,313	11.1%
Fuel	\$0	\$0	\$0	\$0	\$0	n.a.
Other Supplies and Expenses	\$399,366	\$530,562	\$370,484	\$498,635	\$560,847	8.9%
Depreciation and Amortization	\$617,876	\$657,710	\$792,559	\$792,559	\$1,028,037	13.6%
Subtotal Expenses	\$3,139,302	\$3,744,549	\$3,677,521	\$3,920,183	\$4,385,694	8.7%
NET OPERATING INCOME (LOSS)	(\$70,516)	\$580,932	\$1,082,445	\$975,717	(\$58,714)	
NON OPERATING						
Transfers Out	\$0	(\$55,479)	\$0	\$0	\$0	n.a.
Gains (Loss) on Capital Asset Disposals	\$0	(\$124,356)	\$0	\$0	\$0	n.a.
Interest and Investment Revenue	\$49,268	\$34,746	\$16,909	\$25,476	\$40,968	-4.5%
Interest Expense	(\$387,792)	(\$349,084)	(\$396,126)	(\$343,880)	(\$196,547)	-15.6%
Net Non Operating Revenues (Expenses)	(\$338,524)	(\$494,173)	(\$379,217)	(\$318,404)	(\$155,579)	-17.7%
Capital Contributions	\$190,034	\$321,951	\$169,417	\$287,140	\$152,989	-5.3%
Change in Net Assets						
Change in Net Assets	(\$219,006)	\$408,710	\$872,645	\$944,453	(\$61,304)	
Net Assets Beginning Balance	\$10,649,155	\$10,430,149	\$10,502,760	\$11,375,405	\$12,319,858	
Net Assets Ending Balance	\$10,430,149	\$10,838,859	\$11,375,405	\$12,319,858	\$12,258,554	

Source: City of St. Helena.

cafr

Table A-2
City of St. Helena Water Rate Study
Historical Revenues and Expenditures

DRAFT

Revenues and Expenses	Fiscal Year Ending				Estimated	Budgeted
	2012	2013	2014	2015	2016	2017
OPERATING FUND						
Revenues						
Investment Earnings	\$33,247	\$16,718	\$24,907	\$30,781	\$24,900	\$25,000
Fire Service Agreement Fees	\$0	\$0	\$0	\$0	\$0	\$0
Raw Water Permit Fees	\$100	\$400	\$550	\$750	\$650	\$800
Water Conservation Fines	\$0	\$0	\$0	\$0	\$0	\$0
Backflow Testing & Insp Fees	\$0	\$300	\$150	\$150	\$150	\$150
Sale Of Capital Asset	\$0	\$0	\$0	\$0	\$0	\$0
Other Revenue	\$11,988	\$6,165	\$11,791	\$7,594	\$5,500	\$8,500
Insurance Receipts	\$0	\$0	\$0	\$0	\$0	\$0
Water Revenue	\$2,251	\$2,089	\$1,306	\$2,327	\$2,300	\$5,500
Surcharge-Meadowood	\$30,210	\$30,223	\$30,223	\$32,223	\$30,223	\$30,223
Pumping Charge	\$23,120	\$23,038	\$23,956	\$22,890	\$23,650	\$18,420
Rates - Inside City Limits	\$3,862,757	\$4,264,423	\$4,381,060	\$3,821,553	\$4,082,365	\$3,343,945
Rates - Outside City Limits	\$337,510	\$364,387	\$385,337	\$345,644	\$359,600	\$359,600
Finance Charges	\$34,418	\$30,514	\$40,533	\$36,142	\$37,150	\$36,000
Sale of Remote Meters	\$571	\$231	\$4,575	\$3,046	\$1,740	\$1,500
Hydrant Rental	\$150	\$150	\$0	\$0	\$0	\$0
Property Rentals	\$8,400	\$8,400	\$8,400	\$8,400	\$8,400	\$8,400
Water Meter Install Fee	\$14,006	\$8,265	\$8,018	\$10,724	\$5,000	\$8,000
Total Revenues	\$4,358,728	\$4,755,303	\$4,920,806	\$4,322,225	\$4,581,628	\$3,846,038
Expenses						
Salaries & Benefits	\$1,217,968	\$1,168,983	\$1,165,302	\$1,299,809	\$1,565,976	\$1,612,243
Services	\$440,097	\$284,472	\$348,495	\$358,264	\$538,363	\$564,625
Supplies	\$147,577	\$100,683	\$82,066	\$117,593	\$142,949	\$151,490
Napa Purchased Water	\$1,178,401	\$1,189,926	\$1,327,251	\$1,272,770	\$1,311,272	\$1,349,019
Maintenance	\$91,794	\$68,433	\$78,880	\$124,006	\$195,116	\$172,579
Taxes, Insurances & Contributions	\$102,988	\$74,528	\$79,111	\$91,930	\$147,415	\$133,167
Capital	\$13,175	\$33,471	\$11,886	\$15,056	\$59,785	\$137,925
Transfers	\$179,836	\$0	\$200,000	\$979,380	\$111,995	\$0
Debt	\$349,084	\$396,126	\$343,980	\$196,547	\$1,008,078	\$1,001,067
Total Expenses	\$3,720,918	\$3,316,623	\$3,636,971	\$4,455,356	\$5,080,949	\$5,122,115
Operating Fund Net Revenues	\$637,810	\$1,438,681	\$1,283,835	(\$133,132)	(\$499,321)	(\$1,276,077)
WATER CAPITAL FUND						
Revenues						
Transfers in	\$182,000	\$92,045	\$200,000	\$979,380	\$75,541	\$0
Total Revenues	\$182,000	\$92,045	\$200,000	\$979,380	\$75,541	\$0
Expenses						
Salaries & Benefits	\$110,984	\$349	\$0	\$0	\$0	\$0
Professional Services	\$233,894	\$430,235	\$1,638,364	\$424,649	\$0	\$0
Training	\$0	\$0	\$0	\$38	\$0	\$0
Supplies	\$0	\$17,802	\$14,030	\$2,382	\$0	\$0
Advertising	\$421	\$0	\$0	\$0	\$0	\$0
Taxes and Charges	\$0	\$0	\$0	\$3,120	\$0	\$0
Capital Projects Budget	\$0	\$0	\$0	\$4,092	\$0	\$0
Capital Equipment	\$0	\$0	\$5,875	\$0	\$0	\$0
Capital Imp Equipment	\$0	\$222,039	\$10,759	\$0	\$0	\$0
Total Expenses	\$345,300	\$670,426	\$1,669,028	\$434,282	\$0	\$0
Capital Fund Net Revenues	(\$163,300)	(\$578,381)	(\$1,469,028)	\$545,098	\$75,541	\$0
WATER IMPACT FUND						
Revenues						
Investment Revenue	\$1,054	\$17	\$569	\$1,787	\$1,500	\$1,800
Other Revenue	\$0	\$21,381	\$0	\$45,937	\$0	\$0
Water Impact Fees	\$321,951	\$169,417	\$287,140	\$152,989	\$110,000	\$100,000
Total Revenues	\$323,005	\$190,815	\$287,709	\$200,713	\$111,500	\$101,800
Expenses						
Transfers Out	\$182,000	\$92,045	\$0	\$0	\$0	\$0
Total Expenses	\$182,000	\$92,045	\$0	\$0	\$0	\$0
Water Impact Fund Net Revenues	\$141,005	\$98,770	\$287,709	\$200,713	\$111,500	\$101,800

Source: City of St. Helena Financial Data.

rev exp

Table A-3
City of St. Helena Water Rate Study
Historical Expenditures

DRAFT

Expenses	Actuals Fiscal Year Ending				Estimated	Budgeted
	2012	2013	2014	2015	2016	2017
Operations						
Salaries & Benefits	\$509,098	\$442,817	\$448,242	\$507,936	\$678,792	\$706,986
Services	\$271,166	\$91,007	\$127,243	\$137,836	\$290,421	\$311,925
Supplies	\$11,086	\$13,053	\$12,308	\$10,918	\$20,513	\$18,792
Napa Purchased Water	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	\$6,942	\$6,959	\$10,452	\$21,512	\$13,246	\$13,197
Taxes, Insurances & Contributions	\$86,653	\$64,812	\$68,027	\$79,911	\$123,415	\$113,467
Capital	\$0	\$5,272	\$113	\$551	\$8,234	\$1,925
Transfers	\$179,836	\$0	\$200,000	\$979,380	\$111,995	\$0
Debt	\$349,084	\$396,126	\$343,980	\$196,547	\$1,008,078	\$1,001,067
Subtotal Operations	\$1,413,864	\$1,020,046	\$1,210,366	\$1,934,592	\$2,254,694	\$2,167,359
Distribution						
Salaries & Benefits	\$362,007	\$357,787	\$357,186	\$413,670	\$497,637	\$490,637
Services	\$50,639	\$56,393	\$72,008	\$76,939	\$86,957	\$85,700
Supplies	\$20,493	\$16,111	\$10,127	\$21,459	\$21,810	\$28,298
Napa Purchased Water	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	\$37,922	\$36,834	\$44,189	\$52,003	\$57,389	\$60,295
Taxes, Insurances & Contributions	\$0	\$0	\$0	\$0	\$0	\$0
Capital	\$12,238	\$0	\$0	\$0	\$26,000	\$21,000
Transfers	\$0	\$0	\$0	\$0	\$0	\$0
Debt	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Distribution	\$483,298	\$467,126	\$483,510	\$564,071	\$689,793	\$685,930
Treatment						
Salaries & Benefits	\$346,863	\$368,378	\$359,875	\$378,203	\$389,547	\$414,620
Services	\$84,949	\$89,641	\$94,000	\$89,843	\$102,350	\$109,900
Supplies	\$109,114	\$59,140	\$49,245	\$73,764	\$74,988	\$91,600
Napa Purchased Water	\$1,178,401	\$1,189,926	\$1,327,251	\$1,272,770	\$1,311,272	\$1,349,019
Maintenance	\$36,589	\$24,384	\$21,299	\$50,197	\$104,518	\$83,587
Taxes, Insurances & Contributions	\$16,335	\$9,716	\$11,084	\$12,019	\$24,000	\$19,700
Capital	\$937	\$28,199	\$1,356	\$14,505	\$14,776	\$115,000
Transfers	\$0	\$0	\$0	\$0	\$0	\$0
Debt	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Treatment	\$1,773,187	\$1,769,383	\$1,864,109	\$1,891,301	\$2,021,451	\$2,183,426
Stonebridge Wells						
Salaries & Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Services	\$33,343	\$47,430	\$55,244	\$53,646	\$58,635	\$57,100
Supplies	\$6,884	\$12,380	\$10,386	\$11,452	\$25,638	\$12,800
Napa Purchased Water	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	\$10,341	\$257	\$2,940	\$294	\$19,963	\$15,500
Taxes, Insurances & Contributions	\$0	\$0	\$0	\$0	\$0	\$0
Capital	\$0	\$0	\$10,416	\$0	\$10,775	\$0
Transfers	\$0	\$0	\$0	\$0	\$0	\$0
Debt	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Stonebridge Wells	\$50,568	\$60,067	\$78,986	\$65,392	\$115,011	\$85,400
Total Expenses	\$3,720,918	\$3,316,623	\$3,636,971	\$4,455,356	\$5,080,949	\$5,122,115

Source: City of St. Helena.

hist exp

Table A-4
City of St. Helena Water Rate Study
Historical Water Use by Customer Category

DRAFT

Customer	2011	2012	2013	2014	2015	Average [1]	% of Avg.
<i>Figures in HCF</i>							
Residential							
Single Unit	257,882	287,886	315,468	256,777	249,219	262,941	39%
Multi-Fam	53,603	53,447	54,233	47,016	41,356	48,856	7%
Mobile Homes	28,762	28,086	33,486	26,478	24,777	27,026	4%
Subtotal Residential	340,247	369,419	403,187	330,271	315,352	338,822	50%
Non-Residential							
Commercial	79,633	84,345	88,911	85,056	70,394	79,857	12%
Industrial	154,499	149,776	163,569	131,722	117,691	138,422	21%
Landscape	26,100	28,440	30,349	17,268	10,650	20,615	3%
Churches	3,308	3,462	3,911	2,847	1,895	2,878	0%
Wells	2,584	2,470	2,531	2,705	2,579	2,585	0%
Laundry	3,390	3,317	3,366	2,949	2,412	3,017	0%
Library Schools	20,009	19,613	20,981	18,022	20,162	19,452	3%
Motel/Hotel	28,650	32,351	32,173	27,028	27,720	28,937	4%
City Owned	9,664	10,554	14,963	11,559	13,088	11,216	2%
Subtotal Non-Residential	327,837	334,328	360,754	299,156	266,591	306,978	46%
Raw Water	36,005	27,617	27,393	21,756	21,274	26,663	4%
Total Billable	704,089	731,364	791,334	651,183	603,217	672,463	100%
Non-Billable	62,293	59,636	69,465	61,384	64,609	61,980	
Total Water	766,382	791,000	860,799	712,567	667,826	725,950	

Source: City of St. Helena

use

[1] Average excludes 2013.

Table A-5
City of St. Helena Water Rate Study
Calculation of Unaccounted for Water

DRAFT

	2013	2014	2015	Average
Gallons of Water				
Consumption	568,883,172	477,673,548	446,865,672	497,807,464
Production	601,650,524	506,733,207	501,660,534	536,681,422
Consumption as a % of				
Production	95%	94%	89%	93%
Water	5%	6%	11%	7%
Source: City of St. Helena.				
				unacc

Table A-6
City of St. Helena Water Rate Study
Estimated Ten-Year Schedule of Water Capital Improvements in 2016 \$'s

DRAFT

Project	Notes	Total Cost	Total Cost Less Existing Funding	Fiscal Year Ending										
				2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
					Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Estimated Project Costs (2016 \$'s)			[1]	Costs are net of existing bond proceeds and grant funds										
York Creek Upper Dam Removal/Mitigation	Partially funded by grant and City (existing bond proceeds)	\$6,177,117	\$1,695,775	\$0	\$847,888	\$847,888	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meadowood Tank Upgrades	Partially funded by grant and City (existing bond proceeds)	\$500,000	\$379,900	\$0	\$0	\$379,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bell Canyon Reservoir Improvements	Funded by Reserves	\$900,000	\$900,000	\$0	\$0	\$0	\$0	\$0	\$900,000	\$0	\$0	\$0	\$0	\$0
Dwyer Road Booster	Moved out 3 years	\$842,523	\$842,523	\$0	\$0	\$0	\$459,190	\$383,333	\$0	\$0	\$0	\$0	\$0	\$0
Bell Canyon Intake Mid-Valve Repair		\$14,387	\$14,387	\$14,387	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bell Valve House Valve Replacement	Funded by Reserves	\$526,105	\$526,105	\$0	\$0	\$0	\$0	\$0	\$526,105	\$0	\$0	\$0	\$0	\$0
Holmes Tank Upgrade	Moved out 3 years	\$1,383,000	\$1,383,000	\$0	\$0	\$0	\$58,000	\$1,325,000	\$0	\$0	\$0	\$0	\$0	\$0
Bell Canyon Creek Flow Measurement	Partially funded by City existing bond proceeds	\$750,000	\$492,750	\$0	\$492,750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sludge Handling Program	Moved out 2 years	\$150,000	\$150,000	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Raw Water Metering Station	Moved out 1 year	\$100,000	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0	\$0
Tank 2 Rehabilitation	Moved out 1 year	\$750,000	\$750,000	\$0	\$60,000	\$690,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Well Filter Rehabilitation		\$11,103	\$11,103	\$11,103	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pump Station Upgrades	Funded by New Debt	\$200,000	\$200,000	\$0	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Replace 12" Transmission Main	Moved out 1 year	\$400,000	\$400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$400,000	\$0	\$0	\$0	\$0
Lower York Creek Dam Rehab		\$480,695	\$480,695	\$190,695	\$0	\$0	\$0	\$0	\$0	\$0	\$290,000	\$0	\$0	\$0
Bell Canyon Intake Tower Replacement	Funded by New Debt	\$2,000,000	\$2,000,000	\$650,000	\$1,350,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
WTP Condition Assessment	Moved out 2 years	\$150,000	\$150,000	\$0	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0
Spill Containment at Bell Creek Intake	Funded by Reserves	\$75,000	\$75,000	\$0	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SCADA Improvements (Rutherford & Holmes)		\$150,000	\$150,000	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Spill Containment at Stonebridge Well	Funded by Reserves	\$75,000	\$75,000	\$0	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Upgrade Rutherford Pump Station		\$500,000	\$500,000	\$0	\$0	\$50,000	\$450,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Remove Restriction at Rutherford PS		\$150,000	\$150,000	\$0	\$50,000	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Install Smart Meters	Unfunded [2]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Update GIS Maps of Water System		\$50,000	\$50,000	\$0	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Master Plan Update		\$150,000	\$150,000	\$0	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0
Replace Mains < 6-Inch Diameter	Moved out and increased in later years	\$4,000,000	\$4,000,000	\$0	\$0	\$0	\$0	\$400,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
Replace 1% of Water Mains Annually		\$150,000	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$150,000
Additional Storage		\$1,000,000	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000	\$500,000	\$0	\$0	\$0
Annual Maintenance Program		\$950,000	\$950,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000	\$50,000
Total Estimated Project Costs (2016 \$'s)		\$22,584,930	\$17,726,238	\$916,185	\$3,200,638	\$2,117,788	\$1,367,190	\$2,658,333	\$2,076,105	\$1,550,000	\$1,440,000	\$750,000	\$850,000	\$800,000

Source: City of St. Helena and HEC.

2016 cip

[1] Total Cost Less Existing Funding = Total Cost - Existing Bonds - Existing Grants

[2] Installing Smart Meters program is currently unfunded. Total cost for the program is estimated at \$1.5 million.

Table A-7
City of St. Helena Water Rate Study
Estimated Ten-Year Schedule of Water Capital Improvements in Future \$'s

DRAFT

Project	Notes	Total Cost Less Existing Funding	Fiscal Year Ending										
			2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Estimated Project Costs (Future \$'s) [1]			Annual Increase 3.1%										
York Creek Upper Dam Removal/Mitigation	Partially funded by grant and City (existing bond proceeds)	\$1,829,635	\$0	\$900,939	\$928,696	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meadowood Tank Upgrades	Partially funded by grant and City (existing bond proceeds)	\$416,107	\$0	\$0	\$416,107	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bell Canyon Reservoir Improvements	Funded by Reserves	\$1,079,726	\$0	\$0	\$0	\$0	\$0	\$1,079,726	\$0	\$0	\$0	\$0	\$0
Dwyer Road Booster	Moved out 3 years	\$964,587	\$0	\$0	\$0	\$518,449	\$446,137	\$0	\$0	\$0	\$0	\$0	\$0
Bell Canyon Intake Mid-Valve Repair		\$14,830	\$14,830	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bell Valve House Valve Replacement	Funded by Reserves	\$631,166	\$0	\$0	\$0	\$0	\$0	\$631,166	\$0	\$0	\$0	\$0	\$0
Holmes Tank Upgrade	Moved out 3 years Partially funded by City	\$1,607,570	\$0	\$0	\$0	\$65,485	\$1,542,085	\$0	\$0	\$0	\$0	\$0	\$0
Bell Canyon Creek Flow Measurement	existing bond proceeds	\$523,581	\$0	\$523,581	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sludge Handling Program	Moved out 2 years	\$169,358	\$0	\$0	\$0	\$169,358	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Raw Water Metering Station	Moved out 1 year	\$131,403	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$131,403	\$0	\$0
Tank 2 Rehabilitation	Moved out 1 year	\$819,515	\$0	\$63,754	\$755,761	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Well Filter Rehabilitation		\$11,445	\$11,445	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pump Station Upgrades	Funded by New Debt	\$212,514	\$0	\$212,514	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Replace 12" Transmission Main		\$494,663	\$0	\$0	\$0	\$0	\$0	\$0	\$494,663	\$0	\$0	\$0	\$0
Lower York Creek Dam Rehab		\$566,250	\$196,570	\$0	\$0	\$0	\$0	\$0	\$0	\$369,680	\$0	\$0	\$0
Bell Canyon Intake Tower Replacement	Funded by New Debt	\$2,104,494	\$670,026	\$1,434,468	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
WTP Condition Assessment	Moved out 2 years	\$174,576	\$0	\$0	\$0	\$0	\$174,576	\$0	\$0	\$0	\$0	\$0	\$0
Spill Containment at Bell Creek Intake	Funded by Reserves	\$79,693	\$0	\$79,693	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SCADA Improvements (Rutherford & Holmes)		\$169,358	\$0	\$0	\$0	\$169,358	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Spill Containment at Stonebridge Well	Funded by Reserves	\$79,693	\$0	\$79,693	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Upgrade Rutherford Pump Station		\$562,839	\$0	\$0	\$54,765	\$508,073	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Remove Restriction at Rutherford PS		\$162,659	\$0	\$53,128	\$109,531	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Install Smart Meters	Unfunded [2]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Update GIS Maps of Water System		\$56,453	\$0	\$0	\$0	\$56,453	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Master Plan Update		\$174,576	\$0	\$0	\$0	\$0	\$174,576	\$0	\$0	\$0	\$0	\$0	\$0
Replace Mains < 6-Inch Diameter	Moved out and increased in later years	\$5,131,085	\$0	\$0	\$0	\$0	\$465,535	\$719,817	\$741,995	\$764,855	\$788,420	\$812,711	\$837,751
Replace 1% of Water Mains Annually		\$209,438	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$209,438
Additional Storage		\$1,255,708	\$0	\$0	\$0	\$0	\$0	\$0	\$618,329	\$637,379	\$0	\$0	\$0
Annual Maintenance Program		\$1,166,546	\$51,540	\$53,128	\$54,765	\$56,453	\$290,959	\$59,985	\$61,833	\$63,738	\$65,702	\$338,630	\$69,813
Total Estimated Project Costs (Future \$'s)		\$20,799,466	\$944,412	\$3,400,897	\$2,319,626	\$1,543,629	\$3,093,869	\$2,490,694	\$1,916,820	\$1,835,653	\$985,525	\$1,151,341	\$1,117,001

Source: City of St. Helena and HEC.

future cip

[1] Estimated costs increased by historical Engineering News Record Construction Cost Index 20-year average increase.

[2] Installing Smart Meters program is currently unfunded. Total cost for the program is estimated at \$1.5 million.

[3] Total Cost Less Existing Funding = Total Cost - Existing Bonds - Existing Grants

Table A-8
City of St. Helena Water Rate Study
Total Cost by Water System and Share of Cost to Existing Customers

DRAFT

		Percent	Percent		Fiscal Year Ending										
	Funding	Share Existing	Share in	Total Cost	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Project	Source	Customers	Rate Model			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Estimated Project Costs (2016 \$'s)		per City CIP													
York Creek Upper Dam Removal/Mitigation	Cash	100%	100%	\$1,695,775	\$0	\$847,888	\$847,888	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meadowood Tank Upgrades	Cash	67%	67%	\$254,900	\$0	\$0	\$254,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bell Canyon Reservoir Improvements	Reserves	100%	100%	\$900,000	\$0	\$0	\$0	\$0	\$0	\$900,000	\$0	\$0	\$0	\$0	\$0
Dwyer Road Booster	Cash	50%	50%	\$421,262	\$0	\$0	\$0	\$229,595	\$191,667	\$0	\$0	\$0	\$0	\$0	\$0
Bell Canyon Intake Mid-Valve Repair	Cash	100%	100%	\$14,387	\$14,387	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bell Valve House Valve Replacement	Reserves	85%	85%	\$447,189	\$0	\$0	\$0	\$0	\$0	\$447,189	\$0	\$0	\$0	\$0	\$0
Holmes Tank Upgrade	Cash	50%	50%	\$691,500	\$0	\$0	\$0	\$29,000	\$662,500	\$0	\$0	\$0	\$0	\$0	\$0
Bell Canyon Creek Flow Measurement	Cash	83%	83%	\$409,107	\$0	\$409,107	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sludge Handling Program	Cash	100%	100%	\$150,000	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Raw Water Metering Station	Cash	100%	100%	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0	\$0
Tank 2 Rehabilitation	Cash	85%	85%	\$637,500	\$0	\$51,000	\$586,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Well Filter Rehabilitation	Cash	100%	100%	\$11,103	\$11,103	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pump Station Upgrades	Debt	100%	100%	\$200,000	\$0	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Replace 12" Transmission Main	Cash	100%	100%	\$400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$400,000	\$0	\$0	\$0	\$0
Lower York Creek Dam Rehab	Cash	100%	100%	\$480,695	\$190,695	\$0	\$0	\$0	\$0	\$0	\$0	\$290,000	\$0	\$0	\$0
Bell Canyon Intake Tower Replacement	Debt	85%	85%	\$1,700,000	\$552,500	\$1,147,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
WTP Condition Assessment	Ops Cash	100%	100%	\$150,000	\$0	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0
Spill Containment at Bell Creek Intake	Reserves	100%	100%	\$75,000	\$0	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SCADA Improvements (Rutherford & Holmes)	Cash	100%	100%	\$150,000	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Spill Containment at Stonebridge Well	Reserves	100%	100%	\$75,000	\$0	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Upgrade Rutherford Pump Station	Cash	100%	100%	\$500,000	\$0	\$0	\$50,000	\$450,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Remove Restriction at Rutherford PS	Cash	100%	100%	\$150,000	\$0	\$50,000	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Install Smart Meters	Unfunded	100%	100%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Update GIS Maps of Water System	Ops Cash	100%	100%	\$50,000	\$0	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Master Plan Update	Ops Cash	100%	100%	\$150,000	\$0	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0
Replace Mains < 6-Inch Diameter	Cash	100%	100%	\$4,000,000	\$0	\$0	\$0	\$0	\$400,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
Replace 1% of Water Mains Annually	Cash	100%	100%	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$150,000
Additional Storage	Cash	100%	100%	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000	\$500,000	\$0	\$0	\$0
Annual Maintenance Program	Cash	100%	100%	\$950,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000	\$50,000
Total Estimated Project Costs (2016 \$'s)				\$15,913,418	\$818,685	\$2,905,495	\$1,889,288	\$1,108,595	\$1,804,167	\$1,997,189	\$1,550,000	\$1,440,000	\$750,000	\$850,000	\$800,000

Table A-8
City of St. Helena Water Rate Study
Total Cost by Water System and Share of Cost to Existing Customers

DRAFT

		Percent	Percent		Fiscal Year Ending										
	Funding	Share Existing	Share in	Total Cost	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Project	Source	Customers	Rate Model			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Estimated Project Costs (Future \$'s) [1]															
York Creek Upper Dam Removal/Mitigation	Cash	100%	100%	\$1,829,635	\$0	\$900,939	\$928,696	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meadowood Tank Upgrades	Cash	67%	67%	\$279,194	\$0	\$0	\$279,194	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bell Canyon Reservoir Improvements	Reserves	100%	100%	\$1,079,726	\$0	\$0	\$0	\$0	\$0	\$1,079,726	\$0	\$0	\$0	\$0	\$0
Dwyer Road Booster	Cash	50%	50%	\$482,293	\$0	\$0	\$0	\$259,225	\$223,069	\$0	\$0	\$0	\$0	\$0	\$0
Bell Canyon Intake Mid-Valve Repair	Cash	100%	100%	\$14,830	\$14,830	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bell Valve House Valve Replacement	Reserves	85%	85%	\$536,491	\$0	\$0	\$0	\$0	\$0	\$536,491	\$0	\$0	\$0	\$0	\$0
Holmes Tank Upgrade	Cash	50%	50%	\$803,785	\$0	\$0	\$0	\$32,743	\$771,043	\$0	\$0	\$0	\$0	\$0	\$0
Bell Canyon Creek Flow Measurement	Cash	83%	83%	\$434,704	\$0	\$434,704	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sludge Handling Program	Cash	100%	100%	\$169,358	\$0	\$0	\$0	\$169,358	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Raw Water Metering Station	Cash	100%	100%	\$131,403	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$131,403	\$0	\$0
Tank 2 Rehabilitation	Cash	85%	85%	\$696,588	\$0	\$54,191	\$642,397	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Well Filter Rehabilitation	Cash	100%	100%	\$11,445	\$11,445	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pump Station Upgrades	Debt	100%	100%	\$212,514	\$0	\$212,514	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Replace 12" Transmission Main	Cash	100%	100%	\$494,663	\$0	\$0	\$0	\$0	\$0	\$0	\$494,663	\$0	\$0	\$0	\$0
Lower York Creek Dam Rehab	Cash	100%	100%	\$566,250	\$196,570	\$0	\$0	\$0	\$0	\$0	\$0	\$369,680	\$0	\$0	\$0
Bell Canyon Intake Tower Replacement	Debt	85%	85%	\$1,788,820	\$569,522	\$1,219,298	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
WTP Condition Assessment	Ops Cash	100%	100%	\$174,576	\$0	\$0	\$0	\$0	\$174,576	\$0	\$0	\$0	\$0	\$0	\$0
Spill Containment at Bell Creek Intake	Reserves	100%	100%	\$79,693	\$0	\$79,693	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SCADA Improvements (Rutherford & Holmes)	Cash	100%	100%	\$169,358	\$0	\$0	\$0	\$169,358	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Spill Containment at Stonebridge Well	Reserves	100%	100%	\$79,693	\$0	\$79,693	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Upgrade Rutherford Pump Station	Cash	100%	100%	\$562,839	\$0	\$0	\$54,765	\$508,073	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Remove Restriction at Rutherford PS	Cash	100%	100%	\$162,659	\$0	\$53,128	\$109,531	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Install Smart Meters	Unfunded	100%	100%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Update GIS Maps of Water System	Ops Cash	100%	100%	\$56,453	\$0	\$0	\$0	\$56,453	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Master Plan Update	Ops Cash	100%	100%	\$174,576	\$0	\$0	\$0	\$0	\$174,576	\$0	\$0	\$0	\$0	\$0	\$0
Replace Mains < 6-Inch Diameter	Cash	100%	100%	\$5,131,085	\$0	\$0	\$0	\$0	\$465,535	\$719,817	\$741,995	\$764,855	\$788,420	\$812,711	\$837,751
Replace 1% of Water Mains Annually	Cash	100%	100%	\$209,438	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$209,438
Additional Storage	Cash	100%	100%	\$1,255,708	\$0	\$0	\$0	\$0	\$0	\$0	\$618,329	\$637,379	\$0	\$0	\$0
Annual Maintenance Program	Cash	100%	100%	\$1,166,546	\$51,540	\$53,128	\$54,765	\$56,453	\$290,959	\$59,985	\$61,833	\$63,738	\$65,702	\$338,630	\$69,813
Total Estimated Project Costs (Future \$'s)				\$18,754,322	\$843,908	\$3,087,287	\$2,069,348	\$1,251,662	\$2,099,757	\$2,396,019	\$1,916,820	\$1,835,653	\$985,525	\$1,151,341	\$1,117,001
2016 \$'s															
Cash - Capital Fund				\$12,166,229	\$266,185	\$1,407,995	\$1,889,288	\$1,058,595	\$1,504,167	\$650,000	\$1,550,000	\$1,440,000	\$750,000	\$850,000	\$800,000
Cash - Operations Fund				\$350,000	\$0	\$0	\$0	\$50,000	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0
Debt - Capital Fund				\$1,900,000	\$552,500	\$1,347,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserves				\$1,497,189	\$0	\$150,000	\$0	\$0	\$0	\$1,347,189	\$0	\$0	\$0	\$0	\$0
Total				\$15,913,418	\$818,685	\$2,905,495	\$1,889,288	\$1,108,595	\$1,804,167	\$1,997,189	\$1,550,000	\$1,440,000	\$750,000	\$850,000	\$800,000
Future \$'s															
Cash - Capital Fund				\$14,571,782	\$274,386	\$1,496,091	\$2,069,348	\$1,195,209	\$1,750,606	\$779,802	\$1,916,820	\$1,835,653	\$985,525	\$1,151,341	\$1,117,001
Cash - Operations Fund				\$405,604	\$0	\$0	\$0	\$56,453	\$349,151	\$0	\$0	\$0	\$0	\$0	\$0
Debt - Capital Fund				\$2,001,334	\$569,522	\$1,431,811	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserves				\$1,775,602	\$0	\$159,385	\$0	\$0	\$0	\$1,616,217	\$0	\$0	\$0	\$0	\$0
Total				\$18,754,322	\$843,908	\$3,087,287	\$2,069,348	\$1,251,662	\$2,099,757	\$2,396,019	\$1,916,820	\$1,835,653	\$985,525	\$1,151,341	\$1,117,001

Source: City of St. Helena and HEC.

exist share

[1] Estimated costs increased by historical Engineering News Record Construction Cost Index 20-year average increase.

Table A-9
City of St. Helena Water Rate Study
Existing Annual Debt Service

DRAFT

Fiscal Year Ending	Principal	Interest	Total	Remaining Principal
2015	\$478,478	\$521,530	\$1,000,008	\$12,131,522
2016	\$496,304	\$493,393	\$989,697	\$11,635,217
2017	\$514,130	\$475,121	\$989,251	\$11,121,087
2018	\$528,043	\$454,873	\$982,916	\$10,593,043
2019	\$550,870	\$434,897	\$985,767	\$10,042,174
2020	\$568,696	\$413,677	\$982,373	\$9,473,478
2021	\$591,522	\$388,991	\$980,513	\$8,881,956
2022	\$618,261	\$361,871	\$980,132	\$8,263,696
2023	\$641,087	\$333,464	\$974,551	\$7,622,609
2024	\$668,913	\$305,114	\$974,027	\$6,953,696
2025	\$696,739	\$275,177	\$971,916	\$6,256,956
2026	\$728,478	\$241,012	\$969,490	\$5,528,478
2027	\$760,217	\$203,870	\$964,087	\$4,768,261
2028	\$800,870	\$166,167	\$967,037	\$3,967,391
2029	\$836,522	\$128,353	\$964,874	\$3,130,870
2030	\$877,174	\$90,504	\$967,678	\$2,253,696
2031	\$908,913	\$51,095	\$960,008	\$1,344,783
2032	\$949,565	\$23,400	\$972,965	\$395,217
2033	\$395,217	\$7,904	\$403,122	\$0

Source: City of St. Helena and HEC.

debt serv

Table A-10
City of St. Helena Water Rate Study
Meter Replacement Costs Estimate

DRAFT

Item	Assumption / Total	Meter Size							
		5/8"	3/4"	1"	1-1/2"	2"	3"	4"	6"
New Meter with Transponder [1]		\$200	\$250	\$350	\$550	\$700	\$1,500	\$3,300	\$4,550
Installation Costs [2]	20%	\$40	\$50	\$70	\$110	\$140	\$300	\$660	\$910
Administration Costs	3%	\$6	\$8	\$11	\$17	\$21	\$45	\$99	\$137
Total Cost per Meter	\$374	\$246	\$308	\$431	\$677	\$861	\$1,845	\$4,059	\$5,597
Replacement Interval (years)		20	20	20	20	20	20	20	20
Cost per Meter per Year		\$12	\$15	\$22	\$34	\$43	\$92	\$203	\$280
Monthly Cost per Meter		\$1.03	\$1.28	\$1.79	\$2.82	\$3.59	\$7.69	\$16.91	\$23.32
Monthly Cost per Billing Meter [3]		\$1.05	\$1.31	\$1.83	\$2.88	\$3.66	\$7.84	\$17.26	\$23.79

Source: City of St. Helena and HEC.

meter prog

[1] Approximate prices based on HEC experience.

[2] Actual installation costs vary by meter size as a percentage of meter cost.

[3] Accounts for an estimated vacancy rate of: 2%

Table A-11
City of St. Helena Water Rate Study
Comparison of Historical Operating Expenses to Standard Indices

DRAFT

Historical Water Operating Expenses	Actuals Fiscal Year Ending				Estimated 2016	Change	
	2012	2013	2014	2015		Total	Avg. Annual
Salaries & Benefits	\$1,217,968	\$1,168,983	\$1,165,302	\$1,299,809	\$1,565,976	\$348,008	6.5%
Services	\$440,097	\$284,472	\$348,495	\$358,264	\$538,363	\$98,266	5.2%
Supplies	\$147,577	\$100,683	\$82,066	\$117,593	\$142,949	(\$4,628)	-0.8%
Napa Purchased Water	\$1,178,401	\$1,189,926	\$1,327,251	\$1,272,770	\$1,311,272	\$132,872	2.7%
Maintenance	\$91,794	\$68,433	\$78,880	\$124,006	\$195,116	\$103,322	20.7%
Taxes, Insurances & Contributions	\$102,988	\$74,528	\$79,111	\$91,930	\$147,415	\$44,427	9.4%
Total Expenses	\$3,178,823	\$2,887,026	\$3,081,105	\$3,264,373	\$3,901,091	\$722,268	5.3%
Engineering News Record	<i>Dec 2011</i>	<i>Dec 2012</i>	<i>Dec 2013</i>	<i>Dec 2014</i>	<i>Dec 2015</i>		
ENR Construction Cost Index 20-City [1]	9,172.00	9,412.00	9,668.00	9,936.00	10,135.00	963.00	2.5%
ENR Construction Cost Index San Francisco	10,204.79	10,355.09	10,898.84	10,915.84	11,155.41	950.62	2.3%
Bureau of Labor Statistics							
Consumer Price Index - California	232.99	237.71	241.53	244.81	250.71	17.73	1.9%
Consumer Price Index - San Francisco	234.33	239.53	245.71	252.27	260.29	25.96	2.7%

Source: City of St. Helena, California Department of Finance, and the Engineering News Record.

indices

[1] Engineering News Record (ENR) Consumer Cost Index (CCI) change 1995 to 2015:

ENR CCI 1995	5,524	Change	<u>Annual Avg. % Change</u>
ENR CCI 2015	10,135	4,611	3.1%

Table A-12
City of St. Helena Water Rate Study
Estimated Depreciation of New Assets

DRAFT

New Asset	Asset Life	Fiscal Year Ending										
		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	<i>years</i>											
York Creek Upper Dam Removal/Mitigation	n.a.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meadowood Tank Upgrades	50	\$0	\$0	\$8,322.14	\$8,322	\$8,322	\$8,322	\$8,322	\$8,322	\$8,322	\$8,322	\$8,322
Bell Canyon Reservoir Improvements	80	\$0	\$0	\$0	\$0	\$0	\$13,497	\$13,497	\$13,497	\$13,497	\$13,497	\$13,497
Dwyer Road Booster	50	\$0	\$0	\$0	\$10,369	\$19,292	\$19,292	\$19,292	\$19,292	\$19,292	\$19,292	\$19,292
Bell Canyon Intake Mid-Valve Repair	10	\$1,483	\$1,483	\$1,483	\$1,483	\$1,483	\$1,483	\$1,483	\$1,483	\$1,483	\$1,483	\$1,483
Bell Valve House Valve Replacement	50	\$0	\$0	\$0	\$0	\$0	\$12,623	\$12,623	\$12,623	\$12,623	\$12,623	\$12,623
Holmes Tank Upgrade	50	\$0	\$0	\$0	\$1,310	\$32,151	\$32,151	\$32,151	\$32,151	\$32,151	\$32,151	\$32,151
Bell Canyon Creek Flow Measurement	40	\$0	\$13,090	\$13,090	\$13,090	\$13,090	\$13,090	\$13,090	\$13,090	\$13,090	\$13,090	\$13,090
Sludge Handling Program	40	\$0	\$0	\$0	\$4,234	\$4,234	\$4,234	\$4,234	\$4,234	\$4,234	\$4,234	\$4,234
Raw Water Metering Station	15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,760	\$8,760	\$8,760
Tank 2 Rehabilitation	50	\$0	\$1,275	\$16,390	\$16,390	\$16,390	\$16,390	\$16,390	\$16,390	\$16,390	\$16,390	\$16,390
Well Filter Rehabilitation	10	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145
Pump Station Upgrades	50	\$0	\$4,250	\$4,250	\$4,250	\$4,250	\$4,250	\$4,250	\$4,250	\$4,250	\$4,250	\$4,250
Replace 12" Transmission Main	80	\$0	\$0	\$0	\$0	\$0	\$6,183	\$6,183	\$6,183	\$6,183	\$6,183	\$6,183
Lower York Creek Dam Rehab	20	\$9,829	\$9,829	\$9,829	\$9,829	\$9,829	\$9,829	\$9,829	\$28,313	\$28,313	\$28,313	\$28,313
Bell Canyon Intake Tower Replacement	80	\$8,375	\$26,306	\$26,306	\$26,306	\$26,306	\$26,306	\$26,306	\$26,306	\$26,306	\$26,306	\$26,306
WTP Condition Assessment	10	\$0	\$0	\$0	\$0	\$17,458	\$17,458	\$17,458	\$17,458	\$17,458	\$17,458	\$17,458
Spill Containment at Bell Creek Intake	50	\$0	\$1,594	\$1,594	\$1,594	\$1,594	\$1,594	\$1,594	\$1,594	\$1,594	\$1,594	\$1,594
SCADA Improvements (Rutherford & Holmes)	10	\$0	\$0	\$0	\$16,936	\$16,936	\$16,936	\$16,936	\$16,936	\$16,936	\$16,936	\$16,936
Spill Containment at Stonebridge Well	50	\$0	\$1,594	\$1,594	\$1,594	\$1,594	\$1,594	\$1,594	\$1,594	\$1,594	\$1,594	\$1,594
Upgrade Rutherford Pump Station	50	\$0	\$0	\$1,095	\$11,257	\$11,257	\$11,257	\$11,257	\$11,257	\$11,257	\$11,257	\$11,257
Remove Restriction at Rutherford PS	50	\$0	\$1,063	\$3,253	\$3,253	\$3,253	\$3,253	\$3,253	\$3,253	\$3,253	\$3,253	\$3,253
Install Smart Meters	15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Update GIS Maps of Water System	10	\$0	\$0	\$0	\$5,645	\$5,645	\$5,645	\$5,645	\$5,645	\$5,645	\$5,645	\$5,645
Water Master Plan Update	10	\$0	\$0	\$0	\$0	\$17,458	\$17,458	\$17,458	\$17,458	\$17,458	\$17,458	\$17,458
Replace Mains < 6-Inch Diameter	80	\$0	\$0	\$0	\$0	\$5,819	\$14,817	\$24,092	\$33,653	\$43,508	\$53,667	\$64,139
Replace 1% of Water Mains Annually	80	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,618
Additional Storage	50	\$0	\$0	\$0	\$0	\$0	\$0	\$12,367	\$25,114	\$25,114	\$25,114	\$25,114
Annual Maintenance Program	10	\$5,154	\$10,467	\$15,943	\$21,589	\$50,685	\$56,683	\$62,866	\$69,240	\$75,810	\$109,673	\$116,655
Total Estimated Annual Depreciation		\$25,985	\$72,094	\$104,294	\$158,594	\$268,189	\$309,305	\$343,313	\$390,479	\$415,665	\$459,687	\$479,758

Source: City of St. Helena and HEC.

new dep

Table A-13
City of St. Helena Water Rate Study
Depreciation of Existing Assets **DRAFT**

Asset Category	Current Depreciation
Buildings	\$36,008
Vehicles	\$8,383
Equipment	\$155,600
Improvements	\$559,834
Pipes	\$115,319
Total	\$875,144

Source: City of St. Helena. curr depr

Table A-14
City of St. Helena Water Rate Study
Allocation of Plant in Service

DRAFT

Facility	Percent Allocation					Cost Allocation				
	Customer	Capacity	Fire		Total	Customer	Capacity	Fire		Cost Basis
			Capacity	Use				Capacity	Use	
Buildings	100%				100%	\$1,656,932	\$0	\$0	\$0	\$1,656,932
Vehicles	25%	40%		35%	100%	\$10,522	\$16,835	\$0	\$14,730	\$42,086
Equipment	10%	50%		40%	100%	\$206,127	\$1,030,636	\$0	\$824,509	\$2,061,272
Improvements		75%	10%	15%	100%	\$0	\$7,482,162	\$997,622	\$1,496,432	\$9,976,217
Pipes		75%		25%	100%	\$0	\$2,887,942	\$0	\$962,647	\$3,850,589
Total Plant in Service						\$1,873,580	\$11,417,575	\$997,622	\$3,298,319	\$17,587,095
% of Plant in Service						11%	65%	6%	19%	100%

Source: City of St. Helena and HEC.

plant

Table A-15
City of St. Helena Water Rate Study
Functional Allocation of Revenue Requirement

DRAFT

Expenditures	BUDGET 2016/17	Allocation Basis	Customer	Capacity	Fire Capacity	Use	Unclassified
Operations							
Salaries & Benefits	\$706,986	Avg. of Classified	0%	0%	0%	0%	100%
Services	\$311,925	Customers	100%	0%	0%	0%	0%
Supplies	\$18,792	Avg. of Classified	0%	0%	0%	0%	100%
Maintenance	\$13,197	Plant In Service	11%	65%	6%	19%	0%
Taxes, Insurances & Contributions	\$113,467	Avg. of Classified	0%	0%	0%	0%	100%
Capital	\$1,925	Plant In Service	11%	65%	6%	19%	0%
Debt	\$1,001,067	Ratio Avg. to Peak Month	0%	74%	0%	26%	0%
Subtotal Operations	\$2,167,359						
Distribution							
Salaries & Benefits	\$490,637	Avg. of Classified	0%	0%	0%	0%	100%
Services & Supplies	\$52,228	Avg. of Classified	0%	0%	0%	0%	100%
Utilities	\$61,770	Avg. of Classified	0%	0%	0%	0%	100%
Maintenance	\$60,295	Plant In Service	11%	65%	6%	19%	0%
Capital	\$21,000	Plant In Service	11%	65%	6%	19%	0%
Subtotal Distribution	\$685,930						
Treatment							
Salaries & Benefits	\$414,620	Ratio Avg. to Peak Month	0%	74%	0%	26%	0%
Services & Supplies	\$64,000	Ratio Avg. to Peak Month	0%	74%	0%	26%	0%
Utilities & Chemicals	\$137,500	Utilities & Chemicals	0%	0%	0%	100%	0%
Maintenance	\$83,587	Plant In Service	11%	65%	6%	19%	0%
Taxes, Insurances & Contributions	\$19,700	Avg. of Classified	0%	0%	0%	0%	100%
Capital	\$115,000	Plant In Service	11%	65%	6%	19%	0%
Subtotal Treatment	\$834,407						
Stonebridge Wells							
Services	\$57,100	Utilities & Chemicals	0%	0%	0%	100%	0%
Supplies	\$12,800	Utilities & Chemicals	0%	0%	0%	100%	0%
Maintenance	\$15,500	Plant In Service	11%	65%	6%	19%	0%
Subtotal Stonebridge Wells	\$85,400						
Napa Purchased Water	\$1,349,019	Napa	0%	75%	0%	25%	0%
TOTAL OPERATING EXPENDITURES	\$5,122,115		\$345,003	\$2,313,324	\$17,613	\$982,594	\$1,463,580
Reallocate As All Others			\$138,017	\$925,435	\$7,046	\$393,082	
ALLOCATION OF OP. EXP.	\$5,122,115		\$483,021	\$3,238,759	\$24,659	\$1,375,676	
	100%		9.4%	63.2%	0.5%	26.9%	

Source: City of St. Helena and HEC.

func

Table A-16
City of St. Helena Water Rate Study
Number of Meters

DRAFT

Meter Size	TOTAL	Customer Type											
		Commercial	Industrial	Residential			Landscape	Churches	Laundry	Library/Schools	Motel/Hotel	All Other	City-Owned
				SF	MF	Mob							
[2]													
5/8"	1,987	131	12	1,776	36	1	12	7	0	1	5	0	6
1"	330	40	0	232	36	0	6	6	0	1	2	0	7
1.5"	61	11	1	11	20	1	6	1	1	3	2	0	4
2"	47	11	1	8	6	1	7	1	0	6	4	0	2
3"	7	1	0	0	3	0	1	0	0	0	1	0	1
4"	9	2	1	1	0	0	0	0	0	3	1	1	0
6"	11	1	6	0	1	1	0	0	0	0	1	0	1
Total	2,452	197	21	2,028	102	4	32	15	1	14	16	1	21

Source: City of St. Helena.

meters

[1] Compound meters counted only once.

[2] Includes all religious places and community centers

Table A-17
City of St. Helena Water Rate Study
Calculated Consumption Charges for Seasonal Water Rates

DRAFT

Allocated Peak & Off-Peak	Fiscal Year Ending										
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Allocated Cost	\$3,799,993	\$4,387,001	\$4,958,147	\$5,102,274	\$5,225,724	\$5,351,120	\$5,488,329	\$5,567,635	\$5,614,768	\$5,615,454	\$5,607,223
Off-Peak Water Use (Nov-Apr) 37%	240,040	239,015	239,436	240,404	240,688	240,939	241,176	241,506	241,798	242,107	242,367
Peak Water Use (May-Oct) 63%	405,760	404,027	404,739	406,376	406,856	407,280	407,682	408,238	408,732	409,254	409,695
Total Water Use	645,800	643,042	644,175	646,780	647,544	648,219	648,858	649,744	650,530	651,361	652,062
Off-Peak Costs per HCF	\$5.50	\$6.37	\$7.19	\$7.37	\$7.54	\$7.71	\$7.90	\$8.01	\$8.06	\$8.05	\$8.03
Peak Costs per HCF 1.11	\$6.11	\$7.09	\$8.00	\$8.20	\$8.38	\$8.58	\$8.79	\$8.90	\$8.97	\$8.96	\$8.93

Source: City of St. Helena and HEC.

seasonal rates

Table A-18
City of St. Helena Water Rate Study
Projection of Water Demand

DRAFT

Customer	Fiscal Year Ending										
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
All figures in Hundreds of Cubic Feet											
Residential											
Single Unit	262,941	261,914	262,758	264,154	264,862	265,537	266,199	266,954	267,671	268,405	269,091
Multi-Fam	48,856	48,665	48,696	48,830	48,836	48,836	48,833	48,848	48,855	48,866	48,868
Mobile Homes	27,026	26,920	26,938	27,012	27,015	27,015	27,014	27,022	27,026	27,032	27,033
Subtotal Residential	338,822	337,499	338,393	339,995	340,713	341,388	342,046	342,823	343,552	344,303	344,991
Non-Residential											
Commercial	79,857	79,272	79,369	79,778	79,797	79,797	79,789	79,834	79,857	79,889	79,895
Industrial	138,422	138,084	138,140	138,377	138,387	138,387	138,383	138,409	138,422	138,441	138,444
Landscape	20,615	20,413	20,447	20,587	20,594	20,594	20,591	20,606	20,614	20,626	20,628
Churches	2,878	2,867	2,869	2,876	2,877	2,877	2,877	2,878	2,878	2,879	2,879
Wells	2,585	2,585	2,585	2,585	2,585	2,585	2,585	2,585	2,585	2,585	2,585
Laundry	3,017	3,010	3,011	3,016	3,016	3,016	3,016	3,017	3,017	3,017	3,017
Library Schools	19,452	19,357	19,372	19,439	19,442	19,442	19,441	19,448	19,451	19,457	19,458
Motel/Hotel	28,937	28,768	28,796	28,914	28,920	28,920	28,918	28,930	28,937	28,947	28,948
City Owned	11,216	11,189	11,193	11,213	11,213	11,213	11,213	11,215	11,216	11,218	11,218
Subtotal Non-Residential	306,978	305,543	305,782	306,785	306,831	306,831	306,812	306,921	306,978	307,058	307,071
Total Billable	645,800	643,042	644,175	646,780	647,544	648,219	648,858	649,744	650,530	651,361	652,062
Non-Billable [1]	61,980	61,980	61,980	61,980	61,980	61,980	61,980	61,980	61,980	61,980	61,980
Total Water	707,781	705,022	706,155	708,760	709,525	710,199	710,838	711,724	712,510	713,341	714,043

Source: City of St. Helena and HEC.

demand

[1] Non-Billable water includes unaccounted and/or unbilled water e.g. leaks, and certain city agreements.

Table A-19
City of St. Helena Water Rate Study
Assumptions for the Effect of Increasing Prices on Water Demand (Price Elasticity)

DRAFT

Customer Type	Estimated Elasticity	2018 Year 1	2019 Year 2	2020 Year 3	2021 Year 4	2022 Year 5	2023 Year 6	2024 Year 7	2025 Year 8	2026 Year 9	2027 Year 10
% Change in Price to Meet Revenue Requirement		17.1%	14.7%	4.5%	4.0%	4.0%	4.2%	3.1%	2.5%	1.7%	1.6%
Assumption for Inflation		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Price Increase Adjusted for Inflation		14.6%	12.2%	2.0%	1.5%	1.5%	1.7%	0.6%	0.0%	-0.8%	-0.9%
Residential											
Single Unit	-0.08	-1.2%	-1.0%	-0.2%	-0.1%	-0.1%	-0.1%	0.0%	0.0%	0.1%	0.1%
Multi-Fam	-0.08	-1.2%	-1.0%	-0.2%	-0.1%	-0.1%	-0.1%	0.0%	0.0%	0.1%	0.1%
Mobile Homes	-0.08	-1.2%	-1.0%	-0.2%	-0.1%	-0.1%	-0.1%	0.0%	0.0%	0.1%	0.1%
Non-Residential											
Commercial	-0.15	-2.2%	-1.8%	-0.3%	-0.2%	-0.2%	-0.3%	-0.1%	0.0%	0.1%	0.1%
Industrial	-0.05	-0.7%	-0.6%	-0.1%	-0.1%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%
Landscape	-0.20	-2.9%	-2.4%	-0.4%	-0.3%	-0.3%	-0.3%	-0.1%	0.0%	0.2%	0.2%
Churches	-0.08	-1.2%	-1.0%	-0.2%	-0.1%	-0.1%	-0.1%	0.0%	0.0%	0.1%	0.1%
Laundry	-0.05	-0.7%	-0.6%	-0.1%	-0.1%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%
Library Schools	-0.10	-1.5%	-1.2%	-0.2%	-0.1%	-0.2%	-0.2%	-0.1%	0.0%	0.1%	0.1%
Motel/Hotel	-0.12	-1.8%	-1.5%	-0.2%	-0.2%	-0.2%	-0.2%	-0.1%	0.0%	0.1%	0.1%
City Owned	-0.05	-0.7%	-0.6%	-0.1%	-0.1%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%

Source: HEC.

elasticity

Table A-20
City of St. Helena Water Rate Study
Projected Changes in Water Demand due to Price Changes

DRAFT

Customer Type	Fiscal Year Ending									
	2018 Year 1	2019 Year 2	2020 Year 3	2021 Year 4	2022 Year 5	2023 Year 6	2024 Year 7	2025 Year 8	2026 Year 9	2027 Year 10
<i>Projected Growth</i>		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Residential										
Single Unit [1]	262,941	263,617	264,292	264,968	265,644	266,320	266,995	267,671	268,347	269,023
Multi-Fam	48,856	48,856	48,856	48,856	48,856	48,856	48,856	48,856	48,856	48,856
Mobile Homes	27,026	27,026	27,026	27,026	27,026	27,026	27,026	27,026	27,026	27,026
Subtotal Residential	338,822	339,498	340,174	340,849	341,525	342,201	342,877	343,552	344,228	344,904
Non-Residential										
Commercial	79,857	79,857	79,857	79,857	79,857	79,857	79,857	79,857	79,857	79,857
Industrial	138,422	138,422	138,422	138,422	138,422	138,422	138,422	138,422	138,422	138,422
Landscape	20,615	20,615	20,615	20,615	20,615	20,615	20,615	20,615	20,615	20,615
Churches	2,878	2,878	2,878	2,878	2,878	2,878	2,878	2,878	2,878	2,878
Wells	2,585	2,585	2,585	2,585	2,585	2,585	2,585	2,585	2,585	2,585
Laundry	3,017	3,017	3,017	3,017	3,017	3,017	3,017	3,017	3,017	3,017
Library Schools	19,452	19,452	19,452	19,452	19,452	19,452	19,452	19,452	19,452	19,452
Motel/Hotel	28,937	28,937	28,937	28,937	28,937	28,937	28,937	28,937	28,937	28,937
City Owned	11,216	11,216	11,216	11,216	11,216	11,216	11,216	11,216	11,216	11,216
Subtotal Non-Residential	306,978	306,978	306,978	306,978	306,978	306,978	306,978	306,978	306,978	306,978
Total Billable Water	645,800	953,454	954,129	954,805	955,481	956,157	956,832	957,508	958,184	958,860
Total Non-Billable Water										
Change in Demand due to Price [2]										
Residential										
Single Unit	-1,027	-858	-139	-106	-106	-120	-42	0	58	68
Multi-Fam	-191	-159	-26	-20	-20	-22	-8	0	11	12
Mobile Homes	-106	-88	-14	-11	-11	-12	-4	0	6	7
Subtotal Residential	-1,324	-1,105	-179	-136	-137	-155	-53	0	75	87
Non-Residential										
Commercial	-585	-488	-79	-60	-60	-68	-23	0	33	38
Industrial	-338	-282	-45	-35	-35	-39	-13	0	19	22
Landscape	-201	-168	-27	-21	-21	-23	-8	0	11	13
Churches	-11	-9	-2	-1	-1	-1	0	0	1	1
Laundry	-7	-6	-1	-1	-1	-1	0	0	0	0
Library Schools	-95	-79	-13	-10	-10	-11	-4	0	5	6
Motel/Hotel	-170	-141	-23	-17	-17	-20	-7	0	9	11
City Owned	-27	-23	-4	-3	-3	-3	-1	0	2	2
Subtotal Non-Residential	-1,435	-1,196	-193	-147	-147	-166	-57	0	80	93
Total Billable Water	-2,758	-2,301	-372	-283	-284	-321	-111	-1	155	180
Total Non-Billable Water										

Source: HEC.

elas demand

[1] Assumes growth of 5 units per year

[2] Change applied to summer months consumption only.

Percent of Year	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%
-----------------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

Table A-21
City of St. Helena Water Rate Study
Operating Expenses (FY2016) Peak to Off-Peak Ratio

DRAFT

Expenses	TOTAL Excl. Debt	Percent of Year Total
Jul-15	\$280,972	8%
Aug-15	\$156,745	5%
Sep-15	\$373,717	11%
Oct-15	\$367,289	11%
Nov-15	\$297,387	9%
Dec-15	\$391,236	11%
Jan-16	\$256,759	7%
Feb-16	\$158,108	5%
Mar-16	\$267,578	8%
Apr-16	\$252,836	7%
May-16	\$155,424	5%
Jun-16	\$471,651	14%
TOTAL	\$3,429,701	100%
PEAK	\$1,805,798	
PEAK AS % OF TOTAL	53%	
OFF-PEAK	\$1,623,903	
PEAK AVG.	\$300,966	
OFF-PEAK AVG.	\$270,650	
PEAK TO OFF-PEAK RATIO	1.11	

Source: City of St. Helena.

exp monthly 2

[1] Excludes operating costs not influenced by seasonal changes; debt, taxes, insurance, and capital.

Table A-22
City of St. Helena Water Rate Study
Calculated Drought and Non-Drought Year Water Costs

DRAFT

Source Costs	Imported <i>City of Napa</i>	Surface Water <i>Bell Canyon</i>	Ground Water <i>Stonebridge Wells</i>	Total <i>All Sources</i>
<u>Fiscal Year 2015</u>				
Cost per 1,000 Galls	\$6.70	\$2.82	\$0.65	
DROUGHT YEAR				
Wtd. Avg. Cost per 1,000 Galls.	\$2.53	\$1.31	\$0.10	\$3.94
Source of Supply	38%	46%	16%	100%
NON-DROUGHT YEAR				
Wtd. Avg. Cost per 1,000 Galls.	\$2.12	\$1.13	\$0.19	\$3.43
Source of Supply	32%	40%	28%	100%
All Other Operations Costs (assumed not to change) [1]				\$1,814,740
All Other Operations Costs per 1,000 Gallons of City produced water				\$5.68
TOTAL DROUGHT YEAR COST PER 1,000 GALLONS				\$9.62
TOTAL NON-DROUGHT YEAR COSTS PER 1,000 GALLONS				\$9.10
<i>Ratio of Drought to Non-Drought</i>			<i>1.06</i>	

Source: City of St. Helena and HEC.

cost by source

[1] Includes general operations costs; excludes distribution costs, debt, capital, and transfers.

HANSFORD ECONOMIC CONSULTING



City of St. Helena (2016) Wastewater Rate Study Technical Memorandum

DRAFT

September 20, 2016

Technical Memorandum DRAFT WASTEWATER RATE STUDY

To: City of St. Helena

From: Catherine Hansford

Date: September 20, 2016

This technical memorandum presents the detailed wastewater rate study. Support tables are provided in **Attachment A**.

THE WASTEWATER FUND

Table A-1 in **Attachment A** shows comprehensive audited financial report data for the wastewater fund from 2011 through 2015. Detailed historical revenues and expenses are shown in **Table A-2**, with supporting data in **Table A-3**.

Revenues

The wastewater system is funded through rates, annexation fees, investment earnings, and sewer connection fees. More than 99% of revenue is from wastewater rates. Rate revenue is generated according to the current wastewater rate schedule shown on the following page in **Table 1**. Under the current rate schedule all customers pay a service charge (or base charge) and a flow charge per HCF based on average winter month water use. Residential single family customers pay a flat monthly base charge, and a flow charge. For non-residential customers, including residential multi-family customers, the service charge is different by meter size, and the flow charge is different by customer type.

Expenses

Figure 1 displays the components of expenditures for the past five years for the wastewater capital and operating funds combined. Personnel costs (salaries and benefits), services, and capital projects have been the largest expenditure items.

Figure 1
Typical Annual Wastewater Fund Expenditures

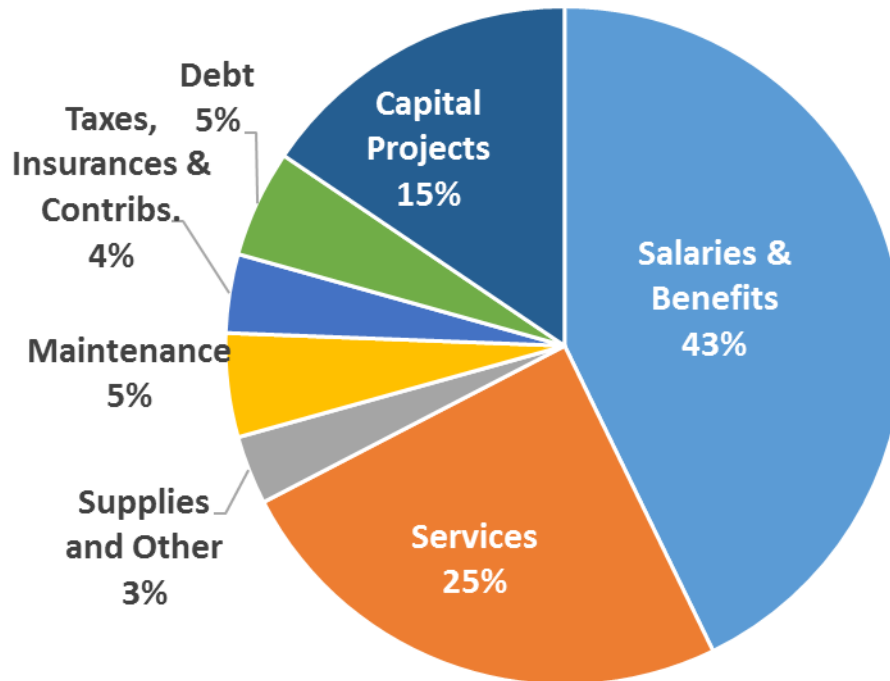


Table 1
Current Wastewater Rate Schedule

Land Use	Base Monthly Rate (2016)	Usage Rate (\$ per hcf of Winter Water Use)
Residential		[1]
Single Family	\$47.35	\$3.94
Multi-family	[2]	\$3.94
Non-Residential Base Rates		
5/8" & 3/4" Meter	\$42.12	
1" Meter	\$102.42	
1 1/2" Meter	\$202.92	
2" Meter	\$323.53	
3" Meter	\$604.94	
4" Meter	\$1,006.96	
6" Meter	\$2,012.00	
Non-Residential Usage Rates (per hcf)		
Car Wash		\$2.85
Schools		\$3.17
Laundry/Laundromat		\$3.34
Churches		\$3.64
City Buildings		\$3.64
Commercial (General)		\$3.64
Winery (Sutter Home)		\$4.27
Motels without Food		\$4.35
Service Stations/Auto Repair		\$4.70
Mixed Retail with Food		\$6.79
Motels with Food		\$8.75
Restaurant		\$11.68
Grocery		\$11.87
Mortuary		\$11.87
Winery (Merryvale)		\$20.94
Winery (Spottswoode)		\$20.94

Source: City of St. Helena.

curr

[1] Single family usage charge based on average winter water use, determined as average monthly usage for billing cycles with read dates from January through March. Months with zero usage are to be excluded from the averaging. Usage charge to be adjusted annually in April, based on the newest winter average.

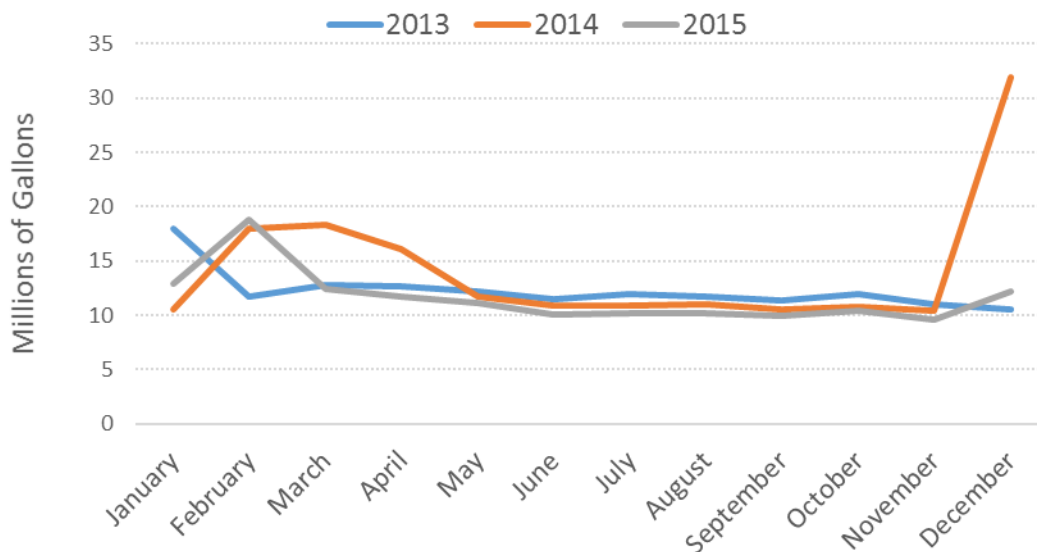
[2] Multi-family pays same base charges based on meter size as non-residential.

THE WASTEWATER SYSTEM

The City's wastewater system consists of a collection system of more than 22 miles of pipe. Effluent is treated at the 0.5 million gallons a day (average daily dry weather flow) treatment plant. The wastewater treatment plant was built in 1967. The secondary level treatment plant discharges to the Napa River or land (City-owned grass fields, redwood/willow trees, and mosquito fish ponds). The City's National Pollutant Discharge Elimination System (NPDES) permit was renewed in March 2016; at the same time a Cease and Desist Order (CDO) No. R2-2016-0004 was issued because the City is unable to meet the more stringent effluent requirements of the renewed NPDES permit. A draft feasibility study was prepared for the City in August 2016 which recommends improvements at the wastewater treatment plant so that the City can be in compliance and the CDO lifted.

Figure 2 shows historical monthly influent at the wastewater treatment plant. Data is provided in **Table A-4**. Wastewater inflow at the treatment plant currently averages 0.4 million gallons per day (MGD).

Figure 2
Historical Wastewater Plant Monthly Influent Flow



Customer Characteristics

The number of customers and total calculated flow for each customer and customer category, BOD and TSS characteristics are summarized in **Table 2**.

Table 2
Summary of User Characteristics

Customer Category	Billing Basis	No. Billing Units	Wastewater Characteristics					Existing Treatment Capacity/Load				Total Annual Capacity/Load				
			Flow GPD	BOD MG/L	SS MG/L	(D)	(E)=(A)(B)/1000000	Flow MGD	BOD Lbs/Day	SS Lbs/Day	(F)= (C)(E)x8.34	(G)= (D)(E)x8.34	(H)=(E)x365	Flow MG	BOD Lbs/Year	SS Lbs/Year
[1]																
Residential																
Single Family	Unit	1,503	175	200	200	200	0.26	439.25	439.25	96.12	160,328	160,328	160,328	160,328	160,328	160,328
Multi-Family	Unit	669	106	200	200	200	0.07	118.29	118.29	25.89	43,177	43,177	43,177	43,177	43,177	43,177
Mobile Homes (Vineyard Valley)	Unit	211	157	200	200	200	0.03	55.33	55.33	12.11	20,197	20,197	20,197	20,197	20,197	20,197
School	Student	1,437	8	130	100	100	0.01	11.68	8.99	1.94	2,103	1,618	1,618	1,618	1,618	1,618
Non-Residential																
Car Wash	Account	1	1,005	20	150	150	0.00	0.17	1.26	0.37	61	459	459	459	459	459
Religious Places/Community Centers	Account	13	156	130	110	110	0.00	2.20	1.86	0.74	802	679	679	679	679	679
Commercial [2]	Account	126	241	150	200	200	0.03	37.96	50.61	11.08	13,855	18,473	18,473	18,473	18,473	18,473
Groceries and Mortuaries	Account	3	691	800	800	800	0.00	13.84	13.84	0.76	5,052	5,052	5,052	5,052	5,052	5,052
Laundry	Account	1	4,181	150	110	110	0.00	5.23	3.84	1.53	1,909	1,400	1,400	1,400	1,400	1,400
Mixed Retail w/ Food	Account	3	1,319	240	600	600	0.00	7.92	19.80	1.44	2,891	7,228	7,228	7,228	7,228	7,228
Motel with Food	Account	2	5,429	500	600	600	0.01	45.28	54.34	3.96	16,528	19,833	19,833	19,833	19,833	19,833
Motel without Food	Account	8	2,297	310	120	120	0.02	47.51	18.39	6.71	17,340	6,712	6,712	6,712	6,712	6,712
Restaurant	Account	19	1,354	1,000	600	600	0.03	214.60	128.76	9.39	78,328	46,997	46,997	46,997	46,997	46,997
Napa Valley College	Account	1	12,925	130	100	100	0.01	14.01	10.78	4.72	5,115	3,935	3,935	3,935	3,935	3,935
Service Station	Account	5	318	180	280	280	0.00	2.38	3.71	0.58	870	1,353	1,353	1,353	1,353	1,353
Winery Production (Merryvale/Spottswoode)	Account	2	937	2,800	400	400	0.00	43.78	6.25	0.68	15,981	2,283	2,283	2,283	2,283	2,283
Sutter Home Winery	Account	1	3,195	200	200	200	0.00	5.33	5.33	1.17	1,945	1,945	1,945	1,945	1,945	1,945
TOTAL (ADWF 0.5 MGD)							0.50	1,064.78	940.64	179.17	386,483	341,669	341,669	341,669	341,669	341,669
Source: City of St. Helena, California Department of Education Educational Demographics Unit, and HEC.																
char																

Source: City of St. Helena, California Department of Education Educational Demographics Unit, and HEC.

[1] Schools multiplied by 180 days per year.

[2] Commercial includes City buildings.

char

REVENUE REQUIREMENT

The revenue requirement refers to the amount of money that must be raised through rates. The projection of revenue requirement is the cornerstone for calculation of rates. This section explains the derivation of revenue requirement for this Study. Components of revenue requirement include:

- Capital Improvements
- Debt Service
- Operations Expenses and Reserves
- System Rehabilitation
- Wastewater Fund Reserves

Non-water sales revenue projections are credited against projected operations costs. Non-water sales include investment earnings and sewer connection fees.

Capital Improvements

Table 3 summarizes the capital improvement costs identified by the City as necessary in the next ten years. The costs do not include project costs that already have funding sources identified (i.e. have a grant secured or are to be funded with existing City bond proceeds). All costs are expressed in future dollars. The total ten-year capital improvement projects (CIP) costs is estimated at \$17.7 million. Of this total it is anticipated that \$13.0 million will be spent in the next five years.

Table A-5 and **Table A-6** provide the wastewater system CIP list of facilities, provided by the City for the next 10 years, in current and future dollars respectively. Major necessary improvements include phase 1 upgrades to the wastewater treatment plant, replacing the wastewater reclamation facility operations building and shop, and sewer mains replacement or rehabilitation.

Costs are further allocated to existing and future customers based on their estimated use of the facilities. Only \$125,000 of the total cost is for projects partially benefiting future customers. These projects include reclamation field facilities and miscellaneous maintenance improvements. Supporting data is provided in **Table A-7**, in 2016 dollars, and **Table A-8**, in future dollars. All other CIP items are allocated entirely to existing customers. Existing customers' costs included in rates are shown in **Table A-9**.

Future costs are inflated using the Engineering News Record Construction Cost Index (ENR CCI) past 20-year annual average increase of 3.1%.

Table 3
Wastewater Capital Improvement Costs by Customer Share

Customer	Estimated CIP Costs in Future Dollars		
	Through 2022	2023 to 2027	Total CIP
Existing Customer Share	\$12,909,786	\$4,699,894	\$17,609,680
Future Customer Share	\$57,033	\$68,049	\$125,082
Total Existing and Future	\$12,966,819	\$4,767,944	\$17,734,763

Source: HEC.

cip share

CIP funding sources of costs are shown in **Table 4**.

Table 4
Sources of Funding for Existing Customers CIP Costs

Project	Total Cost Less Existing Funding	Total Through FY 2022	Fiscal Year Ending					
			2017	2018	2019	2020	2021	2022
Future \$'s								
Cash - Capital Fund	\$4,636,494	\$2,636,034	\$521,023	\$426,887	\$391,846	\$686,181	\$270,883	\$339,214
Cash - Operations Fund	\$561,029	\$462,386	\$15,462	\$69,067	\$235,491	\$16,936	\$17,458	\$107,973
Debt - Capital Fund	\$8,746,428	\$8,495,287	\$239,259	\$743,798	\$3,582,746	\$3,693,130	\$116,384	\$119,970
Reserves	\$3,665,729	\$1,316,079	\$0	\$0	\$0	\$0	\$116,384	\$1,199,695
Total CIP	\$17,609,680	\$12,909,786	\$775,744	\$1,239,752	\$4,210,083	\$4,396,247	\$521,108	\$1,766,852

Source: City of St. Helena and HEC.

exis rates

Debt Service

The City has wastewater system debt associated with a 2005 bond issue, and refunding of that bond issue in 2012. Yearly debt service for the wastewater system is shown in **Table A-9**.

New debt is anticipated to be incurred for phase 1 and phase 2 of the wastewater treatment plant (WWTP) upgrades. For the rate study it is assumed these projects are funded with a Clean Water State Revolving Fund (CWSRF) loan. Due to the size of the projects, a 15% contingency factor was added to the estimated City cost. The estimated new CWSRF debt service is shown in **Table 5**. A year of debt service must be accumulated prior to repayment of the loan, which begins one year after completion of construction.

Table 5
Estimated CWSRF Debt Financing for WWTP Upgrades

Item	Construction Fiscal Year
Treatment Plant Phase 1	2019
Construction Cost Estimate	\$8,258,933
Contingency (15%) [1]	\$1,238,840
Total	\$9,497,773
Estimated Annual Debt Service [2]	\$592,124
Estimated Total Financing Costs	\$2,344,700
Treatment Plant Phase 2	2022
Construction Cost Estimate	\$487,495
Contingency (15%) [1]	\$73,124
Total	\$560,619
Estimated Annual Debt Service [2]	\$34,951
Estimated Total Financing Costs	\$138,399
Total Debt-Financed Infrastructure Cost	\$10,058,393
Estimated Total Financing Costs	\$2,483,099

Source: State Water Resources Control Board and HEC.

new debt

[1] State-funded projects typically cost more (more administration as well as American Iron and Steel requirements, and labor reporting).

[2] CWSRF loan assumptions:

Interest Rate	2.2%
Term (years)	20

Operations Expenses and Reserves

Estimated fiscal year 2015/16 operating expenses are used to project future year operating expenditures. All operating expenditures are increased 5% each year with the exception of maintenance, taxes, insurances and contributions which are increased at 10% per year to be more consistent with higher historical increases for these expenses. **Table A-10** shows historical annual average operating cost increases of 14.6%. Fiscal year 2015/16 was abnormally high. Taking this out of the calculation, the data shows historical annual average operating cost increases of only 4.9%.

System Rehabilitation Costs

Depreciation is used as the basis for which to collect rates to cover system rehabilitation costs. Inclusion of system rehabilitation costs demonstrates fiscal responsibility toward the assets to

potential future investors and helps to establish good credit¹. Depreciation is calculated based on existing wastewater assets and new assets added to the wastewater system in the next five years. **Table 6** shows the total annual amount of depreciation for existing and new assets included in the rate study. If the collected revenue is not applied to a CIP rehabilitation project it should be designated within the fund for the purposes of repair and rehabilitation only. Supporting data is provided in **Tables A-11** and **A-12**.

Table 6
System Rehabilitation Annual Costs

Asset List	Fiscal Year Ending					
	2017	2018	2019	2020	2021	2022
Existing Assets	\$340,044	\$350,521	\$361,320	\$372,452	\$383,928	\$395,756
Projected Assets Annual Depreciation	\$16,613	\$41,264	\$98,143	\$159,973	\$176,412	\$230,848
Total Annual Depreciation	\$356,657	\$391,785	\$459,463	\$532,425	\$560,339	\$626,604
<i>Percent Depreciation for System Rehabilitation</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>
System Rehabilitation	\$356,700	\$391,800	\$459,500	\$532,400	\$560,300	\$626,600

Source: City of St. Helena and HEC.

depr

Revenue Requirement

Table 7 on the next page provides the projection of annual costs and revenues and the resulting revenue requirement through fiscal year ending 2027. Total revenue requirement is projected to increase from \$3.0 million in the fiscal year 2017 to \$4.6 million in fiscal year 2022 to \$5.7 million in fiscal year 2027.

¹ Per Governmental Accounting Standards Board (GASB) 34, local governments must report on the value of their infrastructure assets and plan for asset maintenance (including collecting sufficient revenue) to obtain good credit when issuing bonds or procuring other forms of financing for long-term construction projects.

Table 7
Projected Revenue Requirement

Revenues and Expenses		Fiscal Year Ending												
		Assumptions		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Operating Expenses		Budgeted												
	**	5.0%	\$1,071,519	\$1,125,095	\$1,181,350	\$1,240,417	\$1,302,438	\$1,367,560	\$1,435,938	\$1,507,735	\$1,583,122	\$1,662,278	\$1,745,392	
		Services	\$319,189	\$335,148	\$351,906	\$369,501	\$387,976	\$407,375	\$427,744	\$449,131	\$471,588	\$495,167	\$519,925	
		Supplies	\$75,942	\$79,739	\$83,726	\$87,912	\$92,308	\$96,923	\$101,770	\$106,858	\$112,201	\$117,811	\$123,702	
	**	10.0%	\$130,513	\$143,564	\$157,921	\$173,713	\$191,084	\$210,192	\$231,212	\$254,333	\$279,766	\$307,743	\$338,517	
	**	10.0%	\$105,967	\$116,564	\$128,220	\$141,042	\$155,146	\$170,661	\$187,727	\$206,500	\$227,150	\$249,865	\$274,851	
	**	3.0%	\$101,700	\$104,751	\$107,894	\$111,130	\$114,464	\$117,898	\$121,435	\$125,078	\$128,831	\$132,695	\$136,676	
		Wet Weather Flow Monitoring	\$0	\$0	\$54,765	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
		Update GIS Maps of Sewer System	\$0	\$53,128	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
		Sewer Master Plan	\$0	\$0	\$164,296	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Operating Expenses		CCTV Program	\$15,462	\$15,939	\$16,430	\$16,936	\$17,458	\$17,995	\$18,550	\$19,121	\$19,711	\$20,318	\$20,944	
		Recycled Water Feasibility Study	\$0	\$0	\$0	\$0	\$0	\$89,977	\$0	\$0	\$0	\$0	\$0	
			\$1,820,292	\$1,973,928	\$2,246,507	\$2,140,652	\$2,260,874	\$2,478,583	\$2,524,375	\$2,668,756	\$2,822,367	\$2,985,876	\$3,160,007	
	Debt Service													
		Existing Debt	\$252,876	\$253,904	\$256,030	\$252,890	\$253,823	\$255,392	\$250,938	\$251,669	\$252,022	\$252,310	\$251,490	
		WWTP New Debt - Phase 1	\$0	\$0	\$592,124	\$592,124	\$592,124	\$592,124	\$592,124	\$592,124	\$592,124	\$592,124	\$592,124	
		WWTP New Debt - Phase 2	\$0	\$0	\$0	\$0	\$0	\$34,951	\$34,951	\$34,951	\$34,951	\$34,951	\$34,951	
	**	Total Debt Service	\$252,876	\$253,904	\$848,154	\$845,014	\$845,947	\$882,467	\$878,012	\$878,744	\$879,097	\$879,384	\$878,565	
		Capital Projects	\$164,323	\$35,087	\$0	\$153,781	\$0	\$0	\$154,028	\$0	\$0	\$0	\$0	
SUBTOTAL Annual Cost		System Rehabilitation	\$356,700	\$391,800	\$459,500	\$532,400	\$560,300	\$626,600	\$690,300	\$712,900	\$732,900	\$775,900	\$797,200	
		Operating Reserves	\$400,000	\$775,000	\$725,000	\$805,000	\$875,000	\$625,000	\$650,000	\$850,000	\$900,000	\$900,000	\$900,000	
			\$2,994,191	\$3,429,719	\$4,279,161	\$4,476,847	\$4,542,121	\$4,612,649	\$4,896,715	\$5,110,400	\$5,334,364	\$5,541,161	\$5,735,771	
	**	Base	\$1,662,575	\$1,743,878	\$2,423,538	\$2,511,316	\$2,609,080	\$2,748,778	\$2,854,324	\$2,972,389	\$3,097,965	\$3,231,965	\$3,374,001	
		Use	\$1,331,616	\$1,685,841	\$1,855,623	\$1,965,531	\$1,933,042	\$1,863,871	\$2,042,391	\$2,138,010	\$2,236,399	\$2,309,196	\$2,361,771	
	Credits													
		Investment Earnings	\$4,615	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		Sewer Connection Fee	\$900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		Total Credits	\$5,515	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
REVENUE REQUIREMENT														
Annual Percentage Change														
	Base Costs Percentage	56%	51%	57%	56%	57%	60%	58%	58%	58%	58%	58%	59%	
	Use Costs Percentage	44%	49%	43%	44%	43%	40%	42%	42%	42%	42%	41%	41%	
Source: HEC														
REVENUE														

Source: HEC.

** Amounts included in Base Costs

RATES ANALYSIS

In the financial modeling for the wastewater rate study two rate scenarios were considered for collection of the revenue requirement; a modified rate structure and a new rate structure. Under the modified rate structure:

- Residential single family continues to pay a flat monthly charge per unit, plus a flow charge per HCF of winter water use.
- Non-Residential, including multi-family and mobile homes, pay a flat monthly charge by water meter size plus a flow charge per HCF of winter water use by customer type.
- Religious paces/community centers are placed into their own customer category (previously included as commercial).

Under the new rate structure:

- Residential single family, multi-family, and mobile homes pay a flat monthly charge per housing unit.
- Schools pay a flat monthly charge on a per student basis.
- Non-Residential pay a flat monthly charge by customer type plus a flow charge by customer type per HCF of winter water use.

In the new rate structure, there are no charges based on water meter size and all costs are allocated on flow and strength customer characteristics.

Per the August 4th, 2016 and September 13th, 2016 Task Force meetings, the City's Task Force chose the new rate structure as the preferred rate structure; therefore, the body of this memorandum includes the methodology and results of the new rate structure only. For record keeping the modified rate structure is presented in **Attachment B**.

New Rate Structure

The following four steps outline how wastewater rates are calculated such that the monthly wastewater rates meet legal requirements. The accompanying tables show the calculations for the first year of the analysis, fiscal year 2016-17, in order to demonstrate the model and illustrate how the rates are calculated. The same cost allocation methodology is used for all years considered in this analysis.

- 1. Establish the Wastewater Customer Base and User Characteristics** – The wastewater customer base includes residential (single family, multi-family, and mobile homes), schools, car wash, religious places/community center, commercial, grocery and mortuary, laundry, mixed retail with food, motel with food, motel without food, restaurant, Napa Valley College, service station, winery production, and Sutter Home Winery users. Wastewater flow parameters are based on City winter average (January through March) water meter reads and sewer strength is based on industry standards. *Wastewater inflow at the treatment plant currently averages 0.5 million gallons per day (MGD). The number of customers and total calculated flow for each customer and customer category, Biological Oxygen Demand (BOD) and Total Suspended Solids (TSS) characteristics were summarized earlier in the report in **Table 2**.*

2. **Project Revenue Requirement and Allocate to Collection and Treatment** –Projections of annual costs and non-rate revenues are used to determine revenue requirement as previously described. *The revenue requirement (the amount to be funded through wastewater service charges/rates) for fiscal year 2016-17 is \$3.0 million. The revenue requirement is allocated between collection and treatment. Of this total cost, approximately 72% is for the treatment plant and 28% for the collection system. **Table 8** shows the allocation of projected costs between the wastewater collection system and the treatment plant for fiscal year 2016-17.*
3. **Allocate Revenue Requirement based on Flow and Strength and Determine Unit Costs** – The revenue requirement is allocated based on flow and load (strength) depending on the percentage distribution of operations and maintenance operations attributed to flow, BOD, or TSS. Per unit revenue requirement for each projected year is determined by dividing the allocated revenue requirement by the demand for each customer type.

Costs are allocated to customer categories as follows:

- A. Allocate the costs (by Cost Category) to flow, BOD and TSS
- B. Determine the Unit Cost by Cost Category

Each of these steps is described in greater detail below.

A. Cost Allocation to Flow, BOD, and SS

Costs are allocated to flow, BOD, and SS based on percentage allocation or distribution factors. These percentage allocation factors are based on the estimated distribution of the treatment and collection facilities O&M activities between or related to flow, BOD, and TSS.

Table 9 shows the calculation of unit costs by cost category for flow, BOD, and TSS. Collection costs are strictly related to flow and therefore, 100 percent of the collection costs are allocated to flow. Treatment plant costs are allocated by cost category for flow, BOD and TSS using the subtotal percentages from the collection and treatment cost allocations.

Table 8

Revenue Requirement Distributed between Collection and Treatment
- New Rate Structure based on Flow and Strength

FY 2017

Expenditures	Projected Total	Allocation		Collection		Treatment		Total
		Collection	Treatment	Operations	Capital	Operations	Capital	
Salaries & Benefits	\$1,071,519	21%	79%	\$227,165		\$844,354		\$844,354
Services	\$319,189	4%	96%	\$12,682		\$306,507		\$306,507
Supplies	\$75,942	22%	78%	\$16,619		\$59,323		\$59,323
Maintenance	\$130,513	11%	89%	\$14,137		\$116,376		\$116,376
Taxes, Insurances & Contribs.	\$105,967	0%	100%	\$0		\$105,967		\$105,967
Capital	\$101,700	0%	100%	\$0		\$101,700		\$101,700
Wet Weather Flow Monitoring	\$0	100%	0%		\$0		\$0	\$0
Update GIS Maps of Sewer System	\$0	50%	50%		\$0		\$0	\$0
Sewer Master Plan	\$0	50%	50%		\$0		\$0	\$0
CCTV Program	\$15,462	100%	0%		\$15,462		\$0	\$0
Recycled Water Feasibility Study	\$0	0%	100%		\$0		\$0	\$0
Total Debt Service	\$252,876	100%	0%		\$252,876		\$0	\$0
Capital Projects	\$164,323	0%	100%		\$0		\$164,323	\$164,323
System Rehabilitation	\$356,700	50%	50%		\$178,350		\$178,350	\$178,350
Total Operating Expenses	\$2,594,191	28%	72%	\$270,603	\$446,689	\$1,534,227	\$342,673	\$1,876,900
Operating Reserve	\$400,000							
Less Offsetting Revenue	(\$5,515)							
Total	\$2,988,676							

Source: HEC.

alloc

Table 9
Unit Cost Determination
- New Rate Structure based on Flow and Strength

FY 2017

Cost Category	Percent Allocation				Cost			Total Influent			Unit Cost Per:			
	Allocated Costs	Flow	BOD	SS	Flow	BOD	SS	Flow MG	BOD Klbs	SS Klbs	Mgal of Flow (\$/Mgal)	Klb of BOD (\$/Klb)	Klb of SS (\$/Klb)	
	(A)	(B)	(C)	(D)	(E) = (A)*(B)	(F)=(A)*(C)	(G)=(A)*(D)	(H)	(I)	(J)	(K)=(E)/(H)	(L)=(F)/(I)	(M)=(G)/(J)	
Operating Costs	Table 8									Table 2				
Collection System Costs	\$270,603	100%	0%	0%	\$270,603	\$0	\$0	179	386	342	\$1,510.29	\$0.00	\$0.00	
Treatment Costs	\$1,534,227	34%	33%	33%	\$521,637	\$506,295	\$506,295	179	386	342	\$2,911.36	\$1,310.01	\$1,481.83	
Capital Costs														
Collection System Costs	\$446,689	100%	0%	0%	\$446,689	\$0	\$0	179	386	342	\$2,493.05	\$0.00	\$0.00	
Treatment Costs	\$342,673	34%	33%	33%	\$116,509	\$113,082	\$113,082	179	386	342	\$650.26	\$292.59	\$330.97	
Subtotal Collection Costs	\$717,291	100%	0%	0%	\$717,291	\$0	\$0	179	386	342	\$4,003.34	\$0.00	\$0.00	
Subtotal Treatment Costs	\$1,876,900	34%	33%	33%	\$638,146	\$619,377	\$619,377	179	386	342	\$3,561.61	\$1,602.60	\$1,812.80	
Subtotal Costs	\$2,594,191	52%	24%	24%	\$1,355,437	\$619,377	\$619,377				\$7,564.96	\$1,602.60	\$1,812.80	
Other Costs														
Operating Reserve	\$400,000	52%	24%	24%	\$208,996	\$95,502	\$95,502	179	386	342	\$1,166.45	\$247.11	\$279.52	
Less Offsetting Revenue	(\$5,515)	52%	24%	24%	(\$2,882)	(\$1,317)	(\$1,317)	179	386	342	(\$16.08)	(\$3.41)	(\$3.85)	
Subtotal Other Costs	\$394,485	52%	24%	24%	\$206,114	\$94,185	\$94,185				\$1,150.36	\$243.70	\$275.66	
TOTAL COSTS	\$2,988,676				\$1,561,552	\$713,562	\$713,562				\$8,715.32	\$1,846.30	\$2,088.46	

Source: HEC. unit

unit

Source: HEC.

B. Unit Cost by Cost Category

The allocated costs are then divided by total annual capacity from **Table 2** to determine the unit cost by flow, BOD, and TSS units of measurement. These unit costs are used to determine the cost allocated to each customer type in the next step.

4. **Determine Revenue Requirement by Customer Type** – The per unit costs are multiplied by the flow and strength characteristics of each customer category to determine the annual cost by customer type. *The unit costs determined in **Table 9** are multiplied by the flow, BOD, or TSS for each customer type. These costs are then summed to determine the total costs allocated to each customer type, as shown in **Table 10**.*

Total allocated costs to each customer category are shown in **Table 11**. Residential customers are responsible for 69% of the total costs, schools are responsible for 1% of the total costs, and non-residential customers are responsible for 30% of the total costs. Total treatment cost per hundred cubic feet is greatest for high strength customers such as winery production customers, restaurants, groceries and mortuaries, and lowest for customers such as car washes and religious places/community centers which have low strength wastewater. This data is shown graphically in **Figure 3**.

Figure 3
Cost per Hundred Cubic Feet by Customer Type

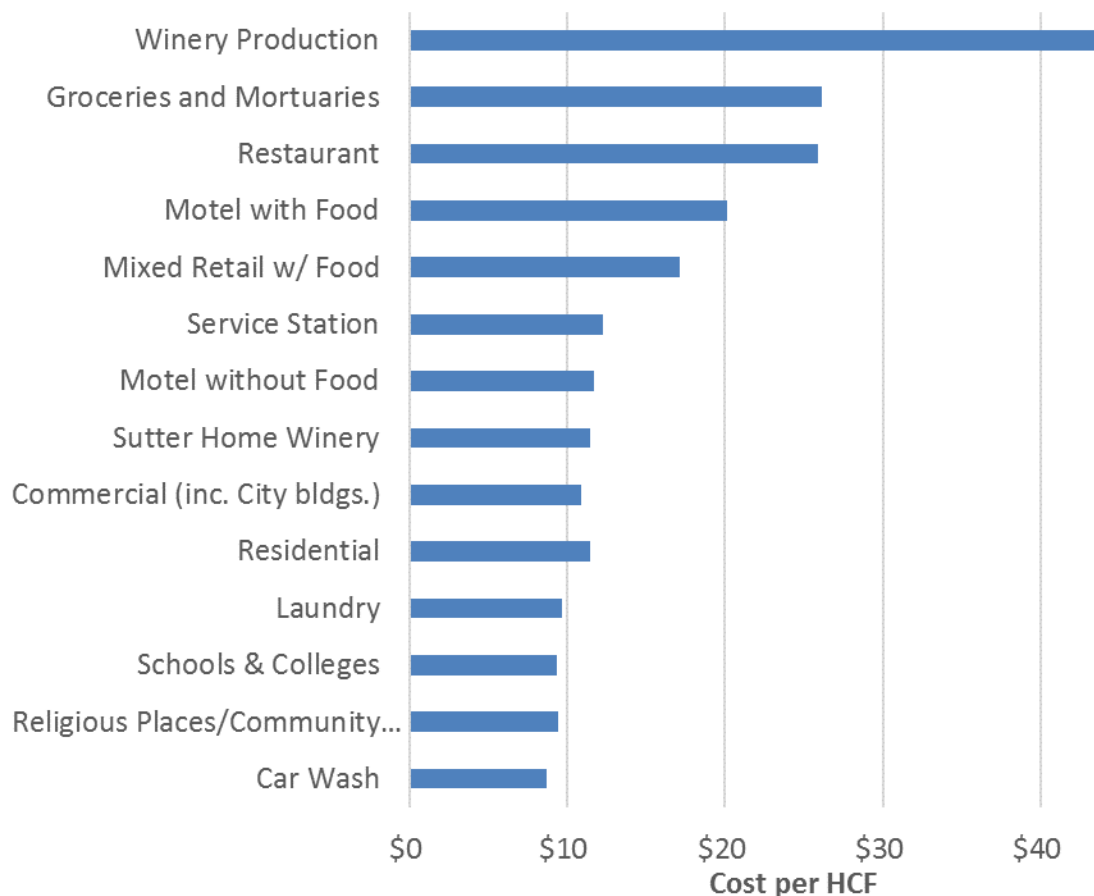


Table 10

Allocation of Costs to Flow, BOD, and SS by Customer Category

FY 2017

- New Rate Structure based on Flow and Strength

Unit Cost/Customer Category	Flow MG/Yr	BOD Klb/Yr	SS Klb/Yr	Collection			Treatment			Other			TOTAL
				Flow MGal	Flow MGal	Flow MGal	Flow MGal	BOD \$/Klb	SS \$/Klb	Flow MGal	BOD \$/Klb	SS \$/Klb	
Unit Cost	Table 9	----->		\$4,003.34	\$3,561.61	\$1,602.60	\$1,812.80	\$243.70	\$275.66				
Residential													
Single Family	96	160	160	\$384,800	\$342,342	\$256,941	\$290,642	\$39,072	\$44,196	\$110,573	\$39,072	\$44,196	\$1,468,566
Multi-Family	26	43	43	\$103,629	\$92,195	\$69,196	\$78,271	\$10,522	\$11,902	\$29,778	\$10,522	\$11,902	\$395,493
Mobile Homes	12	20	20	\$48,474	\$43,125	\$32,367	\$36,612	\$4,922	\$5,567	\$13,929	\$4,922	\$5,567	\$184,996
School	2	2	2	\$7,766	\$6,909	\$3,371	\$2,933	\$513	\$446	\$2,232	\$513	\$446	\$24,170
Non-Residential													
Car Wash	0	0	0	\$1,469	\$1,307	\$98	\$832	\$15	\$127	\$422	\$15	\$127	\$4,270
Religious Places/Community Centers	1	1	1	\$2,961	\$2,635	\$1,285	\$1,230	\$195	\$187	\$851	\$195	\$187	\$9,345
Commercial [1]	11	14	18	\$44,338	\$39,445	\$22,204	\$33,488	\$3,376	\$5,092	\$12,740	\$3,376	\$5,092	\$160,685
Groceries and Mortuaries	1	5	5	\$3,031	\$2,697	\$8,096	\$9,158	\$1,231	\$1,393	\$871	\$1,231	\$1,393	\$26,477
Laundry	2	2	1	\$6,109	\$5,435	\$3,059	\$2,538	\$465	\$386	\$1,755	\$465	\$386	\$19,748
Mixed Retail w/ Food	1	3	7	\$5,783	\$5,145	\$4,633	\$13,103	\$705	\$1,993	\$1,662	\$705	\$1,993	\$33,022
Motel with Food	4	17	20	\$15,867	\$14,117	\$26,488	\$35,954	\$4,028	\$5,467	\$4,559	\$4,028	\$5,467	\$106,480
Motel without Food	7	17	7	\$26,850	\$23,887	\$27,789	\$12,168	\$7,715	\$1,850	\$7,715	\$4,226	\$1,850	\$104,485
Restaurant	9	78	47	\$37,599	\$33,450	\$125,529	\$85,196	\$19,089	\$12,955	\$10,804	\$19,089	\$12,955	\$324,622
Napa Valley College	5	5	4	\$18,887	\$16,803	\$8,197	\$7,133	\$1,247	\$1,085	\$5,427	\$1,247	\$1,085	\$58,778
Service Station	1	1	1	\$2,320	\$2,064	\$1,394	\$2,453	\$212	\$373	\$667	\$212	\$373	\$9,483
Winery Production (Merryvale/Spottswoode)	1	16	2	\$2,740	\$2,437	\$25,612	\$4,139	\$3,895	\$629	\$787	\$3,895	\$629	\$40,239
Sutter Home Winery	1	2	2	\$4,669	\$4,154	\$3,117	\$3,526	\$474	\$536	\$1,342	\$474	\$536	\$17,818
TOTAL	179	386	342	\$717,291	\$638,146	\$619,377	\$619,377	\$94,185	\$94,185	\$206,114	\$94,185	\$94,185	\$2,988,676

alloc cost

Source: HEC.

[1] Commercial includes City buildings.

Table 11
Calculated Cost per Hundred Cubic Feet
- New Rate Structure based on Flow and Strength

FY 2017

Customer Category	Allocated Cost	Percentage of Cost	Annual Flow (MG)	Cost per 1,000 Gallons	Cost per HCF
Residential					
Single Family	\$1,468,566	49%	96.12	\$15.28	\$11.43
Multi-Family	\$395,493	13%	25.89	\$15.28	\$11.43
Mobile Homes	\$184,996	6%	12.11	\$15.28	\$11.43
Subtotal Residential	\$2,049,055	69%	134.11	\$15.28	\$11.43
School	\$24,170	1%	1.94	\$12.46	\$9.32
Non-Residential					
Car Wash	\$4,270	0%	0.37	\$11.64	\$8.70
Religious Places/Community Centers	\$9,345	0%	0.74	\$12.63	\$9.45
Commercial [1]	\$160,685	5%	11.08	\$14.51	\$10.85
Groceries and Mortuaries	\$26,477	1%	0.76	\$34.97	\$26.16
Laundry	\$19,748	1%	1.53	\$12.94	\$9.68
Mixed Retail w/ Food	\$33,022	1%	1.44	\$22.86	\$17.10
Motel with Food	\$106,480	4%	3.96	\$26.87	\$20.10
Motel without Food	\$104,485	3%	6.71	\$15.58	\$11.65
Restaurant	\$324,622	11%	9.39	\$34.56	\$25.85
Napa Valley College	\$58,778	2%	4.72	\$12.46	\$9.32
Service Station	\$9,483	0%	0.58	\$16.36	\$12.24
Winery Production (Merryvale/Spottswoode)	\$40,239	1%	0.68	\$58.80	\$43.98
Sutter Home Winery	\$17,818	1%	1.17	\$15.28	\$11.43
Subtotal Non-Residential	\$915,452	31%	43.12	\$21.23	\$15.88
TOTAL	\$2,988,676	100%	179.17	\$16.68	\$12.48

Source: HEC.

flow cost

[1] Commercial includes City buildings.

Table 12 presents the calculated rates for February 8, 2017. The total allocated costs to each customer category provide the basis for the rates. It is projected that 59% of costs will be recovered through flat monthly charges (residential and school customers, as well as base charges for non-residential customers) and 41% of costs will be recovered through consumption charges. Customers with consumption charges pay for average monthly winter water passing through the water meter, measured from January through March.

Table 13 shows the projected wastewater rate schedule through fiscal year 2027.

Table 12

Wastewater Rates Calculations for February 8, 2017

- New Rate Structure based on Flow and Strength

FY 2017

Customer Category	Billing Basis	No. Billing Units	Allocated Cost	Base 59%	Flow 41%	Annual Cost per Billing Unit			Monthly Cost	
						Base	Flow	Total	Base	Usage
Residential										
Single Family	Unit	1,503	\$1,468,566	\$866,454	\$602,112	\$576	\$401	\$977	\$48.04	\$4.69 per HCF
Multi-Family	Unit	669	\$395,493	\$233,341	\$162,152	\$349	\$242	\$591	\$29.07	\$4.69
Mobile Homes	Unit	211	\$184,996	\$109,148	\$75,848	\$517	\$359	\$877	\$43.11	\$4.69
Residential			\$2,049,055	\$1,208,943	\$840,113					
School	Student	1,437	\$24,170	\$14,260	\$9,910	\$10	\$7	\$17	\$1.40	
Non-Residential (\$ per hcf of Winter Water Use)										
Car Wash	Account	1	\$4,270	\$2,519	\$1,751	\$2,519	\$1,751	\$4,270	\$209.93	\$3.43
Religious Places/Community Centers	Account	13	\$9,345	\$5,513	\$3,831.32	\$424	\$295	\$719	\$35.34	\$3.72
Commercial [1]	Account	126	\$160,685	\$94,804	\$65,881	\$752	\$523	\$1,275	\$62.70	\$4.27
Groceries and Mortuaries	Account	3	\$26,477	\$15,621	\$10,856	\$5,207	\$3,619	\$8,826	\$433.93	\$10.30
Laundry	Account	1	\$19,748	\$11,651	\$8,097	\$11,651	\$8,097	\$19,748	\$970.94	\$3.81
Mixed Retail w/ Food	Account	3	\$33,022	\$19,483	\$13,539	\$6,494	\$4,513	\$11,007	\$541.20	\$6.73
Motel with Food	Account	2	\$106,480	\$62,823	\$43,657	\$31,412	\$21,828	\$53,240	\$2,617.64	\$7.91
Motel without Food	Account	8	\$104,485	\$61,646	\$42,839	\$7,706	\$5,355	\$13,061	\$642.15	\$4.59
Restaurant	Account	19	\$324,622	\$191,527	\$133,095	\$10,080	\$7,005	\$17,085	\$840.03	\$10.18
Napa Valley College	Account	1	\$58,778	\$34,679	\$24,099	\$34,679	\$24,099	\$58,778	\$2,889.93	\$3.67
Service Station	Account	5	\$9,483	\$5,595	\$3,888	\$1,119	\$778	\$1,897	\$93.25	\$4.82
Winery Production (Merryvale/Spottswode)	Account	2	\$40,239	\$23,741	\$16,498	\$11,871	\$8,249	\$20,120	\$989.21	\$17.31
Sutter Home Winery	Account	1	\$17,818	\$10,512	\$7,305	\$10,512	\$7,305	\$17,818	\$876.04	\$4.50
Non-Residential and Schools			\$939,621	\$554,376	\$385,245					
TOTAL			\$2,988,676	\$1,763,319	\$1,225,357					

Source: City of St. Helena, California Department of Education Educational Demographics Unit, and HEC.

Source: City of St. Helena, California Department of Education Educational Demographics Unit, and HEC.

[1] Commercial includes City buildings.

Table 13
Projected Wastewater Rate Schedule
- New Rate Structure based on Flow and Strength

Customer Category	Billing Period Beginning * ----->	Fiscal Year Ending											rate sum
		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Residential													
Single Family	monthly per unit	\$48.04	\$55.24	\$70.13	\$73.03	\$74.18	\$75.23	\$79.74	\$83.28	\$86.84	\$90.13	\$93.20	
Multi-Family	monthly per unit	\$29.07	\$33.42	\$42.43	\$44.18	\$44.88	\$45.52	\$48.24	\$50.39	\$52.54	\$54.53	\$56.39	
Mobile Homes	monthly per unit	\$43.11	\$49.57	\$62.93	\$65.53	\$66.56	\$67.51	\$71.55	\$74.73	\$77.93	\$80.87	\$83.63	
Residential Rate per HCF	per HCF	\$4.69	\$5.39	\$6.84	\$7.12	\$7.23	\$7.34	\$7.78	\$8.12	\$8.47	\$8.79	\$9.09	
Schools Flat Rate per Student	monthly per student	\$1.40	\$1.62	\$2.15	\$2.21	\$2.26	\$2.28	\$2.41	\$2.52	\$2.62	\$2.71	\$2.80	
Non-Residential													
Car Wash	monthly per account	\$209.93	\$243.25	\$328.36	\$336.45	\$343.13	\$346.45	\$365.12	\$382.42	\$397.39	\$411.10	\$423.62	
Religious Places/Community Centers	monthly per account	\$35.34	\$40.85	\$54.06	\$55.68	\$56.71	\$57.34	\$60.54	\$63.35	\$65.91	\$68.25	\$70.41	
Commercial [1]	monthly per account	\$62.70	\$72.20	\$92.64	\$96.19	\$97.78	\$99.09	\$104.91	\$109.63	\$114.25	\$118.51	\$122.47	
Groceries and Mortuaries	monthly per account	\$433.93	\$492.12	\$552.00	\$595.15	\$599.41	\$613.71	\$658.17	\$683.48	\$717.89	\$749.95	\$781.06	
Laundry	monthly per account	\$970.94	\$1,121.45	\$1,475.85	\$1,522.21	\$1,549.87	\$1,567.76	\$1,656.08	\$1,732.56	\$1,802.98	\$1,867.65	\$1,927.33	
Mixed Retail w/ Food	monthly per account	\$541.20	\$617.30	\$730.21	\$775.32	\$783.78	\$799.17	\$852.68	\$887.69	\$929.47	\$968.22	\$1,005.31	
Motel with Food	monthly per account	\$2,617.64	\$2,978.36	\$3,444.90	\$3,681.23	\$3,715.59	\$3,795.12	\$4,057.95	\$4,220.11	\$4,424.57	\$4,614.57	\$4,797.54	
Motel without Food	monthly per account	\$642.15	\$738.08	\$933.28	\$972.87	\$987.93	\$1,002.28	\$1,062.67	\$1,109.72	\$1,157.47	\$1,201.49	\$1,242.73	
Restaurant	monthly per account	\$840.03	\$952.80	\$1,070.03	\$1,153.27	\$1,161.63	\$1,189.23	\$1,275.22	\$1,324.33	\$1,390.92	\$1,452.93	\$1,513.11	
Napa Valley College	monthly per account	\$2,889.93	\$3,341.62	\$4,436.77	\$4,565.57	\$4,651.20	\$4,701.87	\$4,962.71	\$5,194.00	\$5,402.37	\$5,593.58	\$5,769.41	
Service Station	monthly per account	\$93.25	\$107.06	\$134.07	\$140.12	\$142.20	\$144.37	\$153.21	\$159.92	\$166.89	\$173.33	\$179.38	
Winery Production (Merryvale/Spottswode)	monthly per account	\$989.21	\$1,116.93	\$1,199.98	\$1,310.53	\$1,315.85	\$1,351.87	\$1,455.91	\$1,508.79	\$1,588.84	\$1,663.63	\$1,736.98	
Sutter Home Winery	monthly per account	\$876.04	\$1,007.39	\$1,278.85	\$1,331.67	\$1,352.66	\$1,371.89	\$1,454.02	\$1,518.68	\$1,583.65	\$1,643.55	\$1,699.58	
Car Wash	per HCF	\$3.43	\$3.97	\$5.36	\$5.49	\$5.60	\$5.65	\$5.96	\$6.24	\$6.48	\$6.71	\$6.91	
Religious Places/Community Centers	per HCF	\$3.72	\$4.30	\$5.69	\$5.86	\$5.97	\$6.03	\$6.37	\$6.67	\$6.94	\$7.18	\$7.41	
Commercial [1]	per HCF	\$4.27	\$4.92	\$6.31	\$6.55	\$6.66	\$6.75	\$7.15	\$7.47	\$7.78	\$8.07	\$8.34	
Groceries and Mortuaries	per HCF	\$10.30	\$11.68	\$13.10	\$14.12	\$14.22	\$14.56	\$15.62	\$16.22	\$17.03	\$17.79	\$18.53	
Laundry	per HCF	\$3.81	\$4.40	\$5.79	\$5.97	\$6.08	\$6.15	\$6.50	\$6.80	\$7.07	\$7.33	\$7.56	
Mixed Retail w/ Food	per HCF	\$6.73	\$7.68	\$9.08	\$9.64	\$9.75	\$9.94	\$10.60	\$11.04	\$11.56	\$12.04	\$12.50	
Motel with Food	per HCF	\$7.91	\$9.00	\$10.41	\$11.12	\$11.23	\$11.47	\$12.26	\$12.75	\$13.37	\$13.94	\$14.50	
Motel without Food	per HCF	\$4.59	\$5.27	\$6.67	\$6.95	\$7.06	\$7.16	\$7.59	\$7.93	\$8.27	\$8.58	\$8.88	
Restaurant	per HCF	\$10.18	\$11.54	\$12.96	\$13.97	\$14.07	\$14.41	\$15.45	\$16.04	\$16.85	\$17.60	\$18.33	
Napa Valley College	per HCF	\$3.67	\$4.24	\$5.63	\$5.79	\$5.90	\$5.97	\$6.30	\$6.59	\$6.86	\$7.10	\$7.32	
Service Station	per HCF	\$4.82	\$5.53	\$6.93	\$7.24	\$7.35	\$7.46	\$7.92	\$8.26	\$8.62	\$8.95	\$9.27	
Winery Production (Merryvale/Spottswode)	per HCF	\$17.31	\$19.55	\$21.00	\$22.93	\$23.03	\$23.66	\$25.48	\$26.40	\$27.80	\$29.11	\$30.40	
Sutter Home Winery	per HCF	\$4.50	\$5.17	\$6.57	\$6.84	\$6.95	\$7.04	\$7.47	\$7.80	\$8.13	\$8.44	\$8.73	

Source: HEC.

* Dates reflect the current billing cycle; if the billing cycle date changes so will these effective dates.

[1] Commercial includes City buildings.

Special user rates are calculated for new industries moving to the City that have special requirements attached to their operating permit with the City. Municipal code 13.20.020E would have to be revised from the current formula of $A(V)+B(BOD)+C(SS)+D$ to remove D, which is no longer applicable under the new rate structure. In the special user charges formula:

V is volume of water in millions of gallons

BOD is biochemical oxygen demand in pounds

SS is total suspended solids in pounds

A is allocated cost for each million gallons of flow

B is allocated cost per pound for biochemical oxygen demand

C is allocated cost per pound of total suspended solids

D is charge for water meter size

Table 14 shows the calculated special user rates through fiscal year 2022.

Table 14
Special User Rates

Municipal Code 13.20.020 E	Current	Fiscal Year Ending					
		2017	2018	2019	2020	2021	2022
Billing Period Beginning * ----->		2/8/2017	11/8/2017	11/8/2018	11/8/2019	11/8/2020	11/8/2021
[1]							
A (per million gallons of flow)	\$2,107.21	\$8,715.32	\$10,206.65	\$14,910.59	\$14,979.88	\$15,353.37	\$15,416.45
B (per pound of BOD)	\$1.02	\$1.85	\$2.07	\$2.08	\$2.32	\$2.32	\$2.39
C (per pound of SS)	\$1.17	\$2.09	\$2.34	\$2.35	\$2.62	\$2.62	\$2.71

Source: City of St. Helena and HEC.

special

* Dates reflect the current billing cycle; if the billing cycle date changes so will these effective dates.

[1] Current rates were set July 2011.

CASH FLOW

Table 15 shows the projected cash flow for the wastewater fund and **Figure 4** demonstrates cash balances with and without rate increases. With adoption of the calculated rates it is anticipated that the City will be able to meet all wastewater enterprise fund obligations, including existing and potential debt service coverage requirements, and achieve at least six months of operating expenses in cash reserves in each year of the projection. The cash flow table demonstrates that a debt service coverage ratio of at least 1.20 will be met. In addition, the City may be able to designate (put aside) up to \$1.7 million by fiscal year ending 2022, and \$3.8 million by fiscal year ending 2027 for future cash funding of system rehabilitation.

Table 15
Projected Cash Flow

Revenues and Expenses	Fiscal Year Ending											
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
New EDUs												
Operating Revenues												
Charges For Services	\$2,533,343	\$3,282,705	\$3,996,014	\$4,410,951	\$4,520,363	\$4,589,140	\$4,802,027	\$5,039,172	\$5,259,709	\$5,472,228	\$5,670,901	
Growth in Services		\$4,850	\$5,578	\$7,081	\$7,373	\$7,489	\$7,596	\$8,050	\$8,408	\$8,768	\$9,100	
Total Sewer Sales	\$2,533,343	\$3,287,555	\$4,001,591	\$4,418,032	\$4,527,736	\$4,596,629	\$4,809,622	\$5,047,222	\$5,268,118	\$5,480,997	\$5,680,001	
Investment Earnings	\$4,615	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Sewer Connection Fee	\$900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Operating Revenues	\$2,538,858	\$3,287,555	\$4,001,591	\$4,418,032	\$4,527,736	\$4,596,629	\$4,809,622	\$5,047,222	\$5,268,118	\$5,480,997	\$5,680,001	
Operating Expenses	\$1,820,292	\$1,973,928	\$2,246,507	\$2,140,652	\$2,260,874	\$2,478,583	\$2,524,375	\$2,668,756	\$2,822,367	\$2,985,876	\$3,160,007	
Operating Revenue before Capital Improvements and Debt Service												
	\$718,566	\$1,313,627	\$1,755,084	\$2,277,380	\$2,266,862	\$2,118,047	\$2,285,247	\$2,378,466	\$2,445,751	\$2,495,120	\$2,519,994	
Debt Service												
Existing Debt	\$252,876	\$253,904	\$256,030	\$252,890	\$253,823	\$255,392	\$250,938	\$251,669	\$252,022	\$252,310	\$251,490	
WWTP New Debt - Phase 1	\$0	\$0	\$592,124	\$592,124	\$592,124	\$592,124	\$592,124	\$592,124	\$592,124	\$592,124	\$592,124	
WWTP New Debt - Phase 2	\$0	\$0	\$0	\$0	\$0	\$34,951	\$34,951	\$34,951	\$34,951	\$34,951	\$34,951	
Total Debt Service	\$252,876	\$253,904	\$848,154	\$845,014	\$845,947	\$882,467	\$878,012	\$878,744	\$879,097	\$879,384	\$878,565	
Debt Service Coverage [1]	2.84	5.17	2.07	2.70	2.68	2.40	2.60	2.71	2.78	2.84	2.87	
System Rehabilitation	\$356,700	\$391,800	\$459,500	\$532,400	\$560,300	\$626,600	\$690,300	\$712,900	\$732,900	\$775,900	\$797,200	
Net Revenues (Deficit)	\$108,989	\$667,923	\$447,430	\$899,967	\$860,615	\$608,980	\$716,935	\$786,822	\$833,754	\$839,836	\$844,230	
Beginning Fund Balance [2]	\$1,110,075	\$1,054,742	\$1,687,578	\$2,202,662	\$2,948,848	\$3,982,496	\$3,679,166	\$1,892,423	\$3,156,634	\$4,487,090	\$5,669,380	
Net Revenues (Deficit)	\$108,989	\$667,923	\$447,430	\$899,967	\$860,615	\$608,980	\$716,935	\$786,822	\$833,754	\$839,836	\$844,230	
Cash Funded Capital Improvements	(\$164,323)	(\$35,087)	\$0	(\$153,781)	\$0	\$0	(\$154,028)	\$0	\$0	\$0	\$0	
Add Back System Rehabilitation	\$0	\$0	\$67,654	\$0	\$289,417	\$287,386	\$0	\$477,388	\$496,702	\$342,454	\$546,224	
Replace WRF Operations Building and Shop	\$0	\$0	\$0	\$0	(\$116,384)	(\$1,199,695)	(\$2,349,650)	\$0	\$0	\$0	\$0	
Ending Fund Balance	\$1,054,742	\$1,687,578	\$2,202,662	\$2,948,848	\$3,982,496	\$3,679,166	\$1,892,423	\$3,156,634	\$4,487,090	\$5,669,380	\$7,059,834	
Months of Operating Expenses in Reserve	7	10	12	17	21	18	9	14	19	23	27	
Designated Balance [4]	\$0	\$0	\$0	\$800,000	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000	\$2,600,000	\$3,800,000	
Undesignated Balance	\$1,054,742	\$1,687,578	\$2,202,662	\$2,148,848	\$2,282,496	\$1,979,166	\$192,423	\$1,456,634	\$2,787,090	\$3,069,380	\$3,259,834	
Months of Operating Expenses in Reserve	7	10	12	12	12	10	1	7	12	12	12	
Target Operating Reserves [3]	\$1,820,292	\$1,973,928	\$2,246,507	\$2,140,652	\$2,260,874	\$2,478,583	\$2,524,375	\$2,668,756	\$2,822,367	\$2,985,876	\$3,160,007	
Source: HEC.												
flow												

Source: HEC.

[1] Debt service coverage should be at least 1.20.

[2] Estimated beginning balance for the operating and capital funds combined per the City 2016/17 Budget.

[3] Minimum six months and target balance is one year of operating expenses.

[4] Designation for future system rehabilitation costs in new, separate fund.

Figure 4
Projected Wastewater Cash Balances

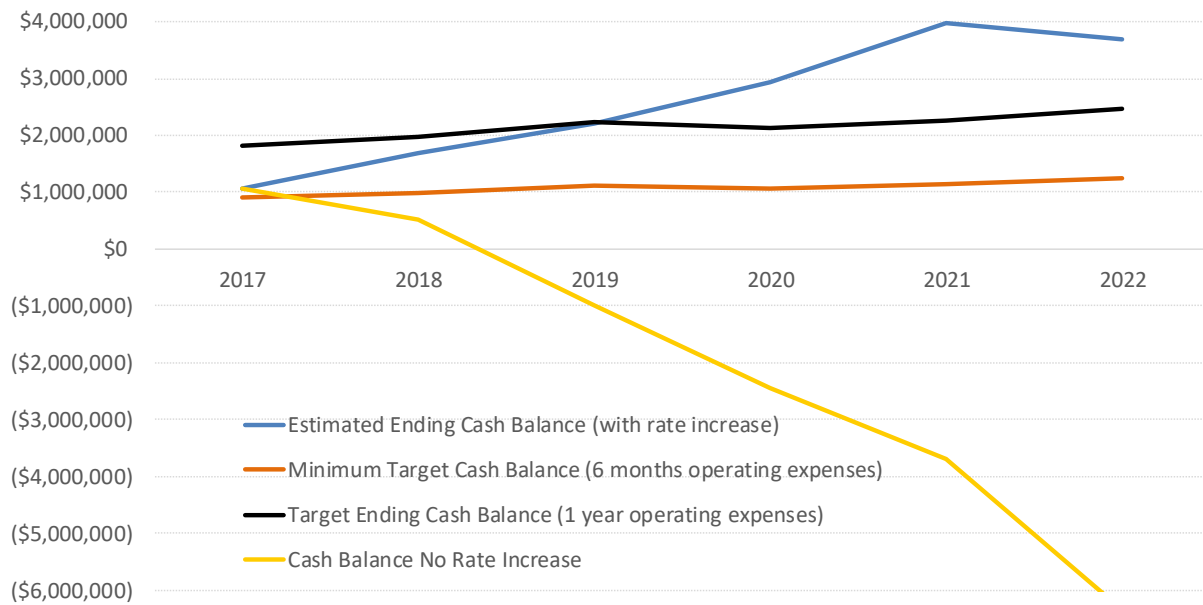


Table 16 on the following page shows the projected cash flow by fund.

Table 16
Projected Wastewater Fund Balances

Fund	Fiscal Year Ending										
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Operating Fund 571											
Beginning Balance	(\$79,805)	\$29,184	\$697,108	\$1,212,192	\$2,112,159	\$3,262,191	\$3,658,557	\$1,875,492	\$2,389,702	\$3,720,159	\$4,902,449
Net Revenue	\$108,989	\$667,923	\$447,430	\$899,967	\$860,615	\$608,980	\$716,935	\$786,822	\$833,754	\$839,836	\$844,230
Add Back System Rehabilitation	\$0	\$0	\$67,654	\$0	\$289,417	\$287,386	\$0	\$477,388	\$496,702	\$342,454	\$546,224
Transfer Out to Capital Fund	\$0	\$0	\$0	\$0	\$0	(\$500,000)	(\$2,500,000)	(\$750,000)	\$0	\$0	\$0
Ending Balance	\$29,184	\$697,108	\$1,212,192	\$2,112,159	\$3,262,191	\$3,658,557	\$1,875,492	\$2,389,702	\$3,720,159	\$4,902,449	\$6,292,902
Capital Fund 773											
Beginning Balance	\$1,189,880	\$1,025,557	\$990,470	\$990,470	\$836,689	\$720,305	\$20,610	\$16,932	\$766,932	\$766,932	\$766,932
Transfer In from Operating Fund	\$0	\$0	\$0	\$0	\$0	\$500,000	\$2,500,000	\$750,000	\$0	\$0	\$0
Capital Projects Expenses [1]	(\$164,323)	(\$35,087)	\$0	(\$153,781)	(\$116,384)	(\$1,199,695)	(\$2,503,678)	\$0	\$0	\$0	\$0
Ending Balance	\$1,025,557	\$990,470	\$990,470	\$836,689	\$720,305	\$20,610	\$16,932	\$766,932	\$766,932	\$766,932	\$766,932
Combined Operating and Capital Funds											
	\$1,054,742	\$1,687,578	\$2,202,662	\$2,948,848	\$3,982,496	\$3,679,166	\$1,892,423	\$3,156,634	\$4,487,090	\$5,669,380	\$7,059,834
Impact Fee Fund 774											
Beginning Balance	\$698,783	\$730,851	\$741,248	\$751,939	\$762,932	\$774,236	\$785,859	\$797,811	\$810,100	\$822,738	\$869,257
Fee Revenues [2]	\$4,700	\$4,819	\$4,941	\$5,065	\$5,193	\$5,325	\$5,459	\$5,597	\$5,739	\$5,884	\$6,032
Expenses											
Miscellaneous Maintenance Projects	(\$5,412)	(\$5,578)	(\$5,750)	(\$5,928)	(\$6,110)	(\$6,298)	(\$6,492)	(\$6,692)	(\$6,899)	(\$40,636)	(\$7,330)
Reclamation Field Improvements	(\$21,956)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Project Expenses	\$27,368	(\$5,578)	(\$5,750)	(\$5,928)	(\$6,110)	(\$6,298)	(\$6,492)	(\$6,692)	(\$6,899)	(\$40,636)	(\$7,330)
Ending Balance	\$730,851	\$741,248	\$751,939	\$762,932	\$774,236	\$785,859	\$797,811	\$810,100	\$822,738	\$869,257	\$882,620
Source: HEC flow by fund											

Source: HEC.

[1] Cash-funded projects only. Projects that are debt-funded are included in the operating fund.

[2] Assumes growth of 5 units per year and the current impact fee of \$0.47 per building square foot
 Fee assumed to grow 2.5% per year.
 2,000 average home building square feet
\$940 Average fee per unit

The impact fee needs to be revised for these CIP costs.

ATTACHMENT A
WASTEWATER RATE STUDY
SUPPORT TABLES

Table A-1
City of St. Helena Wastewater Rate Study
Historical Wastewater Fund Financial Performance

DRAFT

Revenues and Expenses	Actual Financials for Fiscal Year Ending					Avg. Annual Percentage Change
	2011	2012	2013	2014	2015	
OPERATING						
Revenues						
Charges For Services	\$1,616,414	\$2,008,709	\$2,050,983	\$2,143,947	\$2,208,105	8.1%
Miscellaneous	\$1,098	\$1,200	\$17,708	\$8,925	\$32,759	133.7%
Subtotal Revenues	\$1,617,512	\$2,009,909	\$2,068,691	\$2,152,872	\$2,240,864	8.5%
Expenses						
Personnel	\$842,317	\$829,804	\$795,479	\$827,027	\$938,472	2.7%
Contracted Services	\$68,782	\$806	\$0	\$0	\$0	-100.0%
Fuel	\$0	\$0	\$0	\$0	\$0	n.a.
Utilities	\$80,906	\$74,339	\$85,819	\$85,755	\$87,970	2.1%
Other Supplies and Expenses	\$313,342	\$327,119	\$361,451	\$429,526	\$525,742	13.8%
Depreciation and Amortization	\$472,561	\$483,070	\$473,784	\$473,784	\$713,189	10.8%
Subtotal Expenses	\$1,777,908	\$1,715,138	\$1,716,533	\$1,816,092	\$2,265,373	6.2%
NON OPERATING						
Gains (Loss) on Capital Asset Disposals	(\$1,169)	(\$2,762)	\$0	\$0	\$0	-100.0%
Interest and Investment Revenue	\$9,180	\$7,990	\$3,478	\$5,515	\$10,347	3.0%
Interest Expense	(\$81,081)	(\$78,070)	(\$86,521)	(\$69,139)	(\$41,398)	-15.5%
Net Operating Revenues	(\$73,070)	(\$72,842)	(\$83,043)	(\$63,624)	(\$31,051)	-19.3%
Capital Contributions	\$94,235	\$217,765	\$98,047	\$4,900	\$19,600	
Change in Net Assets	(\$139,231)	\$439,694	\$367,162	\$278,056	(\$35,960)	
Net Assets Beginning Balance	\$8,421,556	\$8,282,325	\$8,592,123	\$8,959,285	\$9,237,341	
Net Assets Ending Balance	\$8,282,325	\$8,722,019	\$8,959,285	\$9,237,341	\$9,201,381	

Source: City of St. Helena.

cafr

Table A-2
City of St. Helena Wastewater Rate Study
Historical Revenues and Expenditures

DRAFT

Revenues and Expenses	Actuals Fiscal Year Ending				Estimated	Budgeted
	2012	2013	2014	2015	2016	2017
OPERATING FUND						
Revenues						
Investment Earnings	\$1,380	\$1,532	\$2,697	\$1,000	\$4,500	\$4,615
Annexation Fees	\$500	\$3,428	\$8,925	\$0	\$0	\$0
Rates	\$2,008,709	\$2,050,983	\$2,143,947	\$2,151,615	\$2,260,735	\$2,105,132
Sewer Connection Fee	\$0	\$0	\$4,900	\$0	\$0	\$900
Subtotal Revenues	\$2,010,589	\$2,055,942	\$2,160,470	\$2,152,615	\$2,265,235	\$2,110,647
Expenses						
Salaries & Benefits	\$829,613	\$795,480	\$827,047	\$896,865	\$987,778	\$1,071,519
Services	\$231,717	\$194,235	\$220,039	\$406,364	\$822,159	\$319,189
Supplies	\$48,460	\$55,452	\$80,836	\$41,318	\$91,641	\$75,942
Maintenance	\$81,882	\$72,003	\$68,000	\$118,625	\$167,473	\$130,513
Taxes, Insurances & Contribs.	\$76,885	\$54,533	\$64,460	\$73,328	\$122,416	\$105,967
Capital	\$22,631	\$26,001	\$58,925	\$817	\$170,139	\$101,700
Transfers	\$2,763	\$200,000	\$100,000	\$1,541,664	\$352,634	\$0
Debt	\$78,071	\$86,521	\$69,140	\$41,398	\$258,107	\$252,879
Subtotal Expenses	\$1,372,022	\$1,484,224	\$1,488,447	\$3,120,379	\$2,972,347	\$2,057,709
Operating Fund Net Revenues	\$638,567	\$571,718	\$672,023	(\$967,764)	(\$707,112)	\$52,938
CAPITAL FUND						
Revenues						
Transfers In	\$86,000	\$609,793	\$100,000	\$1,541,664	\$389,087	\$0
Subtotal Revenues	\$86,000	\$609,793	\$100,000	\$1,541,664	\$389,087	\$0
Expenses						
Salaries & Benefits	\$118,932	\$6,737	\$0	\$0	\$0	\$0
Professional Services	\$61,042	\$57,831	\$69,810	\$502,161	\$0	\$0
Advertising	\$344	\$0	\$0	\$803	\$0	\$0
Equipment Rental	\$2,345	\$11,727	\$0	\$0	\$0	\$0
Supplies	\$2,999	\$741	\$4,315	\$464	\$0	\$0
Maintenance	\$8,172	\$0	\$0	\$0	\$0	\$0
Capital Imp Land	\$21,993	\$0	\$0	\$0	\$0	\$0
Capital Projects Budget	\$0	\$0	\$0	\$12,420	\$0	\$0
Capital Equipment	\$0	\$3,261	\$17,765	\$13,831	\$0	\$0
Capital Imp Equipment	\$73,415	\$1,056,244	\$122,351	\$19,229	\$0	\$0
Subtotal Expenses	\$289,243	\$1,136,540	\$214,241	\$548,909	\$0	\$0
Capital Fund Net Revenues	(\$203,243)	(\$526,747)	(\$114,241)	\$992,755	\$389,087	\$0
IMPACT FUND						
Revenues						
Investment Earnings	\$6,423	\$1,872	\$2,818	\$2,587	\$2,000	\$2,500
Other Revenues	\$0	\$14,281	\$0	\$30,625	\$0	\$0
Impact Fees	\$217,766	\$98,047	(\$81,929)	\$19,600	\$15,000	\$18,000
Subtotal Revenues	\$224,188	\$114,200	(\$79,111)	\$52,812	\$17,000	\$20,500
Expenses						
Transfers Out	\$86,000	\$409,793	\$0	\$0	\$0	\$0
Subtotal Expenses	\$86,000	\$409,793	\$0	\$0	\$0	\$0
Impact Fund Net Revenues	\$138,188	(\$295,593)	(\$79,111)	\$52,812	\$17,000	\$20,500

Source: City of St. Helena.

rev exp

Table A-3
City of St. Helena Wastewater Rate Study
Historical Wastewater Operating Fund Expenses by Fund

DRAFT

Expenses	Actuals Fiscal Year Ending				Estimated 2016	Budgeted 2017
	2012	2013	2014	2015		
TREATMENT						
Salaries & Benefits	\$304,386	\$283,226	\$333,535	\$311,489	\$374,936	\$383,496
Services	\$108,212	\$125,718	\$140,438	\$185,439	\$439,873	\$124,950
Supplies	\$25,216	\$40,359	\$62,141	\$22,082	\$60,285	\$44,800
Maintenance	\$71,106	\$61,752	\$54,974	\$90,803	\$145,017	\$104,787
Taxes, Insurances & Contribs.	\$8,390	\$7,793	\$14,879	\$8,557	\$17,723	\$16,000
Capital	\$22,631	\$20,729	\$58,911	\$817	\$20,305	\$100,000
Transfers	\$0	\$0	\$0	\$0	\$0	\$0
Debt	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Treatment	\$539,940	\$539,577	\$664,878	\$619,187	\$1,058,139	\$774,033
COLLECTION						
Salaries & Benefits	\$177,746	\$185,921	\$176,868	\$191,484	\$106,094	\$103,176
Services	\$1,349	\$3,295	\$2,734	\$4,437	\$3,972	\$5,170
Supplies	\$12,655	\$5,382	\$8,690	\$8,918	\$11,926	\$12,550
Maintenance	\$3,833	\$3,293	\$3,164	\$6,400	\$9,410	\$12,729
Taxes, Insurances & Contribs.	\$0	\$0	\$0	\$0	\$0	\$0
Capital	\$0	\$0	\$0	\$0	\$141,600	\$0
Transfers	\$0	\$0	\$0	\$0	\$0	\$0
Debt	\$0	\$0	\$0	\$0	\$2	\$2
Subtotal Collection	\$195,583	\$197,891	\$191,456	\$211,239	\$273,004	\$133,627
OPERATIONS						
Salaries & Benefits	\$347,482	\$326,332	\$316,644	\$393,892	\$506,748	\$584,847
Services	\$122,156	\$65,222	\$76,868	\$216,488	\$378,314	\$189,069
Supplies	\$10,590	\$9,710	\$10,005	\$10,318	\$19,430	\$18,592
Maintenance	\$6,942	\$6,959	\$9,861	\$21,422	\$13,046	\$12,997
Taxes, Insurances & Contribs.	\$68,495	\$46,740	\$49,581	\$64,771	\$104,693	\$89,967
Capital	\$0	\$5,272	\$13	\$0	\$8,234	\$1,700
Transfers	\$2,763	\$200,000	\$100,000	\$1,541,664	\$352,634	\$0
Debt	\$78,071	\$86,521	\$69,140	\$41,398	\$258,105	\$252,877
Subtotal Operations	\$636,498	\$746,756	\$632,112	\$2,289,953	\$1,641,204	\$1,150,049
Total Expenses	\$1,372,022	\$1,484,224	\$1,488,447	\$3,120,379	\$2,972,347	\$2,057,709

Source: City of St. Helena.

op exp

Table A-4
City of St. Helena Wastewater Rate Study
Historical Wastewater Plant Influent Flow **DRAFT**

Month	2013	2014	2015
<i>Total Flow (millions of gallons)</i>			
January	17.953	10.586	12.838
February	11.676	17.922	18.802
March	12.789	18.283	12.453
April	12.641	16.041	11.762
May	12.131	11.722	11.142
June	11.461	10.912	10.021
July	11.918	10.851	10.118
August	11.717	10.962	10.162
September	11.405	10.478	9.973
October	11.928	10.802	10.416
November	10.990	10.436	9.539
December	10.546	31.952	12.211
Yearly Total	147.155	170.947	139.4374

Source: City of St. Helena.

inf flow

Table A-5
City of St. Helena Wastewater Rate Study
Wastewater Capital Improvements Schedule in 2016 \$'s

DRAFT

Project	Notes	Total Cost Less			Fiscal Year Ending									
		Total Cost	Existing	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
			Funding	Current	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Estimated Project Costs (2016 \$'s)			[1]											
Sewer Collection System														
Miscellaneous Maintenance Projects		\$550,000	\$550,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$200,000	\$35,000
Replace 1% of Sewer Mains Annually		\$1,650,000	\$1,650,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Crinella Pump Station Upgrades		\$500,000	\$500,000	\$0	\$0	\$75,000	\$425,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Add Sewer Pump Stations to SCADA		\$150,000	\$150,000	\$0	\$0	\$0	\$0	\$50,000	\$100,000	\$0	\$0	\$0	\$0	\$0
Wet Weather Flow Monitoring		\$50,000	\$50,000	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Update GIS Maps of Sewer System		\$50,000	\$50,000	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sewer Master Plan		\$150,000	\$150,000	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Replace Rodding Machine		\$40,000	\$40,000	\$0	\$0	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CCTV Program		\$165,000	\$165,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Subtotal Sewer Collection		\$3,305,000	\$3,305,000	\$200,000	\$250,000	\$515,000	\$625,000	\$250,000	\$300,000	\$200,000	\$200,000	\$200,000	\$365,000	\$200,000
Treatment Plant														
WWTP Upgrades Ph. 1	Funded by New Debt	\$7,474,108	\$7,474,108	\$232,108	\$700,000	\$3,271,000	\$3,271,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reclamation Field Improvements		\$142,000	\$142,000	\$142,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pond 2 & 3 Levee		\$120,000	\$120,000	\$60,000	\$0	\$60,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Automation		\$144,000	\$144,000	\$0	\$144,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Well		\$65,000	\$65,000	\$65,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sludge Removal		\$150,000	\$150,000	\$75,000	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Recycled Water Feasibility Study		\$75,000	\$75,000	\$0	\$0	\$0	\$0	\$0	\$75,000	\$0	\$0	\$0	\$0	\$0
Temp Trailer at WRF		\$28,000	\$28,000	\$5,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$5,000	\$0	\$0	\$0
Replace WRF Operations Building and Shop	Funded by Reserves	\$3,000,000	\$3,000,000	\$0	\$0	\$0	\$0	\$100,000	\$1,000,000	\$1,900,000	\$0	\$0	\$0	\$0
Upgrade Chemical Storage Facilities		\$500,000	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000	\$0	\$0	\$0	\$0
Phase 2 WWTP Upgrades	Funded by New Debt	\$400,000	\$400,000	\$0	\$0	\$0	\$0	\$100,000	\$100,000	\$100,000	\$100,000	\$0	\$0	\$0
Subtotal Treatment Plant		\$12,098,108	\$12,098,108	\$579,108	\$922,000	\$3,334,000	\$3,274,000	\$203,000	\$1,178,000	\$2,503,000	\$105,000	\$0	\$0	\$0
Total Estimated Project Costs (2016 \$'s)		\$15,403,108	\$15,403,108	\$779,108	\$1,172,000	\$3,849,000	\$3,899,000	\$453,000	\$1,478,000	\$2,703,000	\$305,000	\$200,000	\$365,000	\$200,000

Source: City of St. Helena and HEC. 2016 cip

[1] Total Cost Less Existing Funding = Total Cost - Existing Bonds - Existing Grants

Table A-6
City of St. Helena Wastewater Rate Study
Wastewater Capital Improvements Schedule in Future \$'s

DRAFT

Project	Notes	Total Cost	Fiscal Year Ending										
			2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
			Current	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Estimated Project Costs (Future \$'s) [1]			Annual Increase 3.1%										
Sewer Collection System													
Miscellaneous Maintenance Projects		\$687,508	\$36,078	\$37,190	\$38,336	\$39,517	\$40,734	\$41,989	\$43,283	\$44,617	\$45,991	\$270,904	\$48,869
Replace 1% of Sewer Mains Annually		\$1,988,624	\$154,621	\$159,385	\$164,296	\$169,358	\$174,576	\$179,954	\$185,499	\$191,214	\$197,105	\$203,178	\$209,438
Crinella Pump Station Upgrades		\$561,995	\$0	\$0	\$82,148	\$479,847	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Add Sewer Pump Stations to SCADA		\$178,161	\$0	\$0	\$0	\$0	\$58,192	\$119,970	\$0	\$0	\$0	\$0	\$0
Wet Weather Flow Monitoring		\$54,765	\$0	\$0	\$54,765	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Update GIS Maps of Sewer System		\$53,128	\$0	\$53,128	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sewer Master Plan		\$164,296	\$0	\$0	\$164,296	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Replace Rodding Machine		\$43,812	\$0	\$0	\$43,812	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CCTV Program		\$198,862	\$15,462	\$15,939	\$16,430	\$16,936	\$17,458	\$17,995	\$18,550	\$19,121	\$19,711	\$20,318	\$20,944
Subtotal Sewer Collection		\$3,931,152	\$206,162	\$265,642	\$564,083	\$705,658	\$290,959	\$359,909	\$247,332	\$254,952	\$262,807	\$494,399	\$279,250
Treatment Plant													
WWTP Upgrades Ph. 1	Funded by New Debt	\$8,258,933	\$239,259	\$743,798	\$3,582,746	\$3,693,130	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reclamation Field Improvements		\$146,375	\$146,375	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pond 2 & 3 Levee		\$127,567	\$61,849	\$0	\$65,718	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Automation		\$153,010	\$0	\$153,010	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Well		\$67,003	\$67,003	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sludge Removal		\$157,003	\$77,311	\$79,693	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Recycled Water Feasibility Study		\$89,977	\$0	\$0	\$0	\$0	\$0	\$89,977	\$0	\$0	\$0	\$0	\$0
Temp Trailer at WRF		\$32,189	\$5,154	\$3,188	\$3,286	\$3,387	\$3,492	\$3,599	\$3,710	\$6,374	\$0	\$0	\$0
Replace WRF Operations Building and Shop	Funded by Reserves	\$3,665,729	\$0	\$0	\$0	\$0	\$116,384	\$1,199,695	\$2,349,650	\$0	\$0	\$0	\$0
Upgrade Chemical Storage Facilities		\$618,329	\$0	\$0	\$0	\$0	\$0	\$0	\$618,329	\$0	\$0	\$0	\$0
Phase 2 WWTP Upgrades	Funded by New Debt	\$487,495	\$0	\$0	\$0	\$0	\$116,384	\$119,970	\$123,666	\$127,476	\$0	\$0	\$0
Subtotal Treatment Plant		\$13,803,610	\$596,950	\$979,688	\$3,651,751	\$3,696,517	\$236,259	\$1,413,241	\$3,095,354	\$133,850	\$0	\$0	\$0
Total Estimated Project Costs (Future \$'s)		\$17,734,763	\$803,112	\$1,245,330	\$4,215,833	\$4,402,174	\$527,219	\$1,773,150	\$3,342,686	\$388,801	\$262,807	\$494,399	\$279,250
Total Estimated Project Costs (2016 \$'s)		\$15,403,108	\$779,108	\$1,172,000	\$3,849,000	\$3,899,000	\$453,000	\$1,478,000	\$2,703,000	\$305,000	\$200,000	\$365,000	\$200,000
Total Estimated Project Costs (Future \$'s)		\$17,734,763	\$803,112	\$1,245,330	\$4,215,833	\$4,402,174	\$527,219	\$1,773,150	\$3,342,686	\$388,801	\$262,807	\$494,399	\$279,250

Source: City of St. Helena and HEC.

future cjp

[1] Estimated costs increased by historical ENR Construction Cost Index 20 year average increase.

Table A-7
City of St. Helena Wastewater Rate Study
Existing Customers Share of CIP Costs in 2016 \$'s

DRAFT

Project	Funding Source	Percent Share Existing Customers	Percent Share Existing Customers in Rate Model	Total Cost	Fiscal Year Ending										
					2017 Current	2018 Year 1	2019 Year 2	2020 Year 3	2021 Year 4	2022 Year 5	2023 Year 6	2024 Year 7	2025 Year 8	2026 Year 9	2027 Year 10
Estimated Project Costs (2016 \$'s)															
Sewer Collection System															
Miscellaneous Maintenance Projects	Cash	85%	85%	\$467,500	\$29,750	\$29,750	\$29,750	\$29,750	\$29,750	\$29,750	\$29,750	\$29,750	\$29,750	\$170,000	\$29,750
Replace 1% of Sewer Mains Annually	Cash	100%	100%	\$1,650,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Crinella Pump Station Upgrades	Cash	100%	100%	\$500,000	\$0	\$0	\$75,000	\$425,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Add Sewer Pump Stations to SCADA	Cash	100%	100%	\$150,000	\$0	\$0	\$0	\$0	\$50,000	\$100,000	\$0	\$0	\$0	\$0	\$0
Wet Weather Flow Monitoring	Ops Cash	100%	100%	\$50,000	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Update GIS Maps of Sewer System	Ops Cash	100%	100%	\$50,000	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sewer Master Plan	Ops Cash	100%	100%	\$150,000	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Replace Rodding Machine	Cash	100%	100%	\$40,000	\$0	\$0	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CCTV Program	Ops Cash	100%	100%	\$165,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Subtotal Collection System				\$3,222,500	\$194,750	\$244,750	\$509,750	\$619,750	\$244,750	\$294,750	\$194,750	\$194,750	\$194,750	\$335,000	\$194,750
Treatment Plant															
WWTP Upgrades Ph. 1	Debt	100%	100%	\$7,474,108	\$232,108	\$700,000	\$3,271,000	\$3,271,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reclamation Field Improvements	Cash	85%	85%	\$120,700	\$120,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pond 2 & 3 Levee	Cash	100%	100%	\$120,000	\$60,000	\$0	\$60,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Automation	Cash	100%	100%	\$144,000	\$0	\$144,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Well	Cash	100%	100%	\$65,000	\$65,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sludge Removal	Cash	100%	100%	\$150,000	\$75,000	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Recycled Water Feasibility Study	Ops Cash	100%	100%	\$75,000	\$0	\$0	\$0	\$0	\$0	\$75,000	\$0	\$0	\$0	\$0	\$0
Temp Trailer at WRF	Cash	100%	100%	\$28,000	\$5,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$5,000	\$0	\$0	\$0
Replace WRF Operations Building and Shop	Reserves	100%	100%	\$3,000,000	\$0	\$0	\$0	\$0	\$100,000	\$1,000,000	\$1,900,000	\$0	\$0	\$0	\$0
Upgrade Chemical Storage Facilities	Cash	100%	100%	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000	\$0	\$0	\$0	\$0
Phase 2 WWTP Upgrades	Debt	100%	100%	\$400,000	\$0	\$0	\$0	\$0	\$100,000	\$100,000	\$100,000	\$100,000	\$0	\$0	\$0
Subtotal Treatment				\$12,076,808	\$557,808	\$922,000	\$3,334,000	\$3,274,000	\$203,000	\$1,178,000	\$2,503,000	\$105,000	\$0	\$0	\$0
Total Estimated Project Costs (2016 \$'s)				\$15,299,308	\$752,558	\$1,166,750	\$3,843,750	\$3,893,750	\$447,750	\$1,472,750	\$2,697,750	\$299,750	\$194,750	\$335,000	\$194,750
Cash - Capital Fund				\$3,935,200	\$505,450	\$401,750	\$357,750	\$607,750	\$232,750	\$282,750	\$682,750	\$184,750	\$179,750	\$320,000	\$179,750
Cash - Operations Fund				\$490,000	\$15,000	\$65,000	\$215,000	\$15,000	\$15,000	\$90,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Debt - Capital Fund				\$7,874,108	\$232,108	\$700,000	\$3,271,000	\$3,271,000	\$100,000	\$100,000	\$100,000	\$100,000	\$0	\$0	\$0
Reserves				\$3,000,000	\$0	\$0	\$0	\$0	\$100,000	\$1,000,000	\$1,900,000	\$0	\$0	\$0	\$0
Total				\$15,299,308	\$752,558	\$1,166,750	\$3,843,750	\$3,893,750	\$447,750	\$1,472,750	\$2,697,750	\$299,750	\$194,750	\$335,000	\$194,750

Source: City of St. Helena.

2016 exist share

Table A-8
 City of St. Helena Wastewater Rate Study
 Existing Customers Share of CIP Costs in Future \$'s

DRAFT

Project	Funding Source	Percent Share Existing Customers	Percent Share Existing Customers in Rate Model	Total Cost	Fiscal Year Ending										
					2017 Current	2018 Year 1	2019 Year 2	2020 Year 3	2021 Year 4	2022 Year 5	2023 Year 6	2024 Year 7	2025 Year 8	2026 Year 9	2027 Year 10
Estimated Project Costs (Future \$'s) [1]					Annual Increase	3.1%									
Sewer Collection System															
Miscellaneous Maintenance Projects	Cash	85%	85%	\$584,382	\$30,667	\$31,611	\$32,585	\$33,589	\$34,624	\$35,691	\$36,791	\$37,924	\$39,093	\$230,268	\$41,538
Replace 1% of Sewer Mains Annually	Cash	100%	100%	\$1,988,624	\$154,621	\$159,385	\$164,296	\$169,358	\$174,576	\$179,954	\$185,499	\$191,214	\$197,105	\$203,178	\$209,438
Crinella Pump Station Upgrades	Cash	100%	100%	\$561,995	\$0	\$0	\$82,148	\$479,847	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Add Sewer Pump Stations to SCADA	Cash	100%	100%	\$178,161	\$0	\$0	\$0	\$0	\$58,192	\$119,970	\$0	\$0	\$0	\$0	\$0
Wet Weather Flow Monitoring	Ops Cash	100%	100%	\$54,765	\$0	\$0	\$54,765	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Update GIS Maps of Sewer System	Ops Cash	100%	100%	\$53,128	\$0	\$53,128	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sewer Master Plan	Ops Cash	100%	100%	\$164,296	\$0	\$0	\$164,296	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Replace Rodding Machine	Cash	100%	100%	\$43,812	\$0	\$0	\$43,812	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CCTV Program	Ops Cash	100%	100%	\$198,862	\$15,462	\$15,939	\$16,430	\$16,936	\$17,458	\$17,995	\$18,550	\$19,121	\$19,711	\$20,318	\$20,944
Subtotal Collection System				\$3,828,026	\$200,750	\$260,064	\$558,332	\$699,730	\$284,849	\$353,610	\$240,839	\$248,259	\$255,908	\$453,764	\$271,920
Treatment Plant															
WWTP Upgrades Ph. 1	Debt	100%	100%	\$8,258,933	\$239,259	\$743,798	\$3,582,746	\$3,693,130	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reclamation Field Improvements	Cash	85%	85%	\$124,419	\$124,419	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pond 2 & 3 Levee	Cash	100%	100%	\$127,567	\$61,849	\$0	\$65,718	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Automation	Cash	100%	100%	\$153,010	\$0	\$153,010	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Well	Cash	100%	100%	\$67,003	\$67,003	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sludge Removal	Cash	100%	100%	\$157,003	\$77,311	\$79,693	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Recycled Water Feasibility Study	Ops Cash	100%	100%	\$89,977	\$0	\$0	\$0	\$0	\$0	\$89,977	\$0	\$0	\$0	\$0	\$0
Temp Trailer at WRF	Cash	100%	100%	\$32,189	\$5,154	\$3,188	\$3,286	\$3,387	\$3,492	\$3,599	\$3,710	\$6,374	\$0	\$0	\$0
Replace WRF Operations Building and Shop	Reserves	100%	100%	\$3,665,729	\$0	\$0	\$0	\$0	\$116,384	\$1,199,695	\$2,349,650	\$0	\$0	\$0	\$0
Upgrade Chemical Storage Facilities	Cash	100%	100%	\$618,329	\$0	\$0	\$0	\$0	\$0	\$0	\$618,329	\$0	\$0	\$0	\$0
Phase 2 WWTP Upgrades	Debt	100%	100%	\$487,495	\$0	\$0	\$0	\$0	\$116,384	\$119,970	\$123,666	\$127,476	\$0	\$0	\$0
Subtotal Treatment				\$13,781,654	\$574,994	\$979,688	\$3,651,751	\$3,696,517	\$236,259	\$1,413,241	\$3,095,354	\$133,850	\$0	\$0	\$0
Total Estimated Project Costs (Future \$'s)				\$17,609,680	\$775,744	\$1,239,752	\$4,210,083	\$4,396,247	\$521,108	\$1,766,852	\$3,336,193	\$382,109	\$255,908	\$453,764	\$271,920
2016 \$'s															
Cash - Capital Fund				\$3,935,200	\$505,450	\$401,750	\$357,750	\$607,750	\$232,750	\$282,750	\$682,750	\$184,750	\$179,750	\$320,000	\$179,750
Cash - Operations Fund				\$490,000	\$15,000	\$65,000	\$215,000	\$15,000	\$15,000	\$90,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Debt - Capital Fund				\$7,874,108	\$232,108	\$700,000	\$3,271,000	\$3,271,000	\$100,000	\$100,000	\$100,000	\$100,000	\$0	\$0	\$0
Reserves				\$3,000,000	\$0	\$0	\$0	\$0	\$100,000	\$1,000,000	\$1,900,000	\$0	\$0	\$0	\$0
Total				\$15,299,308	\$752,558	\$1,166,750	\$3,843,750	\$3,893,750	\$447,750	\$1,472,750	\$2,697,750	\$299,750	\$194,750	\$335,000	\$194,750
Future \$'s															
Cash - Capital Fund				\$4,636,494	\$521,023	\$426,887	\$391,846	\$686,181	\$270,883	\$339,214	\$844,328	\$235,512	\$236,198	\$433,446	\$250,976
Cash - Operations Fund				\$561,029	\$15,462	\$69,067	\$235,491	\$16,936	\$17,458	\$107,973	\$18,550	\$19,121	\$19,711	\$20,318	\$20,944
Debt - Capital Fund				\$8,746,428	\$239,259	\$743,798	\$3,582,746	\$3,693,130	\$116,384	\$119,970	\$123,666	\$127,476	\$0	\$0	\$0
Reserves				\$3,665,729	\$0	\$0	\$0	\$0	\$116,384	\$1,199,695	\$2,349,650	\$0	\$0	\$0	\$0
Total				\$17,609,680	\$775,744	\$1,239,752	\$4,210,083	\$4,396,247	\$521,108	\$1,766,852	\$3,336,193	\$382,109	\$255,908	\$453,764	\$271,920

Source: City of St. Helena.

fut exist share

[1] Estimated costs increased by historical ENR Construction Cost Index 20 year average increase.

Table A-9
City of St. Helena Wastewater Rate Study
Existing Wastewater Debt Service Schedule

DRAFT

Fiscal Year Ending	Principal	Interest	Total	Remaining Principal
2015	\$126,522	\$125,841	\$252,363	\$3,063,478
2016	\$133,696	\$121,538	\$255,233	\$2,929,783
2017	\$135,870	\$117,007	\$252,876	\$2,793,913
2018	\$141,957	\$111,947	\$253,904	\$2,651,957
2019	\$149,130	\$106,900	\$256,030	\$2,502,826
2020	\$151,304	\$101,586	\$252,890	\$2,351,522
2021	\$158,478	\$95,345	\$253,823	\$2,193,044
2022	\$166,739	\$88,653	\$255,392	\$2,026,304
2023	\$168,913	\$82,025	\$250,938	\$1,857,391
2024	\$176,087	\$75,582	\$251,669	\$1,681,304
2025	\$183,261	\$68,762	\$252,022	\$1,498,044
2026	\$191,522	\$60,788	\$252,310	\$1,306,522
2027	\$199,783	\$51,708	\$251,490	\$1,106,739
2028	\$209,130	\$42,220	\$251,351	\$897,609
2029	\$218,478	\$32,763	\$251,241	\$679,131
2030	\$227,826	\$23,359	\$251,185	\$451,304
2031	\$236,087	\$13,584	\$249,671	\$215,217
2032	\$105,435	\$6,500	\$111,935	\$109,783
2033	\$109,783	\$2,196	\$111,978	\$0

Source: City of St. Helena.

debt service

Table A-10
City of St. Helena Wastewater Rate Study
Operating Expenses Cost Escalation Factors

DRAFT

Expenses	Actuals Fiscal Year Ending				Estimated 2016	Total Change	Annual Avg. % Change
	2012	2013	2014	2015			
Salaries & Benefits	\$829,613	\$795,480	\$827,047	\$896,865	\$987,778	\$158,165	4.5%
Services	\$231,717	\$194,235	\$220,039	\$406,364	\$822,159	\$590,442	37.2%
Supplies	\$48,460	\$55,452	\$80,836	\$41,318	\$91,641	\$43,181	17.3%
Maintenance	\$81,882	\$72,003	\$68,000	\$118,625	\$167,473	\$85,591	19.6%
Taxes, Insurances & Contribs.	\$76,885	\$54,533	\$64,460	\$73,328	\$122,416	\$45,531	12.3%
Total Expenses	\$1,268,557	\$1,171,702	\$1,260,382	\$1,536,500	\$2,191,467	\$922,910	14.6%
Engineering News Record							
	<i>Dec 2011</i>	<i>Dec 2012</i>	<i>Dec 2013</i>	<i>Dec 2014</i>	<i>Dec 2015</i>		
ENR Construction Cost Index 20-City [1]	9,172.00	9,412.00	9,668.00	9,936.00	10,135.00	963.00	2.5%
ENR Construction Cost Index San Francisco	10,204.79	10,355.09	10,898.84	10,915.84	11,155.41	950.62	2.3%
Bureau of Labor Statistics							
Consumer Price Index - California	232.99	237.71	241.53	244.81	250.71	17.73	1.9%
Consumer Price Index - San Francisco	234.33	239.53	245.71	252.27	260.29	25.96	2.7%

Source: City of St. Helena, Bureau of Labor Statistics, and the Engineering New Record.

index

[1] Engineering News Record (ENR) Consumer Cost Index (CCI) change 1995 to 2015:

ENR CCI 1995	5,524	Change	<u>Annual Avg. % Change</u>
ENR CCI 2015	10,135	4,611	3.1%

Table A-11
City of St. Helena Wastewater Rate Study
Existing Asset Depreciation DRAFT

Asset Category	Current Depreciation
Buildings	\$22,667
Vehicles	\$18,067
Equipment	\$43,216
Improvements	\$239,170
Pipes	\$16,925
Total	\$340,044

Source: City of St. Helena and HEC. cur depr

Table A-12
City of St. Helena Wastewater Rate Study
Estimated Depreciation of Projected Assets

DRAFT

Improvement Type	Average Life of Asset (years)	Fiscal Year Ending										
		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
		Current Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Sewer Collection System [1]												
Miscellaneous Maintenance Projects	10	\$3,608	\$7,327	\$11,160	\$15,112	\$19,186	\$23,384	\$27,713	\$32,174	\$36,774	\$63,864	\$68,751
Reclamation Field Improvements	50	\$2,927	\$2,927	\$2,927	\$2,927	\$2,927	\$2,927	\$2,927	\$2,927	\$2,927	\$2,927	\$2,927
Replace 1% of Sewer Mains Annually	80	\$1,933	\$3,925	\$5,979	\$8,096	\$10,278	\$12,527	\$14,846	\$17,236	\$19,700	\$22,240	\$24,858
New Well	40	\$1,675	\$1,675	\$1,675	\$1,675	\$1,675	\$1,675	\$1,675	\$1,675	\$1,675	\$1,675	\$1,675
Crinella Pump Station Upgrades	50	\$0	\$0	\$1,643	\$11,240	\$11,240	\$11,240	\$11,240	\$11,240	\$11,240	\$11,240	\$11,240
Add Sewer Pump Stations to SCADA	10	\$0	\$0	\$0	\$0	\$5,819	\$17,816	\$17,816	\$17,816	\$17,816	\$17,816	\$17,816
Wet Weather Flow Monitoring	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Update GIS Maps of Sewer System	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sewer Master Plan	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Replace Rodding Machine	15	\$0	\$0	\$2,921	\$2,921	\$2,921	\$2,921	\$2,921	\$2,921	\$2,921	\$2,921	\$2,921
CCTV Program	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Subtotal Sewer Collection		\$10,143	\$15,854	\$26,306	\$41,971	\$54,046	\$72,491	\$79,138	\$85,990	\$93,053	\$122,683	\$130,188
Treatment Plant [1]												
WWTP Upgrades Ph. 1	80	\$2,991	\$12,288	\$57,073	\$103,237	\$103,237	\$103,237	\$103,237	\$103,237	\$103,237	\$103,237	\$103,237
Pond 2 & 3 Levee	40	\$1,546	\$1,546	\$3,189	\$3,189	\$3,189	\$3,189	\$3,189	\$3,189	\$3,189	\$3,189	\$3,189
Facilities Automation	20	\$0	\$7,650	\$7,650	\$7,650	\$7,650	\$7,650	\$7,650	\$7,650	\$7,650	\$7,650	\$7,650
Sludge Removal	40	\$1,933	\$3,925	\$3,925	\$3,925	\$3,925	\$3,925	\$3,925	\$3,925	\$3,925	\$3,925	\$3,925
Recycled Water Feasibility Study	5	\$0	\$0	\$0	\$0	\$0	\$17,995	\$17,995	\$17,995	\$17,995	\$17,995	\$17,995
Temp Trailer at WRF	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Replace WRF Operations Building and Shop	80	\$0	\$0	\$0	\$0	\$1,455	\$16,451	\$45,822	\$45,822	\$45,822	\$45,822	\$45,822
Upgrade Chemical Storage Facilities	50	\$0	\$0	\$0	\$0	\$0	\$0	\$12,367	\$12,367	\$12,367	\$12,367	\$12,367
Phase 2 WWTP Upgrades	40	\$0	\$0	\$0	\$0	\$2,910	\$5,909	\$9,000	\$12,187	\$12,187	\$12,187	\$12,187
Subtotal Treatment Plant		\$6,470	\$25,410	\$71,837	\$118,001	\$122,366	\$158,357	\$203,186	\$206,372	\$206,372	\$206,372	\$206,372
Total Cumulative Depreciation		\$16,613	\$41,264	\$98,143	\$159,973	\$176,412	\$230,848	\$282,324	\$292,363	\$299,425	\$329,056	\$336,560

Source: City of St. Helena.

new depr

[1] Depreciation in future dollars.

Table A-13

City of St. Helena Wastewater Rate Study

Calculated Winter Use and Total Billed Water Use for Sewer by Customer Type

DRAFT

Customer Type	Winter Months Jan-Mar 2015	# Units /Accounts /Students	Winter Months Jan-Mar 2015	Average	Average in Gallons
Residential	Total Water Use		Use per Unit per Day in HCF	HCF per Day	GPD
Single Family	34,381	1,503	0.25	0.24	175
Multi-Family	9,259	669	0.15	0.15	106
Mobile Homes (Vineyard Valley)	4,331	211	0.23	0.22	157
Residential	47,971	2,383	0.22	0.21	154
Non-Residential					
Car Wash	126	1	1.40	1.40	1,005
Church/CommCenter	254	13	0.22	0.22	156
Commercial	3,803	126	0.34	0.34	241
Grocery	260	3	0.96	0.96	691
Laundry	524	1	5.82	5.82	4,181
Mixed Retail w/ Food	496	3	1.84	1.84	1,319
Motel w/ Food	1,361	2	7.56	7.56	5,429
Motel w/out Food	2,303	8	3.20	3.20	2,297
Restaurant	3,225	19	1.89	1.89	1,354
Napa Valley College	1,620	1	18.00	18.00	12,925
Service Station	199	5	0.44	0.44	318
Merryvale Winery	235	2	1.31	1.31	937
Sutter Home (industrial) [1]	8,009	1	88.99	4.45	3,195
School	1,304	1,437	0.01	0.01	7

Source: City of St. Helena.

winter

[1] Only 5% of winter water use for this account is estimated to reach the wastewater plant.

ATTACHMENT B

MODIFIED WASTEWATER RATE STRUCTURE

METHODOLOGY

1. **Determine Number of Sewer Meter Equivalents** – First establish the daily flow for one EDU (equivalent dwelling unit). This flow is the flow per day for a 5/8" meter since almost all residential units have a 5/8" water meter. Calculate the number of sewer meter equivalents using the current City meter ratios. *Using metered water usage data, it is determined that residential units use 280 gallons per day on average; however, only 180 gallons per day reaches the wastewater treatment plant, determined by average winter water use. **Table B-1** shows the flow per day by meter size and the calculation of estimated sewer meter equivalents for non-residential customers.*
2. **Allocate Revenue Requirement to Residential and Non-Residential** – Single Family residential customers are allocated costs based on percentage of flow. They are then further allocated to fixed base costs collected in flat monthly charges by dwelling unit and use costs collected in consumption charges. Non-residential costs, including multi-family, are allocated based on percentage of flow by non-residential customers. Non-residential costs are further allocated to fixed base costs collected in flat monthly charges by meter size and use costs collected in consumption charges. ***Table B-2** shows the allocation of revenue requirement. Costs are allocated 57% to residential and 43% to non-residential.*
3. **Calculate Rates** – Divide base residential costs by the number of residential units. Divide residential use costs by typical residential winter water use. Divide non-residential base costs by the number of sewer meter equivalents. Divide non-residential use costs by typical non-residential winter water use. *Calculated rates are shown in **Table B-2**.*
4. **Compare Rates** – A comparison of current and calculated wastewater rates for the next ten years, through fiscal year 2027, is included in **Table B-3**.

Table B-1
City of St. Helena Wastewater Rate Study
Calculation of Non-Residential Meter Equivalents

DRAFT

Item	Number of Meters	Meter Ratios	Flow per Day in Gallons	Estimated Sewer Meter Equivalents
Single Family (One EDU)			180	
Non-Residential				
5/8"	150	1.00	180	150
1"	73	2.43	438	178
1.5"	40	4.82	867	193
2"	32	7.68	1,383	246
3"	7	14.36	2,585	101
4"	7	23.91	4,303	167
6"	6	47.77	8,598	287
Total Estimated Non-Residential Sewer Equivalents				1,321

Source: City of St. Helena and HEC.

m equivs

Table B-2
City of St. Helena Wastewater Rate Study
Allocation of Revenue Requirement to Residential and Non-Residential

DRAFT

Item		Fiscal Year Ending										
		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Revenue Requirement		\$2,988,676	\$3,654,719	\$3,972,893	\$4,165,579	\$4,360,853	\$4,600,108	\$4,834,174	\$5,047,859	\$5,271,823	\$5,478,620	\$5,673,230
Residential												
Base Costs	29%	\$875,800	\$1,070,977	\$1,164,214	\$1,220,679	\$1,277,902	\$1,348,013	\$1,416,604	\$1,479,222	\$1,544,852	\$1,605,452	\$1,662,480
Use Costs	28%	\$827,072	\$1,011,389	\$1,099,439	\$1,152,762	\$1,206,802	\$1,273,012	\$1,337,786	\$1,396,920	\$1,458,899	\$1,516,127	\$1,569,983
Number of Units (single family only)		1,503	1,508	1,513	1,518	1,523	1,528	1,533	1,538	1,543	1,548	1,553
Base Annual Cost		\$582.70	\$710.20	\$769.47	\$804.14	\$839.07	\$882.21	\$924.07	\$961.78	\$1,001.20	\$1,037.11	\$1,070.50
Monthly Base Charge per Residential Unit		\$48.56	\$59.18	\$64.12	\$67.01	\$69.92	\$73.52	\$77.01	\$80.15	\$83.43	\$86.43	\$89.21
Estimated Annual Billed Usage		186,767	187,212	187,658	188,103	188,548	188,994	189,439	189,884	190,329	190,775	191,220
Use Charge per HCF		\$4.43	\$5.40	\$5.86	\$6.13	\$6.40	\$6.74	\$7.06	\$7.36	\$7.67	\$7.95	\$8.21
Non-Residential												
Base Costs	30%	\$906,540	\$1,108,567	\$1,205,077	\$1,263,523	\$1,322,755	\$1,395,327	\$1,466,325	\$1,531,141	\$1,599,075	\$1,661,801	\$1,720,831
Use Costs	13%	\$379,265	\$463,786	\$504,162	\$528,614	\$553,395	\$583,756	\$613,459	\$640,576	\$668,997	\$695,240	\$719,936
Meter Equivalents		1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321
Base Charge per Meter Equivalent		\$686.51	\$839.50	\$912.59	\$956.85	\$1,001.70	\$1,056.66	\$1,110.43	\$1,159.51	\$1,210.96	\$1,258.46	\$1,303.16
Monthly Base Charge per Meter Equivalent		\$57.21	\$69.96	\$76.05	\$79.74	\$83.48	\$88.06	\$92.54	\$96.63	\$100.91	\$104.87	\$108.60
5/8"	1.0	\$57.21	\$69.96	\$76.05	\$79.74	\$83.48	\$88.06	\$92.54	\$96.63	\$100.91	\$104.87	\$108.60
1"	2.4	\$139.11	\$170.11	\$184.92	\$193.89	\$202.98	\$214.12	\$225.01	\$234.96	\$245.38	\$255.01	\$264.07
1.5"	4.8	\$275.61	\$337.04	\$366.38	\$384.15	\$402.16	\$424.22	\$445.81	\$465.51	\$486.16	\$505.24	\$523.18
2"	7.7	\$439.43	\$537.36	\$584.14	\$612.47	\$641.19	\$676.36	\$710.78	\$742.20	\$775.13	\$805.53	\$834.15
3"	14.4	\$821.65	\$1,004.76	\$1,092.24	\$1,145.21	\$1,198.90	\$1,264.67	\$1,329.02	\$1,387.77	\$1,449.34	\$1,506.20	\$1,559.70
4"	23.9	\$1,367.69	\$1,672.49	\$1,818.10	\$1,906.27	\$1,995.64	\$2,105.13	\$2,212.24	\$2,310.03	\$2,412.52	\$2,507.16	\$2,596.21
6"	47.8	\$2,732.78	\$3,341.80	\$3,632.73	\$3,808.91	\$3,987.47	\$4,206.24	\$4,420.26	\$4,615.65	\$4,820.44	\$5,009.53	\$5,187.48
Use Charge per HCF		Est. Annual Billed Use										
Car Wash	511	\$3.37	\$4.12	\$4.48	\$4.70	\$4.92	\$5.19	\$5.46	\$5.70	\$5.95	\$6.18	\$6.40
Religious Places/Community Centers	1,030	\$3.66	\$4.48	\$4.87	\$5.10	\$5.34	\$5.64	\$5.92	\$6.18	\$6.46	\$6.71	\$6.95
Commercial	15,423	\$4.21	\$5.14	\$5.59	\$5.86	\$6.14	\$6.47	\$6.80	\$7.10	\$7.42	\$7.71	\$7.98
Groceries and Mortuaries	1,054	\$10.14	\$12.39	\$13.47	\$14.13	\$14.79	\$15.60	\$16.39	\$17.12	\$17.88	\$18.58	\$19.24
Laundry	2,125	\$3.75	\$4.59	\$4.99	\$5.23	\$5.47	\$5.77	\$6.07	\$6.34	\$6.62	\$6.88	\$7.12
Mixed Retail w/ Food	2,012	\$6.63	\$8.10	\$8.81	\$9.24	\$9.67	\$10.20	\$10.72	\$11.19	\$11.69	\$12.15	\$12.58
Motel with Food	5,520	\$7.79	\$9.52	\$10.35	\$10.85	\$11.36	\$11.99	\$12.59	\$13.15	\$13.74	\$14.27	\$14.78
Motel without Food	9,340	\$4.52	\$5.52	\$6.00	\$6.29	\$6.59	\$6.95	\$7.30	\$7.63	\$7.96	\$8.28	\$8.57
Restaurant	13,079	\$10.02	\$12.25	\$13.32	\$13.96	\$14.62	\$15.42	\$16.20	\$16.92	\$17.67	\$18.36	\$19.02
Napa Valley College	6,570	\$3.61	\$4.42	\$4.80	\$5.03	\$5.27	\$5.56	\$5.84	\$6.10	\$6.37	\$6.62	\$6.85
Service Station	807	\$4.74	\$5.80	\$6.30	\$6.61	\$6.92	\$7.30	\$7.67	\$8.01	\$8.37	\$8.69	\$9.00
Winery Production (Merryvale/Spottswoode)	953	\$17.04	\$20.84	\$22.65	\$23.75	\$24.87	\$26.23	\$27.57	\$28.78	\$30.06	\$31.24	\$32.35
Sutter Home Winery	1,624	\$4.43	\$5.42	\$5.89	\$6.17	\$6.46	\$6.82	\$7.16	\$7.48	\$7.81	\$8.12	\$8.41
Schools	5,288	\$1.84	\$2.26	\$2.45	\$2.57	\$2.69	\$2.84	\$2.98	\$3.12	\$3.25	\$3.38	\$3.50

Source: City of St. Helena and HEC.

curr alloc rates

Table B-3
City of St. Helena Wastewater Rate Study
Calculated Wastewater Rates - Modified Current Rate Structure

DRAFT

Land Use	Current Rates Effective	2017 2/8/2017	2018 11/8/2017	2019 11/8/2018	2020 11/8/2019	2021 11/8/2020	2022 11/8/2021	2023 11/8/2022	2024 11/8/2023	2025 11/8/2024	2026 11/8/2025	2027 11/8/2026
Residential												
Flat Monthly Charge per Unit	\$47.35	\$48.56	\$59.18	\$64.12	\$67.01	\$69.92	\$73.52	\$77.01	\$80.15	\$83.43	\$86.43	\$89.21
Use Charge per HCF	\$3.94	\$4.43	\$5.40	\$5.86	\$6.13	\$6.40	\$6.74	\$7.06	\$7.36	\$7.67	\$7.95	\$8.21
Non-Residential												
Flat Monthly Charge per Account												
5/8"	\$42.12	\$57.21	\$69.96	\$76.05	\$79.74	\$83.48	\$88.06	\$92.54	\$96.63	\$100.91	\$104.87	\$108.60
1"	\$102.42	\$139.11	\$170.11	\$184.92	\$193.89	\$202.98	\$214.12	\$225.01	\$234.96	\$245.38	\$255.01	\$264.07
1.5"	\$202.92	\$275.61	\$337.04	\$366.38	\$384.15	\$402.16	\$424.22	\$445.81	\$465.51	\$486.16	\$505.24	\$523.18
2"	\$323.53	\$439.43	\$537.36	\$584.14	\$612.47	\$641.19	\$676.36	\$710.78	\$742.20	\$775.13	\$805.53	\$834.15
3"	\$604.94	\$821.65	\$1,004.76	\$1,092.24	\$1,145.21	\$1,198.90	\$1,264.67	\$1,329.02	\$1,387.77	\$1,449.34	\$1,506.20	\$1,559.70
4"	\$1,006.96	\$1,367.69	\$1,672.49	\$1,818.10	\$1,906.27	\$1,995.64	\$2,105.13	\$2,212.24	\$2,310.03	\$2,412.52	\$2,507.16	\$2,596.21
6"	\$2,012.00	\$2,732.78	\$3,341.80	\$3,632.73	\$3,808.91	\$3,987.47	\$4,206.24	\$4,420.26	\$4,615.65	\$4,820.44	\$5,009.53	\$5,187.48
Use Charge per HCF												
Car Wash	\$2.85	\$3.37	\$4.12	\$4.48	\$4.70	\$4.92	\$5.19	\$5.46	\$5.70	\$5.95	\$6.18	\$6.40
Religious Places/Community Centers	\$3.64	\$3.66	\$4.48	\$4.87	\$5.10	\$5.34	\$5.64	\$5.92	\$6.18	\$6.46	\$6.71	\$6.95
Commercial	\$3.64	\$4.21	\$5.14	\$5.59	\$5.86	\$6.14	\$6.47	\$6.80	\$7.10	\$7.42	\$7.71	\$7.98
Groceries and Mortuaries	\$11.87	\$10.14	\$12.39	\$13.47	\$14.13	\$14.79	\$15.60	\$16.39	\$17.12	\$17.88	\$18.58	\$19.24
Laundry	\$3.34	\$3.75	\$4.59	\$4.99	\$5.23	\$5.47	\$5.77	\$6.07	\$6.34	\$6.62	\$6.88	\$7.12
Mixed Retail w/ Food	\$6.79	\$6.63	\$8.10	\$8.81	\$9.24	\$9.67	\$10.20	\$10.72	\$11.19	\$11.69	\$12.15	\$12.58
Motel with Food	\$8.75	\$7.79	\$9.52	\$10.35	\$10.85	\$11.36	\$11.99	\$12.59	\$13.15	\$13.74	\$14.27	\$14.78
Motel without Food	\$4.35	\$4.52	\$5.52	\$6.00	\$6.29	\$6.59	\$6.95	\$7.30	\$7.63	\$7.96	\$8.28	\$8.57
Restaurant	\$11.68	\$10.02	\$12.25	\$13.32	\$13.96	\$14.62	\$15.42	\$16.20	\$16.92	\$17.67	\$18.36	\$19.02
Napa Valley College	\$3.64	\$3.61	\$4.42	\$4.80	\$5.03	\$5.27	\$5.56	\$5.84	\$6.10	\$6.37	\$6.62	\$6.85
Service Station	\$4.70	\$4.74	\$5.80	\$6.30	\$6.61	\$6.92	\$7.30	\$7.67	\$8.01	\$8.37	\$8.69	\$9.00
Winery Production (Merryvale/Spottswoode)	\$20.94	\$17.04	\$20.84	\$22.65	\$23.75	\$24.87	\$26.23	\$27.57	\$28.78	\$30.06	\$31.24	\$32.35
Sutter Home Winery	\$4.27	\$4.43	\$5.42	\$5.89	\$6.17	\$6.46	\$6.82	\$7.16	\$7.48	\$7.81	\$8.12	\$8.41
Schools	\$3.17	\$1.84	\$2.26	\$2.45	\$2.57	\$2.69	\$2.84	\$2.98	\$3.12	\$3.25	\$3.38	\$3.50

Source: City of St. Helena and HEC.

calc rates



**Report to the City Council
Council Meeting of September 27, 2016**

Agenda Section: New Business

Subject: Overview of project teams and presentation seeking general input on the conceptual designs submitted in response to the City's Request for Proposals on the Adams Street and City Hall properties.

CEQA Status: Any chosen respondent's project will be subject to a complete review and analysis under CEQA

Prepared By: Jennifer Phillips, City Manager

Noah Housh, Planning and Community Improvement Director

NH

Approved By: Jennifer Phillips, City Manager

BACKGROUND

On October 27, 2015, March 22, 2016 and May 10, 2016, the St. Helena City Council discussed the issuance of Requests For Proposals (RFP) for both the Adams Street and City Hall properties. Based on Council direction, staff finalized both RFPs and issued them on June 21, 2016. Notification of the RFPs was sent by mail and email to over 70 firms with specialties including architecture, planning, real estate transactions, commercial real estate development, hotel development, housing development and real estate investment.

The deadline for submitting proposals for both RFPs was Friday, August 19, 2016 at 5:00 p.m. PST. The City received three proposals in response to the Adams Street RFP and one response to the City Hall RFP. A proposal review team has been assembled that includes City staff along with highly qualified private sector consultants. This team includes: City Manager Jennifer Phillips; Planning and Community Improvement Director Noah Housh; Attorney and Burk Williams Sorensen Partner Michael Biddle; Consultant and Retired City Manager Mike Oliver; Consultant and Public Agency Financial Advisor Robert Gamble.

CONCEPTUAL PROJECT INFORMATION – ADAMS STREET RFP

Three proposals were submitted in response to the City's Adams Street RFP. The respondent team descriptions, project description and conceptual renderings are extracted verbatim from the proposals.

Proposal 1 - Bald Mountain LLC and Alcion Ventures (Attachment 1)

Respondent's Team Description:

Bald Mountain and Alcion are long time partners in the resort development business. Bald Mountain and Alcion are developing a Four Seasons resort, winery, and residences in Calistoga, across from Solage. See www.napaluxuryliving.com for details of that resort project. The business relationships among the principals of Bald Mountain and Alcion date back to the 1990s when the founders of Alcion were principals at AEW, one of the premier real estate private equity investment advisers, based in Boston. Partners Martin Zieff and Mark Potter founded Alcion Ventures in 2005. In 2008, Eugene DeFavero joined as Partner. Kristopher Galletta, who joined the firm in 2005, was promoted to Partner in 2013. Alcion currently manages approximately \$1 billion of equity committed to three opportunistic real estate investment funds. Alcion's funds are managed on behalf of a diversified investor base, including major pension funds, endowments and foundations, family offices, funds of funds, and high net worth individuals. Alcion invests in and develops a wide range of real estate asset classes, with particular expertise and depth in the luxury resort and residential sector. Alcion developed the new flagship Four Seasons Hotel in Toronto, which opened in 2014, and is currently developing the Four Seasons Private Residences in Los Angeles, California.

Bald Mountain LLC is a boutique resort development firm headquartered in Aspen, Colorado. Principals David Parker and Kelly Foster and the Bald Mountain team manage a select number of high-end resort projects. Bald Mountain developed the Hyatt Grand Aspen in downtown Aspen, the Rosewood San Miguel de Allende in central Mexico, and led the successful turnaround of Chileno Bay, a 1,200 acre golf and ocean club community in Los Cabos, Mexico. Bald Mountain and Alcion have two active projects presently: the Four Seasons project in Calistoga, and the One Aspen project in downtown Aspen, which consists of fourteen luxury townhomes at the base of Aspen Mountain, as well as on-site and off-site affordable housing units.

Respondent's Project Description:

The project has been thoughtfully designed as a mixed-use resort. The scope, scale and aesthetics of the project were carefully crafted to ensure a seamless integration into the community and to minimize that any potential infrastructure or environmental impacts. In addition to guest rooms and for-sale condominiums the project proposes the following amenities:

- A small restaurant/bar with patio seating
- A tasting room envisioned to accommodate Appellation St. Helena member wineries on a rotating basis.
- A spa/wellness center which will be open to the public for membership.
- Relocate and repurpose the historic Signorelli Barn for use as an event center.
- Extensive water efficient landscaping including a formal 'Green' at the corner of Library Lane and Adams Street.

This mixed-use resort will be operated by a five-star luxury flag, and will include eighty-five guest rooms and twenty for-sale condominium residences. The resort will house a

Item No: 18

boutique wine tasting room – one that could be made available to the City of St. Helena for special events at a minimal cost (which could be comprised of Appellation St. Helena member wineries on a rotating basis). It will also include a proposed adaptive re-purpose and relocated reuse of the city-owned and dilapidated Signorelli Barn as a banquet and event space, a small on-site restaurant, bar and pool; and a full-service spa, fitness and wellness center that will be open to the local citizens of St. Helena for membership.

Proposal 2 – HMS Development Partners LLC (Attachment 2)

Respondent's Team Description

Developer: HMS Development Partners, LLC – a California LLC specifically formed for this project proposal. Ownership is split in thirds between Edson Hutchinson, Michael Shinn and Sidney Montague.

Lead Architect: RKAA Architects, Inc

Hotel/Apartment Architect: A. David Gibson

Contractor: Dck California Construction, Inc.

Structural Engineer: Miller Pacific Engineering Group

Civil Engineer: Delta Consulting & Engineering

Retail Planning: Southwest Retail Group, Inc.

Office/Apartment: Hope Development Partners

Legal: Ken Cohen, JRA Law Partners, LP

Environmental Consulting: Analytical Environmental Services

Traffic Consulting: Y&C Transportation Consultants, Inc.

Respondent's Project Description:

The Village at St. Helena is designed as an elegant and upscale mixed use commercial and residential project consisting of the following:

First Class Office Building

- Class A office building – 3 tiered stories – 24,000 square feet
- City Hall & Police Station – 1st & 2nd floor – 15,000 square feet
- Available “for lease” 3rd floor Class A office – 6,000 square feet
- Reserved underground parking for tenants
- Inviting and open first floor lobby
- On grade parking for office clients & visitors

Five Star Boutique Hotel

- 75 luxury suites
- Full service Spa and workout facilities for hotel guest/public
- Heated Outdoor swimming pool/Jacuzzi, lounge and patio
- Underground parking for hotel guests

World Class Event Center

- Complete wedding event facility capable of entertaining 500 guests
- Business conference accommodations for up to 500 attendees
- Honeymoon bungalow for wedding party complete with master suite, multiple bedrooms, complete kitchen and patio overlooking the hotel, pool, gardens and the David Fulton Vineyards. The bungalow will be available to hotel guests and conference VIPs when not utilized by wedding parties
- The Event Center consists of 10,000 square feet of indoor area, with patios overlooking the David Fulton Vineyards and surrounding mountains of the valley
- The building will be available for community group events when not reserved for weddings or conferences at no cost

Specialty Retail Shops

- Retail shop space provides street visible frontage for boutique shops, with a mix of high and casual dining restaurants with patios, serving breakfast lunch and dinner.

Luxury Apartments

- 44 studio apartments
- 19 one bedroom apartments
- 7 two bedroom apartments
- Underground reserved parking – 1 space/unit
- All units have either ground floor patio or balcony on 2nd & 3rd floor units
- 20% of all units will be at below market rents
- Dramatic views of the The Village at St. Helena Plaza, surrounding vineyards and mountains

The Plaza

- Over 1 ½ acres of inviting open air plaza with hardscape pavers, water conserving trees, plant materials and water features
- Elevated stage for outdoor concerts, theater and other seasonal events

Proposal 3 – HRV Hotel Partners (Attachment 3)

Respondent's Team Description

HRV Hotel Partners, as the Developer and Co-Sponsor of the proposed project, will lead the respondent team (the "HRV Team"). The HRV Team is comprised of the following team members:

HRV HOTEL PARTNERS

Developer and Co-Sponsor

HRV is a hotel and resort development company, based in Atlanta with offices in Chicago and Cabo San Lucas, Mexico. HRV was founded in 1996 (as Hardin Capital) and has successfully developed numerous resort, urban and university-oriented hotels. Richard Holland is the Co-Founder and Managing Partner of HRV. HRV's most indicative example of successfully developing a five-star quality resort is The Resort at Pedregal (Cabo San Lucas). This resort has received numerous accolades and awards including: The AAA Five-Diamond Award for 2013, 2014 and 2015; #1 Mexico Hotels and Resorts 2014 (Travel + Leisure); #15 World's Top 100 Hotels 2014 (Travel + Leisure); #1 Top Spa in Mexico 2012 (Conde Nast); #8 World's Greatest Hotel Spas 2013 (Trip Advisor Travelers Choice Awards).

HKS ARCHITECTS

Architect

HKS is one of the largest architecture firms in the world. The HKS Hospitality Group designs hotels and resorts of all types in markets worldwide. The HKS Hospitality Group is led by Nunzio DeSantis. Mr. DeSantis, based in Dallas, will be the lead design architect for this resort.

GEOLO CAPITAL

Co-Sponsor/Equity Investor

Geolo will be the Co-Sponsor for the development of this resort by providing equity investment capital for the resort. Geolo, based in San Francisco, is the private equity investment arm of the John A. Pritzker family office. Geolo focuses its investment activities on three core areas: hospitality, real estate and consumer companies. Geolo currently has active investments in ten hotels with a total enterprise value of approximately \$1.5 billion. Geolo brings a wealth of experience in the ownership and administration of hotel assets, and will be involved in all major decisions with regard to the development and ownership of this resort.

COMMUNE HOTELS + RESORTS & DESTINATION HOTELS

Resort Operator

Commune and Destination recently merged in January of this year to form Commune Hotels

+ Resorts / Destination Hotels. Commune/Destination is jointly owned by Geolo Capital (San Francisco) and Lowe Enterprises (Los Angeles). Commune/Destination has 45+ years of independent and boutique hotel and resort management experience. The Commune/Destination portfolio currently includes 90+ hotels and resorts, including

luxury resorts such as Carmel Valley Ranch, Terranea Resort (Rancho Palos Verdes) and Ventana Inn (Big Sur).

KOCH REAL ESTATE INVESTMENTS

Equity Investor

Koch Real Estate Investments (KREI) is the real estate investment arm of Koch Industries, Inc. Koch Industries is second largest privately held company in the U.S. with over \$100 billion in annual revenue. Since 2010 KREI has invested over \$1 billion in real estate, and is now strategically expanding its investments in hospitality real estate. (A letter from KREI expressing its interest in providing the subject equity investment is included in the Exhibits section to this document.)

HALL STRUCTURED FINANCE

Construction Lender

HALL Structured Finance (HSF), a subsidiary of HALL Group, was founded in 1995 by Craig Hall (Hall Wineries) as a platform to provide debt capital to high-quality commercial real estate projects throughout the U.S., with a strong focus on the hospitality industry. HSF originates loans for its own account, typically in the form of first-lien construction loans. (A letter from HSF expressing its interest in providing the subject financing is included in the Exhibits section to this document.)

Respondent's Project Description:

The resort will be programmed and designed to fit within the culture of Napa Valley and St. Helena, and will reflect the agrarian context of the surrounding vineyard areas. The plan will address the value to the resort and the neighborhood of the pedestrian access to the downtown and will provide for well-orchestrated automobile arrival, drop-off and onsite parking. The program for the Proposed Development Plan includes approximately 105,505 square feet of total interior building area.

Preliminary Development Program Summary:

- 113 guest rooms and suites, comprised of 102 standard rooms, 7 suites and 4 villa suites
- Lobby/Reception Building (2,370 SF)
- Restaurant (2,750 SF)
- Signature Restaurant, including bar, rooftop bar, private dining and exterior terrace (6,550 SF)
- Events Pavilion, including a ballroom (3,000SF), meeting rooms (1,700 SF) and a boardroom (600 SF), with a total building area of 8,300 SF
- Event Lawns (10,000 SF)
- Spa, with 3,190 SF of interior area and 4,000 SF of exterior lounging and pool area
- Fitness Studio (1,850 SF)
- 2 outdoor swimming pools
- Retail shop (200 SF)
- Administrative office and back-of-house service areas (18,175 SF)

CONCEPTUAL PROJECT INFORMATION – CITY HALL PROPERTY RFP

One proposal was submitted in response to the City's City Hall Property RFP. The respondent team descriptions, project description and conceptual renderings are extracted verbatim from the proposal.

Proposal 4 – HRV Hotel Partners (Attachment 4)

Respondent's Team Description

HRV Hotel Partners, as the Developer and Co-Sponsor of the proposed project, will lead the respondent team (the "HRV Team"). The HRV Team is comprised of the following team members:

HRV HOTEL PARTNERS

Developer and Co-Sponsor

HRV is a hotel and resort development company, based in Atlanta with offices in Chicago and Cabo San Lucas, Mexico. HRV was founded in 1996 (as Hardin Capital) and has successfully developed numerous resort, urban and university-oriented hotels. Richard Holland is the Co-Founder and Managing Partner of HRV. HRV's most indicative example of successfully developing a five-star quality resort is The Resort at Pedregal (Cabo San Lucas). This resort has received numerous accolades and awards including: The AAA Five-Diamond Award for 2013, 2014 and 2015; #1 Mexico Hotels and Resorts 2014 (Travel + Leisure); #15 World's Top 100 Hotels 2014 (Travel + Leisure); #1 Top Spa in Mexico 2012 (Conde Nast); #8 World's Greatest Hotel Spas 2013 (Trip Advisor Travelers Choice Awards).

HKS ARCHITECTS

Architect

HKS is one of the largest architecture firms in the world. The HKS Hospitality Group designs hotels and resorts of all types in markets worldwide. The HKS Hospitality Group is led by Nunzio DeSantis. Mr. DeSantis, based in Dallas, will be the lead design architect for this resort.

GEOLO CAPITAL

Co-Sponsor/Equity Investor

Geolo will be the Co-Sponsor for the development of this resort by providing equity investment capital for the resort. Geolo, based in San Francisco, is the private equity investment arm of the John A. Pritzker family office. Geolo focuses its investment activities on three core areas: hospitality, real estate and consumer companies. Geolo currently has active investments in ten hotels with a total enterprise value of approximately \$1.5 billion. Geolo brings a wealth of experience in the ownership and administration of hotel assets, and will be involved in all major decisions with regard to the development and ownership of this resort.

COMMUNE HOTELS + RESORTS & DESTINATION HOTELS

Resort Operator

Commune and Destination recently merged in January of this year to form Commune Hotels + Resorts / Destination Hotels. Commune/Destination is jointly owned by Geolo Capital (San Francisco) and Lowe Enterprises (Los Angeles). Commune/Destination has 45+ years of independent and boutique hotel and resort management experience. The Commune/Destination portfolio currently includes 90+ hotels and resorts, including luxury resorts such as Carmel Valley Ranch, Terranea Resort (Rancho Palos Verdes) and Ventana Inn (Big Sur).

KOCH REAL ESTATE INVESTMENTS

Equity Investor

Koch Real Estate Investments (KREI) is the real estate investment arm of Koch Industries, Inc. Koch Industries is second largest privately held company in the U.S. with over \$100 billion in annual revenue. Since 2010 KREI has invested over \$1 billion in real estate, and is now strategically expanding its investments in hospitality real estate. (A letter from KREI expressing its interest in providing the subject equity investment is included in the Exhibits section to this document.)

HALL STRUCTURED FINANCE

Construction Lender

HALL Structured Finance (HSF), a subsidiary of HALL Group, was founded in 1995 by Craig Hall (Hall Wineries) as a platform to provide debt capital to high-quality commercial real estate projects throughout the U.S., with a strong focus on the hospitality industry. HSF originates loans for its own account, typically in the form of first-lien construction loans. (A letter from HSF expressing its interest in providing the subject financing is included in the Exhibits section to this document.)

Respondent's Project Description:

The hotel will be programmed and designed to fit within the culture of Napa Valley and St. Helena, and will reflect the urban, pedestrian-oriented context of the Main Street area. The plan will address the requirements of the City to relate the site to the adjoining Park, make the Main Street frontage of the hotel fit within the existing architectural and massing context, and provide for an off-street motor court and adequate onsite parking.

The program for the Proposed Development Plan includes approximately 57,000 square feet of total interior building area.

Preliminary Development Program Summary:

- 60 guest rooms
- Lobby/Reception (2,268 SF)
- Restaurant (2,736 SF)
- Bar (1,294 SF)
- Rooftop Bar (1,000 SF exterior area)
- Meeting rooms (2,738 SF)
- Spa (4,139 SF)

- Fitness Studio (1,350 SF)
- Outdoor swimming pool and fountains
- Administrative office and back-of-house
- service areas (14,455 SF)

The next steps in the proposal review process are as follows:

October 19, 2016 – Community Workshop – Each of the RFP respondents have been invited to present an overview of their projects to the community in an informal setting allowing for more dialogue and discussion between the developers and the community. Staff will also request additional public feedback on each proposal at this meeting.

November 2016 – Staff will continue review of the proposals and prepare a comprehensive staff report that incorporates both the comments received from the community and the results of the review team's evaluation of each proposal.

December 2016/January 2017 – City Council Meeting – Staff will present the projects to the City Council, identify the results of the evaluation of each proposal, and summarize community feedback. Following public input, staff will request Council direction on selecting developer(s) to initiate negotiations.

RECOMMENDED ACTION

Provide general comments

ATTACHMENTS

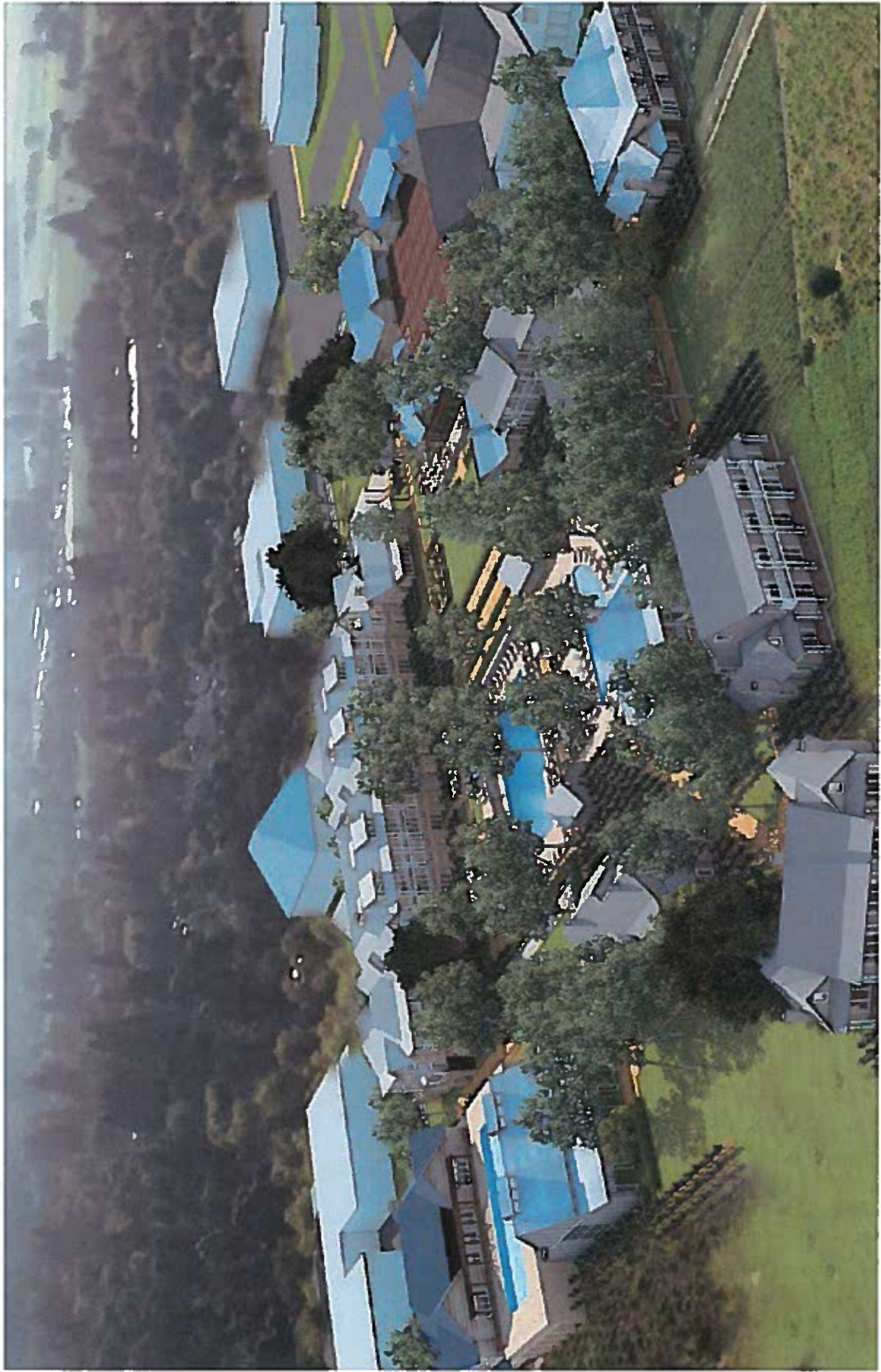
Attachment 1 - Proposal 1 - Bald Mountain LLC and Alcion Ventures

Attachment 2 - Proposal 2 – HMS Development Partners LLC

Attachment 3 - Proposal 3 – HRV Hotel Partners (Adams Street RFP)

Attachment 4 - Proposal 4 – HRV Hotel Partners (City Hall RFP)

Bald Mountain LLC and Alcion Ventures Concept Plan



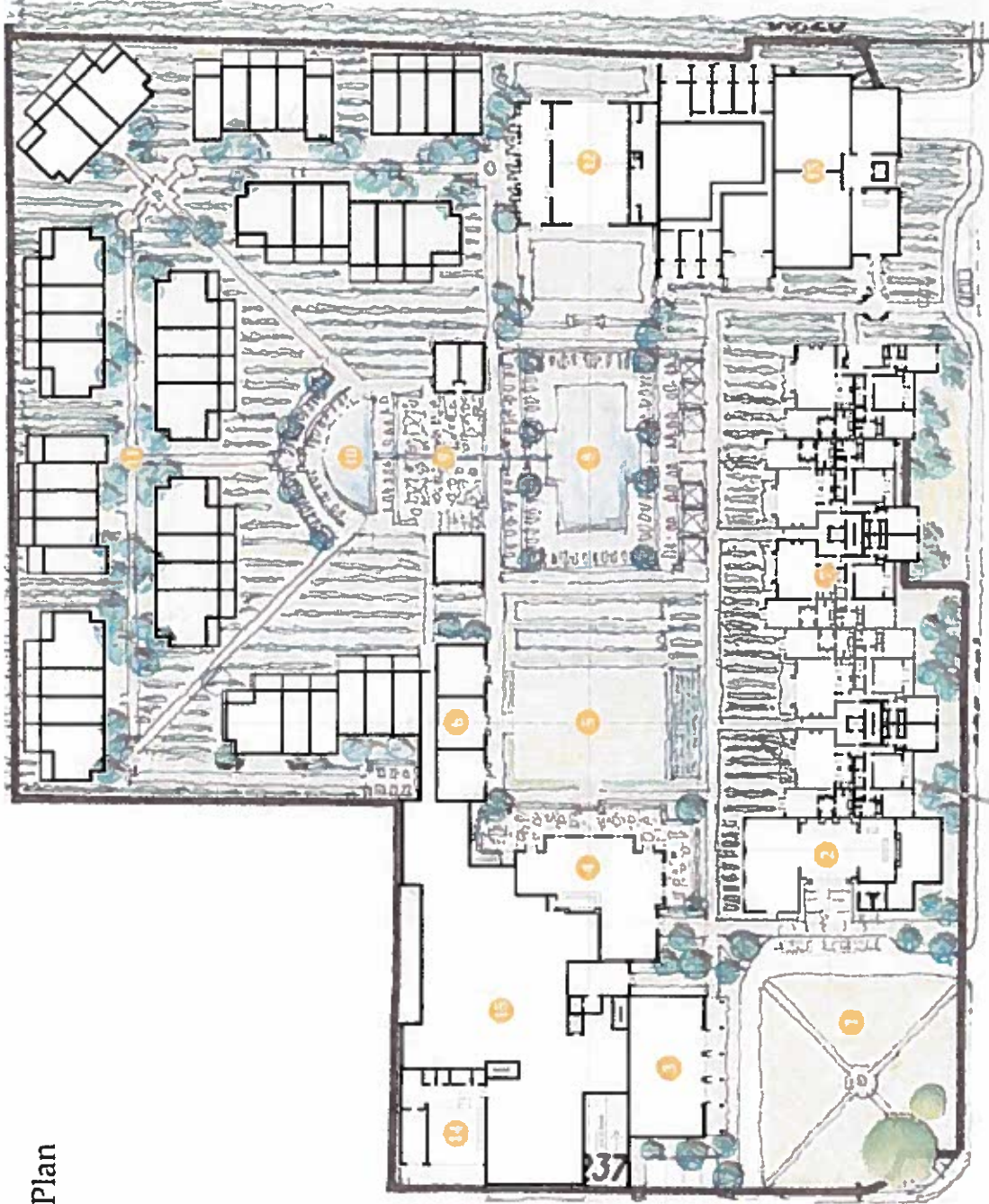
Bald Mountain LLC and Alcion Ventures Concept Plan



Bald Mountain LLC and Alcion Ventures Concept Plan

Overall Site Plan 1" = 50'

- 1 "The Green"
- 2 Hotel Lobby
- 3 Tasting Room
- 4 Restaurant
- 5 Lawn
- 6 Meeting Rooms
- 7 Residences
- 8 Main Pool
- 9 Pool Bar & Grill
- 10 Family Pool
- 11 Hotel Guest Villas
- 12 Ballroom
- 13 Spa & Fitness
- 14 Loading Dock
- 15 Back of House



This is an aerial photograph of a large, rectangular, light-colored building with a flat roof. The building has several windows and a central entrance area. It is surrounded by a paved area and some landscaping. The building is oriented horizontally in the image.

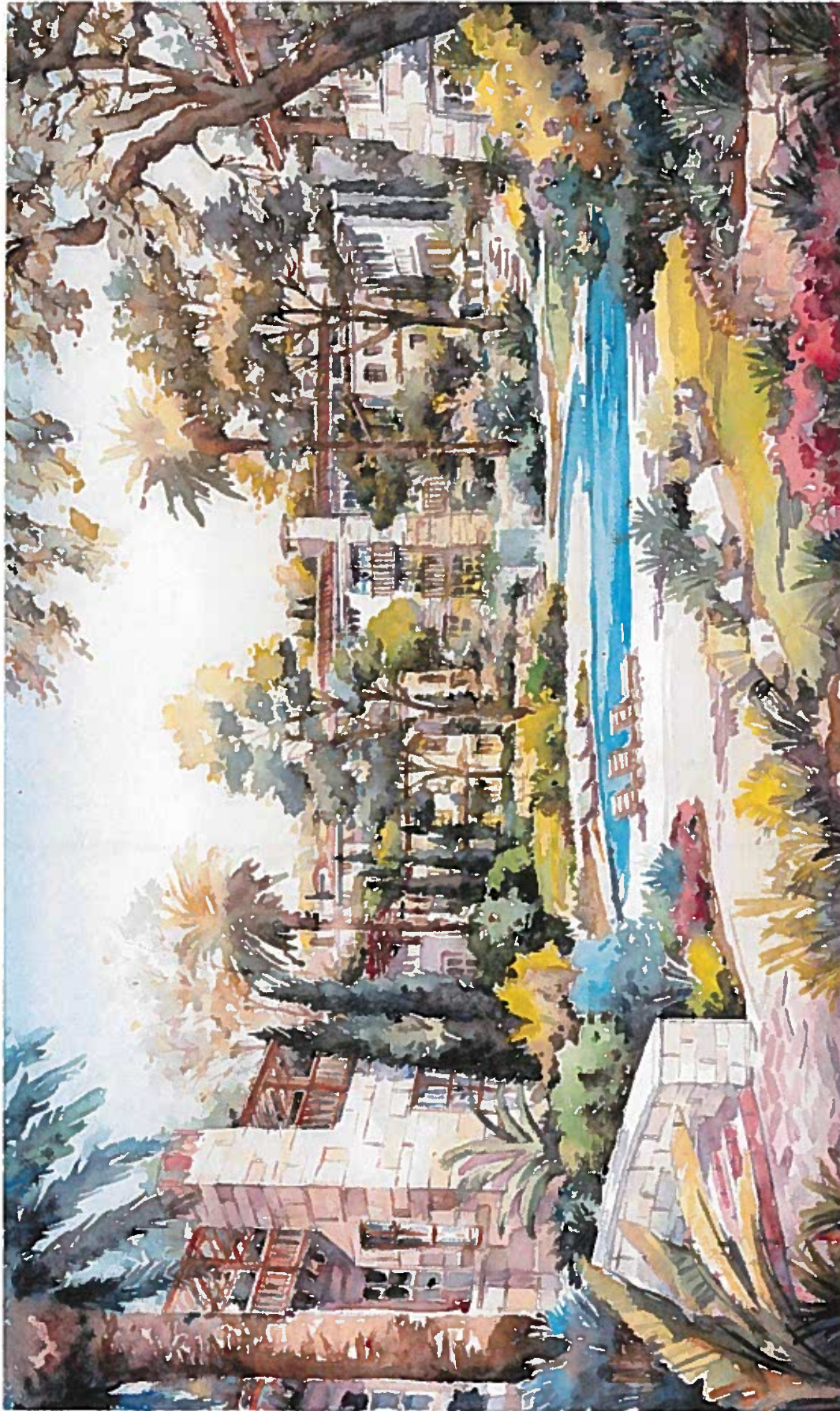
HMS Development Partners, LLC Concept Plan



HMS Development Partners, LLC Concept Plan



HMS Development Partners, LLC Concept Plan

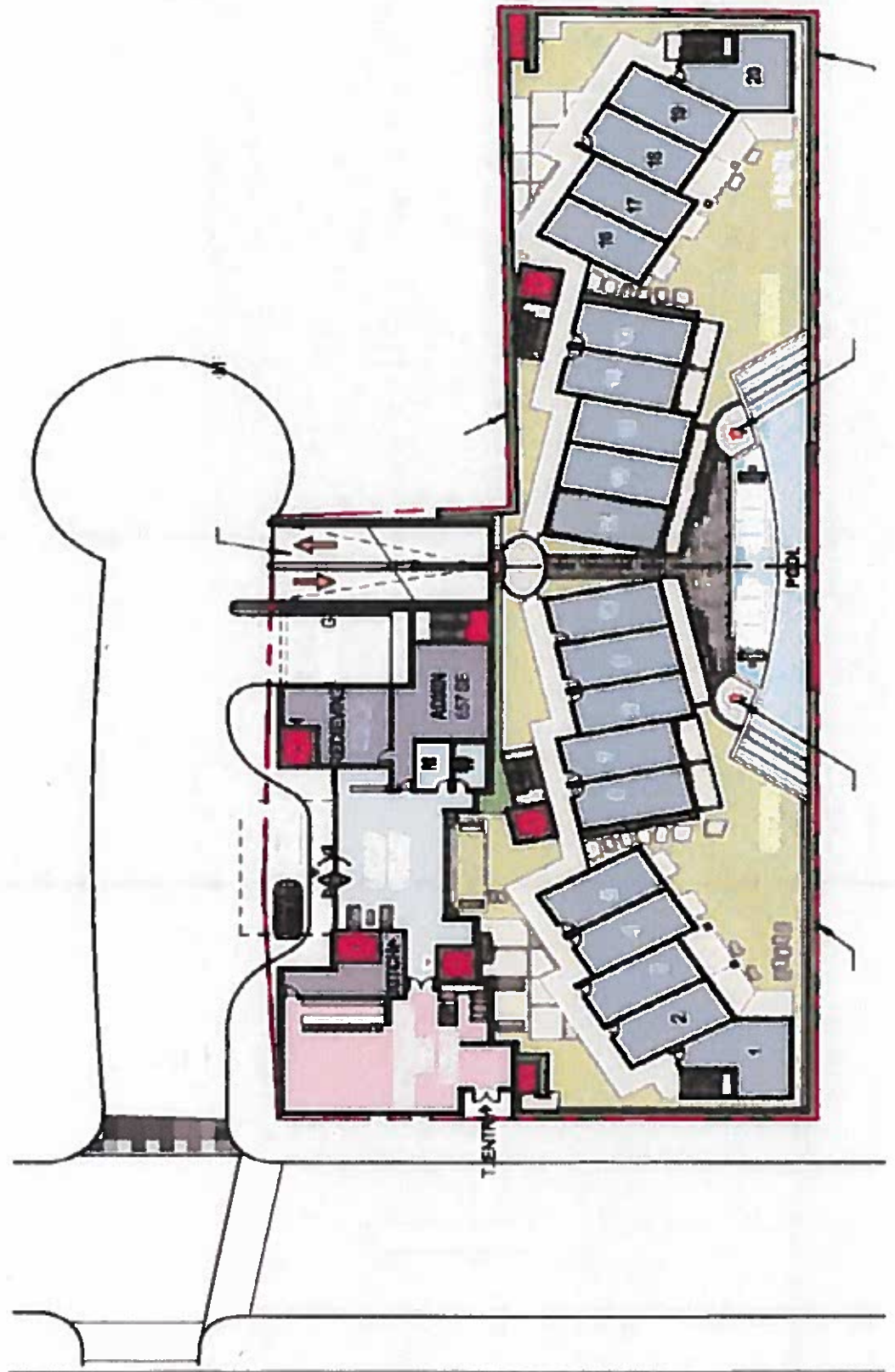


HMS Development Partners, LLC Concept Plan



HRV Hotel Partners Concept Plan

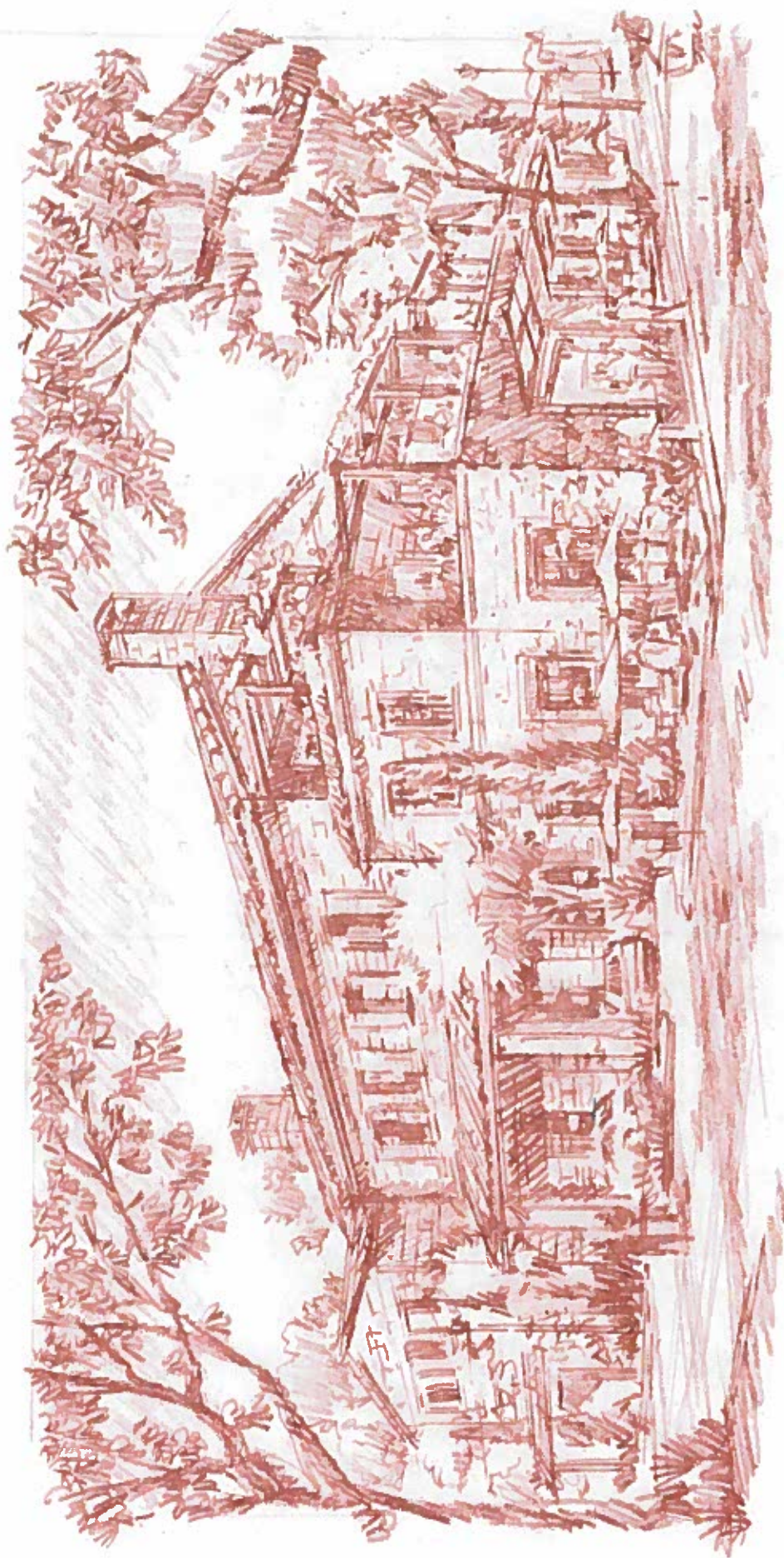
Attachment 4



HRV Hotel Partners Concept Plan



HRV Hotel Partners Concept Plan



THIS PAGE IS
INTENTIONALLY
BLANK