



**City of St. Helena
Special City Council Meeting
Monday, January 24, 2022 @ 5:00 PM**

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

This meeting will be conducted pursuant to the provisions of Government Code Section 54953 (as amended by AB 361) which authorizes teleconferenced meetings under the Brown Act during certain proclaimed States of Emergency. The Governor of California proclaimed a State of Emergency related to COVID-19 on March 4, 2020. This teleconferenced meeting is necessary so that the City can conduct essential business and is permitted under Government Code 54953 in order to protect public health and safety of attendees.

Consistent with Government Code Section 54953, this City Council Meeting will be held via teleconference only, and will not be physically open to the public. City Council members and staff will teleconference into the meeting by audio and/or video. The meeting will be conducted via Zoom Webinar.

The City Council meeting will be live-streamed on Comcast Channel 28 and on the City's website, barring technical difficulties. Those members of the public wishing to participate must do so remotely via Zoom electronic meetings in the following ways; by either logging onto the Zoom link located on the meeting agenda (please download the app to your computer or mobile device) and enter the meeting ID or by calling a listed number and enter the meeting ID. Public comment for City Council meetings will be accepted via email to publiccomment@cityofsthelena.org. All public comments must be emailed by 4:00 PM prior to the meeting. Emailed public comments will not be read out loud but will be publicly available and attached to the on-line City Council agenda.

NEW FEATURE FOR ALTERNATIVE PUBLIC COMMENT VIA TELEPHONE BY RESERVATION
If you would like to provide comments via telephone (not using Zoom) during the Council meeting, you can request a reservation from the City Clerk prior to 12:00 p.m. on the meeting day. The reservation request may be submitted to the City Clerk by emailing publiccomment@cityofsthelena.org, or by calling (707) 968-2752. When submitting the request, please identify your name, your telephone number (including the area code first), and the agenda item number you would like to comment on. During the Council meeting, a representative from the City Clerk's Office will call you when public comment is called for the requested item. You will then be able to provide your comments to the Council via telephone.

Please see the end of the agenda for detailed PUBLIC PARTICIPATION instructions.

Spanish translation for this meeting will be offered. To access Spanish translation, you will need to join the meeting using the Zoom app from a computer, iPad or iPhone. You will see an icon on the screen that will allow you to choose Spanish translation. To learn how to use Zoom, please see the instructions below.

Please click the link below to join the meeting:

<https://us02web.zoom.us/j/82589371805>

Or One tap mobile :

US: +16699006833,,82589371805# or +13462487799,,82589371805#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 312 626 6799 or +1 929 205 6099 or +1 301 715 8592

Webinar ID: 825 8937 1805

International numbers available: <https://us02web.zoom.us/j/82589371805>

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1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Mayor: Geoff Ellsworth, Vice Mayor: Paul Dohring, City Council Members: Anna Chouteau, Eric Hall and Lester Hardy.

4. ADOPTION OF THE AGENDA

5. PUBLIC COMMENT:

Under California law, public comments at special meetings are limited to subjects on the agenda only. Therefore public comment will take place during consideration of the item. Each person's comments shall be limited to 4 minutes.

6. NEW BUSINESS:

6.1. Discussion and Direction Regarding Funding Options to Address City Infrastructure Deficiencies Including Consideration of Potential General Obligation Bond on the June 2022 Ballot

Prepared By: Mark T. Prestwich, City Manager

[Presentation](#)

[Bond Rate Funded Project Outline](#)

[Storm Drain-Water-Sewer Project List](#)

[Public Comment.Alan Galbraith](#)

[Public Comment.Alan Galbraith 2](#)

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7. ADJOURNMENT

The next Regular City Council meeting is scheduled for January 25, 2022, at 6:00 p.m.

I do hereby certify that a copy of the foregoing agenda was posted on the City website on January 21, 2022.



Cindy Tzaferopoulos, 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.

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 1572 Railroad Avenue, St. Helena, California, during normal business hours and by appointment. In addition, such writings or documents will be made available on the City's web site at <https://sthelena.civicweb.net> and will be available for public review at the respective meeting.

THE CITY OF ST. HELENA ENCOURAGES ONLINE PUBLIC PARTICIPATION IN VIRTUAL CITY COUNCIL MEETINGS

St. Helena, CA– The City of St. Helena is committed to public participation in City government in a manner that is consistent with guidance provided by the Napa County Public Health Official and AB361. These guidelines relate to social distancing, and are intended to protect everyone by limiting the spread of COVID-19 in our community. In adherence to these guidelines, the St. Helena City Council will host a Virtual Council Meeting on Zoom; a free teleconferencing tool that enables users to watch and/or call into the meeting from their computers or phones. This meeting will be open to public and allows for live public comment. The meeting will also be recorded, livestreamed, and posted on the City's website after the adjournment of the meeting if technical difficulties occur: <https://sthelena.civicweb.net/Portal/>

The ZOOM web link, meeting ID, and phone number will be listed at the top of the City Council Meeting Agenda. You will be required to enter the meeting ID, but there will be no password or participant ID.

How to Watch or Listen to Council Meetings:

1. Watch on Comcast Channel 28
2. Watch the livestreaming video on the City's website
3. Watch and Listen on Zoom.us by clicking on the link in the Council Agenda
4. Listen only by calling the Zoom number listed on the Council Agenda

Watch Council Meeting by Joining the Zoom Meeting:

1. **By Computer, Tablet, or Smart Phone:**
 1. Before joining the virtual City Council Meeting, it is highly encouraged that you download the Zoom App. To sign up for your own free account, visit zoom.us/signup and enter your email address. You will receive an email from Zoom (no-reply@zoom.us). In this email, click Activate Account.
 2. If you are logged into your account, Enter the **Meeting ID** listed on the City Council Agenda. If you have not created an account go to: <https://zoom.us/join> and enter the **Meeting ID**
 3. Select if you would like to connect audio and/or video and tap **Join Meeting**.
 4. For specific instructions for your device, go to: <https://support.zoom.us/hc/en-us/articles/201362193-Joining-a-Meeting>

1. **Listen Only by Telephone:**

1. **Dial** the number listed on the Council Agenda.
2. At the prompt, enter the **Meeting ID** provided on the top of the City Council Meeting Agenda and **Press #**. **A participate ID is not required.**
3. To disconnect from the meeting, hang up the phone.

Ways to Provide Public Comment:

While attending the virtual City Council Meeting, the public will have the opportunity to provide live public comment during Public Forum and after each agenda item. When it is the appropriate time for public comment the Mayor will verbally open public comment. At this time each individual is permitted 4 minutes to speak.

1. **Send a Public Comment in by 4:00 PM Prior to the Meeting to:**
publiccomment@cityofsthelena.org

The easiest way to provide public comment is to email your public comment. Public comments may be emailed to publiccomment@cityofsthelena.org. Please include in the subject line "COMMENT TO COUNCIL and the AGENDA ITEM". Any public comment is required to be submitted no later than 2 hours before the scheduled meeting and will be included as an attachment to the agenda. All public comments will be made publicly available and attached to the agenda item and will not be read out loud. All public comments that are received after 4:00 PM will be attached to the agenda the following day.

2. **Provide Comment through Zoom meeting from a computer, tablet, or smart phone**

This option allows the public to virtually attend the meeting as a muted 'attendee' with no video or screen sharing capabilities. You will be able to see and hear those participating in the meeting, but they will not be able to hear you until the host unmutes you.

If you wish to provide public comment during a specific agenda item or during public forum, you can use the "**raise hand**" feature located in the control panel at the bottom of your screen. The icon is a small blue hand. In Windows you can also use the Alt+Y keyboard shortcut to raise or lower your hand. In Mac you can also use the Option+Y keyboard shortcut to raise or lower your hand.

The host will be notified that you've raised your hand and you will be placed in a queue with all incoming requests.

When it is your turn to speak, you will be notified that the host has unmuted you. To be removed from the queue, just click the '**raise hand**' button again.

3. **Call in to the ZOOM meeting from a cell phone or landline phone only**

This option allows the member of the public with the opportunity to verbally participate in public comment.

If you wish to speak during public comment time dial ***9** on your telephone.

The host will be notified that you would like to speak and you will be placed in a queue with all incoming requests.

When it is your turn to speak, you will be notified that the host has unmuted you. You may press *9 again if you wish to be removed from the queue.

You will be notified at the end of your statement that you have been muted.

4. Alternative Public Comment Via Telephone by Reservation

If you would like to provide comments via telephone (not using Zoom) during the Council meeting, you can request a reservation from the City Clerk prior to 12:00 p.m. on the meeting day. The reservation request may be submitted to the City Clerk by emailing publiccomment@cityofsthelena.org, or by calling (707) 968-2752. When submitting the request, please identify your name, your telephone number (including the area code first), and the agenda item number you would like to comment on. During the Council meeting, a representative from the City Clerk's Office will call you when public comment is called for the requested item. You will then be able to provide your comments to the Council via telephone.



St. Helena Council Workshop

Funding Options for Needed Water, Sewer & Storm Drain Infrastructure Projects and Consideration of Potential General Obligation Bond on June 2022 Ballot

January 24, 2022



Workshop Objectives

- Review needed near-term water, sewer, and stormwater projects and discuss funding options to address infrastructure deficiencies.
- Consider options for possible placement of a General Obligation Bond on the June 8, 2022 ballot.



Format

- Background
- General Obligation Bonds vs. Revenue Bonds
- Review of Near-Term Needed CIP Projects
- Conceptual Bond vs. Rate Strategies
- Discussion/Direction



Background

2018: SHAPE Committee Report

- Condition Assessments and Appraisals of City assets

2020: Financing Civic Infrastructure Task Force Report

2021: Underground Utilities Master Plan

2021: Council Goal to Identify Financing & Revenue Options to Address City Infrastructure Deficiencies

2021: Opinion Research on Revenue Options



Sample Ballot Question

St. Helena Water Service Protection. To protect local water quality/supply, improve drought resilience by: repairing/replacing St. Helena's 1940s-era drinking water/stormwater system, including pipes, aging/deteriorating drinking water and sewage infrastructure; keeping sewage, pollution, trash, chemicals from local rivers, creeks and streams; protecting safe, sustainable, local water sources; shall City of St. Helena's measure authorizing \$54 million in bonds, levying approximately \$41 per \$100,000 of assessed value, raising about \$3.5 million annually while bonds are outstanding, requiring audits, be adopted?



General Obligation Bonds (GO Bond)

GO Bonds are secured by a promise to levy ad valorem property taxes (property taxes based on the value of the property) in an unlimited amount as necessary to pay debt service. Voters approve the maximum amount of debt (bonds) that can be issued. The ad valorem taxes levied to pay debt service on City GO Bonds are in addition to the one percent general ad valorem property tax.



Revenue Bonds

Revenue Bonds are issued to acquire, construct or expand public projects for which fees, charges or admissions are charged. The bonds are evidence of direct municipal debt incurred in purchasing or constructing a revenue-producing project and are repaid from the income by use of that project or system. Revenue Bonds are designed to finance facilities that provide benefits to a group of readily identifiable users. They are secured primarily by a pledge and lien on gross or net revenues received from the operation of the project or system.



Near Term Water, Sewer & Storm Drain CIP Needs

CIP Project Type	Budget Need
Storm Drain*	\$10.53M
Water	\$38.48M
Sewer	\$4.93M
TOTAL	\$53.94M

*Does NOT have a funding mechanism



Near Term Water, Sewer & Storm Drain CIP Needs

CIP Project Type	Budget Need	Funded	Delay to Years 6-10?	Funding Gap
Storm Drain*	\$10.53M	0	0	\$10.53M
Water	\$38.48M	\$6.18M	\$16.77M	\$15.53M
Sewer	\$4.93M	0	0	\$4.93M
TOTAL	\$53.94M	\$6.18M	\$16.77M	\$30.99M

*Does NOT have a funding mechanism



Storm Drain Funding Options

Funding Need: \$10.53M

Background

- All Storm Drain projects located inside City limits
- No existing revenue source

Funding Options

- General Fund
- General Obligation Bond



Water Funding Options

Funding Need: \$38.48M

Background

- Water projects located inside and outside City limits

Funding Options

- Water Rates/Revenue Bond
- General Obligation Bond
- Combination of both



Sewer Funding Options

Funding Need: \$4.93M

Background

- All sewer projects located inside City limits

Funding Options

- Sewer Rates/Revenue Bond
- General Obligation Bond
- Combination of both



Asset Location + Funding Options

	Asset Location		Funding Options		
	Inside City	Outside City	Water Rates	Sewer Rates	GO Bond
Storm Drain	X				X
Water	85%	15%	X		X
Sewer	X			X	X



Storm Drain CIP Projects

CIP Project	Budget Need (000)
Stormwater Collection System Improvements	\$9,580
Stormwater Rehabilitation/Replacement	\$950
TOTAL	\$10,530



Water CIP Projects

[Separate Spreadsheet]



Sewer CIP Projects

CIP Project	Budget Need (000)
WWTP Recycling Pipeline & Pump Station	\$1,719
Crinella Lift Station	\$1,140
Sewer High Priority Replacement of 9,500'	\$2,070
TOTAL	\$4,929



GO Bond Options vs. Rate Options

OPTIONS	GO BOND	WATER RATES	SEWER RATES
Storm Drain	\$10.5M	N/A	N/A
Sewer	\$0 to \$4.9M	N/A	\$0 to \$4.9M
Water*	\$0 to \$32.3M	\$0 to \$32.3M	N/A

*Assumes postponing \$16.7M of water projects to years 6-10



Discussion & Direction

Recommended Project List
Bond Funded

			Budget Needs					
Utility	Project	Description	Year 1 (000)	Year 2 (000)	Year 3 (000)	Year 4 (000)	Year 5 (000)	TOTAL (000)
Construction Cost Increase Estimates from Year 0 (2021)			125%	130%	137%	143%	150%	
WATER								
W	Bell Canyon Intake Tower Replacement	Replace existing intake tower with new tower to comply with DSOD permit	\$4,130					\$4,130
W	Rutherford Pump Station Interim Upgrades	Upgrade electrical equipment and install a permanent structure, add SCADA, and address hydraulic constrictions	\$690					\$690
W	Dwyer Road Booster Pump Station	Cost-share project with City of Napa to construct a booster pump station for water delivered from JamIEson WTP		\$1,360				\$1,360
W	Water Distribution Fire Flow Improvements	Replace smaller diameter (typ. 6-inch or less) pipelines with larger diameter pipes; In total, 4,900 linear feet (0.9 miles) of fire flow improvements are recommended	\$150	\$430	\$450	\$470		\$1,500
W	Spring Mountain Pressure Zone Improvements (Holmes Tank Upgrade)	Upgrade and integrate Holmes and Elmhurst water delivery systems.	\$1,000					\$1,000
W	Unfunded CIP Projects	Projects include: W21-01 Kearney & Andrea Water Main Replacement	\$1,100					\$1,100
W*	Rutherford Pump Station Replacement	RPS relocation / replacement and Zone X improvements; hydrolic controls				\$1,440	\$2,260	\$3,700
W*	New Water Treatment Plant	Replace existing 40+ year old WTP with packaged water treatment systems	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$8,000
W*	Water Treatment Plant Transmission Main	Replace 2,100 feet of 14-inch diameter, 2,200 feet of 18-inch diameter, and 12,000 feet of 24-inch		\$500	\$2,230	\$2,340		\$5,070
W	Rutherford Pipeline Replacement	Replace 19,700 feet of 12-inch pipeline with new pipeline			\$1,030	\$2,830	\$2,970	\$6,830
W	Smart Water Meters	Roll out a remote-access water meter program	\$630	\$650	\$690			\$1,970
W	Water Main Replacement Program	Complete 20,700 feet of water main rehabilitation and replacement projects	\$260	\$270	\$290	\$300	\$320	\$1,440
W	Rehabilitate Tank 2 at Lower Reservoir	Recoat interior and exterior, minor repairs throughout	\$940					\$940
W	Bell Canyon Spillway Repairs	Repair spillway	\$130					\$130
W	Unfunded CIP Projects	Projects include: W-85 Bell House Valve Replacement; W18-120 Bell Canyon Phreatic Surface Monitoring; W-108 Lower Reservoir Rehab;	\$620					\$620
SUBTOTAL			\$11,250	\$4,810	\$6,290	\$8,980	\$7,150	\$38,480
TOTAL			\$11,800	\$7,090	\$10,291	\$13,186	\$11,572	\$53,939

Cost estimates are order-of-magnitude only

Budgetary Construction Cost Estimates:
200 per foot for pressure pipelines (2021)
275 per foot for gravity pipelines (2021)

Storm Drain, Sewer and Water CIP Project List

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			Budget Needs					
Utility	Project	Description	Year 1 (000)	Year 2 (000)	Year 3 (000)	Year 4 (000)	Year 5 (000)	TOTAL (000)
Construction Cost Increase Estimates from Year 0 (2021)			125%	130%	137%	143%	150%	
STORM DRAIN								
SD	Stormwater System Improvements	Replace undersized portions of the stormwater collection system		\$400	\$2,910	\$3,060	\$3,210	\$9,580
SD	Stormwater System Rehabilitation and Replacement	Replacement of approximately 15,200 ft of the stormwater collection system	\$170	\$180	\$190	\$200	\$210	\$950
SUBTOTAL			\$170	\$580	\$3,100	\$3,260	\$3,420	\$10,530
SEWER								
S	WWTP Recycled Pipeline and Pump Station	Provide pump station to distribute recycled water through a network of about 9,000 feet of pipeline		\$170	\$491	\$516	\$542	\$1,719
S	Crinella Lift Station Improvements	Update the structure and pumping systems as well as including an air filter system to control odors		\$1,140				\$1,140
S	Sewer Replacement Program	High-priority replacement of 9,500-feet of gravity sewage collection system	\$380	\$390	\$410	\$430	\$460	\$2,070
SUBTOTAL			\$380	\$1,700	\$901	\$946	\$1,002	\$4,929
WATER								
W	Bell Canyon Intake Tower Replacement	Replace existing intake tower with new tower to comply with DSOD permit	\$4,130					\$4,130
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Cost estimates are order-of-magnitude only

Budgetary Construction Cost Estimates:

200 per foot for pressure pipelines (2021)
275 per foot for gravity pipelines (2021)

Prepared 1/24/2022

**Public Comment, Special City Council Meeting,
January 24, 2022, 5:00 p.m.**

In the late afternoon of January 21, 2022, the City Clerk circulated notice of a Special City Council Meeting for January 24. The subject is “Discussion of and Direction Regarding Options to Address City Infrastructure, including Consideration of Potential General Obligation Bond on the June 2022 Ballot.”

There was no Staff Report. Without doubt, the City has enormous capital needs on the General Fund side (roads, sidewalks, storm drains) and for its Water & Sewer Enterprises.

During his time as mayor, undersigned carefully reviewed, with strong input, City Financial Policy P-FI-0016, approved (before further revision) on November 27, 2018, during his time as mayor. His most focused objective was to ensure, in the future, that Water & Sewer rates fund the needs of these Enterprises, and they are not funded through misappropriation from the General Fund. This is in accord with well-established municipal finance practice literature.

Thus, in its simplest and most direct sentence Policy P-F1-0016 states in III.D.8: “Enterprise operations will be self-supporting.”

This simple and direct and financially principled statement is strongly supported elsewhere in Policy P-F1-0016. Council members, please review III.B.2, third bullet point; III.C.4, III.D.5, III.G.11, III.G.11, III.H.7, III.J. 6. Of these formal policies the one that is most relevant to this Public Comment is II.C.4: “Capital improvements that specifically benefit a fee-for-service enterprise operation (such as Water/Wastewater) are to be financed through the fees generated with the operation an fund. Such fees should be supported by periodic updates to the related utility master plan.”

I will strong support a General Obligation Bond but *only* if it is pellucidly clear the funds will be devoted to General Fund expenditures (of which there is not shortage) – and not the Water & Sewer Enterprises.

If the Council has other thoughts, then it needs to face up to Financial Policy P-F1-0016. Is it just words on a page, of no binding import?

Alan Galbraith
Mayor, 2014-18

**Second Public Comment, Special City Council Meeting,
January 24, 2022, 5:00 p.m.**

Below is the public comment, in revised form, which undersigned submitted in comment on Agenda item 11.2, City Council meeting, January 11, 2022.

As a past mayor, who led the successful adoption of the 0.50% local sales tax initiative in the November 2016 election, I offer the following observations:

1. Even without organized opposition, achievement of a two-thirds vote on a tax initiative is a challenge in this community, and even a majority is no sure bet, despite unquestioned need. In November 2010, Mayor Britton, facing opposition to a 0.50% sales tax increase (requiring only 50%+ voter approval), was not able to do so – nearly 61% voted against Measure C. The 2016 local sales tax measure (Measure D) achieved about 70% but only because there was a mayor-led campaign, including door-to-door canvassing, and there was no organized opposition.
2. There is no chance of achieving a two-thirds vote unless the City Council unanimously and vigorously supports the specific tax increase placed before voters.
3. There is little chance that an ad valorem tax on property will achieve a two-thirds vote. Here, a basic problem is the long-term effect of Proposition 13. Similar properties are valued very differently, depending upon date of last sale. Further, commercial properties, as they have often been held in the same entity for a very long time, can have a very low ad valorem tax basis. An ad valorem tax would fall unfairly on residential property owners, and especially newer owners.
4. An increase in the local sales tax: due to its 2016 local sales tax increase, St. Helena today has the highest sales tax rate in Napa County. Back then I sought a one-cent increase but I could not achieve unanimity in the Council. My speculation is that an additional 0.50-cent increase will bring organized opposition, making a majority vote (if for the General Fund) difficult of passage and a two-thirds vote (if for a special purpose) unlikely of passage.
5. TOT increase: most certainly, a TOT increase, putting our City out-of-synch with all other Napa County jurisdictions, will likely draw organized opposition, and perhaps rightfully so: specifically, should our hospitality industry, so important to our tax City's tax base, face a financial burden not shared by competitors? So, the same comment as under point 4: a majority vote would be difficult to achieve and a two-thirds vote unlikely.
6. In my first public comment for this Special Council meeting I recited clear City financial policy that the Enterprise funds are to be self-supporting through rates – and not dependent on taxpayer subsidies/bailouts. I hope the Council

respects City financial policy. The policy recognizes that taxpayers and ratepayers are not one and the same.

7. There is the further practical problem that about 14% of all water connections are outside City limits. These connections are on every side of the City, including the western side. See Figure 7.5, page 208, Napa Countywide Water and Wastewater Municipal Service Review Final (2021). (The City has not released the volumetric usage of outside-the-city water customers as a percentage of total usage. This would be a most useful statistic.) The basic point is that General Fund monies devoted to the Water Enterprise subsidizes out-of-city customers, including large water customers such as Meadowood Napa Valley and Hall Vineland LLC at the expense of City taxpayers.

Alan Galbraith
Mayor, 2014-18
Dated: January 22, 2022