



**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
MEETING MINUTES OF AUGUST 7, 2017**

1. WELCOME AND CALL TO ORDER; ROLL CALL

Chair Wagenknecht called the regular meeting of August 7, 2017 to order at 2:00 P.M.
At the time of roll call, the following Commissioners and staff were present:

Regular Commissioners	Alternate Commissioners	Staff
Brad Wagenknecht, Chair	Kenneth Leary	Brendon Freeman, Executive Officer
Diane Dillon	Ryan Gregory	Jennifer Gore, Commission Counsel
Juliana Inman	Gregory Rodeno - (<i>Voted</i>	Kathy Mabry, Secretary
Margie Mohler	<i>for Commissioner Kelly</i>	
Brian Kelly, Vice Chair - (<i>Arrived at 2:34 at #7d</i>)	<i>until #7d</i>)	

2. PLEDGE OF ALLEGIANCE

Chair Wagenknecht led the Pledge of Allegiance.

3. APPROVAL OF AGENDA

Chair Wagenknecht asked if there were any requests to rearrange the agenda. There were no requests.

Upon motion by Commissioner Mohler and second by Commissioner Dillon, the Commission unanimously adopted the agenda as submitted.

4. PUBLIC COMMENTS

Chair Wagenknecht invited members of the audience to provide public comment.
No public comments were received.

5. CONSENT ITEMS

- a) **Approval of Meeting Minutes: June 5, 2017 and June 19, 2017 Special Meetings**
- b) **Current and Future Proposals**
- c) **Fourth Quarter Budget Report for 2016-2017**
- d) **Budget Adjustment for 2017-2018**
- e) **Proposed Amendment to Legal Services Contract**

Upon motion by Commissioner Mohler and second by Commissioner Inman, the consent items were approved.

VOTE:

AYES: MOHLER, INMAN, DILLON, RODENO AND WAGENKNECHT

NOES: NONE

ABSENT: KELLY

ABSTAIN: NONE

6. PUBLIC HEARING ITEMS

a) Final Municipal Service Review and Sphere of Influence Update for the Congress Valley Water District

The Commission reviewed a final Municipal Service Review and Sphere of Influence Update for the Congress Valley Water District (CVWD). The final report includes written determinations making statements on the level and range of services provided by CVWD.

A draft report was presented to the Commission on June 5, 2017 for discussion.

The draft report was also made available for public review & comment on May 24, 2017 with a deadline of June 26, 2017. One comment letter was received.

No substantive changes were made to the draft report which was presented on June 5, 2017.

Staff provided a presentation noting that 3 studies areas were evaluated for possible inclusion within or removal from CVWD's sphere of influence (SOI): 1) Buhman Avenue (includes Forloine properties; 2) Old Sonoma Road (includes Carneros Inn) and; 3) Southeast Study Area (removal from SOI is recommend) and were identified on a map.

Staff recommends the Commission continue this item to the October 2, 2017 meeting to allow more time for resolution of the issues relating to the Forloine properties and AB402 language about municipal service reviews.

Chair Wagenknecht opened the public hearing.

- Eve Kahn, City of Napa resident, spoke about 2 parcels on map which she said are not in Carneros Resort area. (Staff later noted that these 2 vacant parcels were added to provide continuity to the district, and will not be considered as part of water service extension request).
- John Stewart, representing the Forloine properties, asked for continuance to pursue the voluntary land use restrictions (forfeiture of winery development rights) in order to move this SOI update forward.
- David Morrison, Napa County Planning Director, confirmed that an easement regarding water restrictions on the Forloine property would be held by Napa Land Trust.

Commissioner Inman commented regarding a statement in the MSR concerning water deficiency and stated that there is no documentation to support that. In addition, on page 30 of report, it was stated that the City provides water to this property, however, the City is not the source.

Several Commissioners commented that it would be useful if nearby water districts were identified in the report, and recycled water lines going out to that region, if any.

Staff will obtain the requested information and include it in the MSR.

Chair Wagenknecht closed the public hearing.

Upon motion by Commissioner Mohler and second by Commissioner Dillon, the Commission continued this public hearing item to the October 2, 2017 meeting for further discussion and possible action:

VOTE:

AYES: MOHLER, DILLON, INMAN, RODENO AND WAGENKNECHT

NOES: NONE

ABSENT: KELLY

ABSTAIN: NONE

7. ACTION ITEMS

a) Island Annexation Program

The Commission received a report summarizing the costs and process associated with annexing unincorporated islands surrounded by the City of Napa.

At its June 5, 2017 meeting, the Commission appointed Commissioners Inman and Gregory to an ad hoc subcommittee and directed the Committee to return with more information about next steps and timelines for an island annexation program.

The Island Committee recently held two meetings to identify and evaluate opportunities, challenges, and potential strategies related to island annexations. The Committee identified several key action steps needed to succeed with an island annexation program along with estimated timelines, as specified in the staff report.

To begin with, a partnership with the City is required given that the only way the island annexation program can be successful is with the City taking the lead by way of adopting a resolution and applying for annexation to LAFCO. As a result, the Commission will consider authorizing the EO to submit a letter to the City of Napa requesting a formal island annexation partnership with the Commission, including collaborative outreach efforts.

The Committee is also seeking feedback from the Commission with regards to changing the policy definition of “substantially surrounded” to reduce the threshold from two-thirds surrounded to half surrounded (50%). The Commission was also asked to discuss the merits of a change in policy that would result in approximately 7 additional areas officially being added to the islands inventory.

Accordingly, the Commission unanimously nominated Commissioners Mohler and Rodeno to form an ad hoc Policy Committee to study the policy definition of “island” as well as “substantially surrounded” and gather enough information to bring the Island Annexation Program to the Napa City Council.

Commissioner Inman recommended LAFCO collect and bundle information and then go before Napa’s City Council with the Island Annexation program, to include LAFCO staff.

Commissioner Dillon thinks the Commission will need to provide a financial breakdown, and the City and County need to talk about this matter more in detail.

Commissioner Gregory reminded the Commission that this matter was the #1 issue voted on at the recent LAFCO Strategic Planning Workshop.

Chair Wagenknecht opened the public hearing.

Public comments were received from the following:

- Eve Kahn, Napa Realtor, stated to the Commission that is very confusing to potential home buyers to have “islands” in the City of Napa, so would like to see the education component come first and have landowners buy-in to annexing before moving forward with the program.
- Molly Rattigan, Deputy County Executive Officer, stated that the County does support the general concept being proposed in regards to the efficiency and delivery of service, but wants the program to be done correctly and not rushed into. Molly stated that the County is concerned about present conditions of infrastructure in some of the island areas (streetlights, sidewalks, etc.) and wants the City to be aware of these issues. Another concern is the suggested cost-sharing of this program. Molly reminded the Commission that the County currently pays 50% of LAFCO’s budget, so it would like to have further discussions with the City and LAFCO about estimated improvement costs for which the County may be expected to incur.

7. ACTION ITEMS – continued:

a) Island Annexation Program

- Sandra Lovelace, Penny Lane resident, supports the staff recommendation.
- Cio Perez, Napa County Farm Bureau recommended the islands be included the SOI before being considered for annexation, and changing the island percentage in the policy. Staff reminded the Commission that an interested UC Berkeley PHD student in Economics is studying island annexations throughout the State has volunteered to assist with these efforts pro bono.

Chair Wagenknecht closed the public hearing.

Upon motion by Commissioner Dillon and second by Commissioner Mohler, the Commission authorized the Executive Officer to submit a formal letter to the City of Napa, as well as the County with respect to annexing some or all of the islands.

In addition, the ad hoc Policy Committee (Commissioners Mohler and Rodeno) will proceed to review the Commission’s current policy definition of “substantially surrounded” and modify the *General Policy Determinations* Section VII(A)(2):

VOTE:

AYES: DILLON, MOHLER, INMAN, RODENO AND WAGENKNECHT
NOES: NONE
ABSENT: KELLY
ABSTAIN: NONE

b) Proposed Penny Lane No. 4 Reorganization

The Commission considered a landowner petition to annex approximately 0.9 acres of unincorporated territory to the City of Napa. The affected territory is located at 2159 Penny Lane and within the City’s sphere of influence. Staff has modified the proposal to (1) expand the affected territory to include 2137 Penny Lane and 2139 Penny Lane, (2) expand the affected territory to include the adjacent portions of public right-of-way on Penny Lane, and (3) concurrently detach the affected territory from County Service Area No. 4. The purpose of the modified annexation is to allow the existing single-family residences and future second dwelling units to connect to the City’s public water infrastructure.

The recommended action is for the Commission to adopt a resolution approving the modified proposal with standard terms and conditions.

Cio Perez, Napa County Farm Bureau requested clarification of acreage, and staff verified that the total amount of acreage involved is approximately 2.2 acres.

Staff provided an overview of this item.

Upon motion by Commissioner Dillon and second by Commissioner Mohler, the modified proposal as submitted and resolution were approved by the Commission, however, the Commission requested a courtesy copy of the final version of the map and description to this proposal (**Resolution #2017-05**):

VOTE:

AYES: DILLON, MOHLER, INMAN, RODENO AND WAGENKNECHT
NOES: NONE
ABSENT: KELLY
ABSTAIN: NONE

7. ACTION ITEMS – continued:

c) Policy Update and Committee Appointment

The Commission received a report from the Policy Committee (Commissioners Mohler, Rodeno, and Executive Officer Freeman). It is recommended the Commission discuss the adopted policy definition of “substantially surrounded” with respect to unincorporated islands and provide direction with respect to any changes before the Policy Committee returns with recommendations for formal action at a future meeting.

On June 13, 2017 the Committee circulated the draft amendments to the *General Policy Determinations* to staff from the County of Napa and each city/town in Napa County as well as other stakeholders for their review and comment. County staff requested additional time to perform a thorough review of the draft policy amendments before the Commission takes formal action. The Committee agreed to allow until August 31, 2017 for submittal of comments. Therefore, the Committee anticipates returning with a recommendation for formal action at the Commission’s October 2, 2017, meeting.

It was also recommended that the Commission appoint a new member to the Policy Committee to replace Commissioner Kelly who has indicated a need to resign from the Committee.

Upon motion by Commissioner Rodeno and second by Commissioner Inman, the Commission unanimously nominated Commissioner Mohler to the Policy Committee to replace Commissioner Kelly:

VOTE:

AYES: RODENO, INMAN, DILLON, MOHLER AND WAGENKNECHT
NOES: NONE
ABSENT: KELLY
ABSTAIN: NONE

d) Legislative Report

The Commission received a report on the first year of the 2017-2018 session of the California Legislature as it relates to items directly or indirectly affecting Local Agency Formation Commissions.

Staff reported that CALAFCO is presently sponsoring and tracking a number of bills that have direct or indirect impacts on LAFCOs. The Commission received a summary of proposed legislation that is particularly relevant to Napa LAFCO and requested taking formal positions on specific items identified in the staff report.

The recommended action is for the Commission to authorize the Executive Officer to submit a formal letter of support for the recently amended Senate Bill 448.

Molly Rattigan, Deputy County Executive Officer, advised the Commission that the Rural County Representatives of California (RCRC) have removed their opposition to this bill.

Upon motion by Commissioner Mohler and second by Commissioner Inman, the Commission authorized the Executive Officer to submit a formal letter of support for Senate Bill 448:

VOTE:

AYES: MOHLER, INMAN, DILLON, KELLY AND WAGENKNECHT
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

7. ACTION ITEMS – continued:

e) CALAFCO Annual Conference Items

The Commission considered appointing voting delegates to represent the agency at CALAFCO's Annual Conference scheduled for October 25th through October 27th at the Bahia Resort in San Diego. The Commission also considered making CALAFCO's Board of Directors nominations.

The Executive Officer provided an overview of this item.

Following discussion, the Commission appointed Chair Wagenknecht and Commissioner Mohler to serve as Napa's voting delegate and alternate delegate, respectively, for the Board elections at the annual CALAFCO Conference in October.

In addition, Commissioner Mohler was nominated to the Board of Directors and encouraged to apply for the CALAFCO Board's coastal region. A letter of support will be provided by the Chair for this nomination.

Upon motion by Commissioner Inman and second by Commissioner Dillon, the Commission appointed Chair Wagenknecht and Commissioner Mohler to serve as Napa's voting delegate and alternate delegate, respectfully, for the Board elections at the annual CALAFCO Conference:

VOTE:

AYES:	<u>INMAN, DILLON, KELLY, MOHLER AND WAGENKNECHT</u>
NOES:	<u>NONE</u>
ABSENT:	<u>NONE</u>
ABSTAIN:	<u>NONE</u>

8. DISCUSSION ITEM

a) Work Program Progress Report

The Commission received a progress report on its adopted 2017-2018 Work Program. The Commission will discuss the Work Program and may provide direction to staff with respect to desired changes.

Staff provided the Commission with an overview of the report, which included in-progress activities such as the St. Helena MSR/SOI study (currently in the hands of LAFCO staff).

The South County study is currently being prepared by Consultant Elliot Mulberg & Associates.

New activities: Annual housing and General Plan Updates.

No formal action was taken by the Commission as part of this item.

9. EXECUTIVE OFFICER REPORT

The Executive Officer provided a report on current & future staff and Commission activities.

The Strategic Planning Committee (Chair Wagenknecht and Commissioner Kelly) will be meeting with Bill Chiat soon.

The Annual audit will take place in September and delivered to the Commission in December.

Staff announced that a group photo will be taken following the meeting for the agency's website.

10. COMMISSIONER COMMENTS/REQUESTS FOR FUTURE AGENDA ITEMS

There were no commissioner comments or requests for future agenda items.

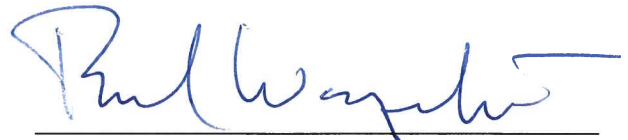
**11. CLOSED SESSION:
Public Employee Performance Evaluation–Executive Officer
(Gov. Code §54957(b)(1))**

There was no reportable action.

12. ADJOURNMENT TO NEXT SCHEDULED MEETING

The meeting was adjourned at 3:49 P.M.

The next regular LAFCO meeting is scheduled for Monday, October 2, 2017, at 2:00 P.M. at the Napa County Board of Supervisors Chambers, located at 1195 Third Street, 3rd floor, Napa, CA 94559.

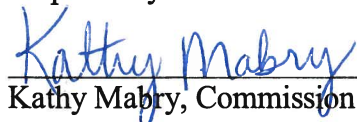


Brad Wagenknecht, LAFCO Chair

ATTEST:

Brendon Freeman, Executive Officer

Prepared by:



Kathy Mabry, Commission Secretary