



Local Agency Formation Commission of Napa County
Subdivision of the State of California

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We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

Agenda Item 8b (Action)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer

MEETING DATE: June 1, 2020

SUBJECT: Countywide Water and Wastewater Municipal Service Review
Draft Report

RECOMMENDATION

It is recommended the Commission discuss matters related to the Countywide Water and Wastewater Municipal Service Review (MSR) and provide direction to staff with respect to (1) the public workshop scheduled for July 13, 2020, and (2) possible future revisions to the MSR to incorporate information related to COVID-19 impacts on the subject agencies.

SUMMARY

Consistent with the Commission's adopted *Strategic Plan 2018-2022* and Work Program for fiscal year 2019-2020, a private consultant – Policy Consulting Associates (PCA) – has completed a draft Countywide Water and Wastewater MSR. The report provides a comprehensive review of water, wastewater, and recycled water service in Napa County as provided by 14 local governmental agencies. The 14 subject agencies are listed below:

- City of American Canyon
- City of Calistoga
- City of Napa
- City of St. Helena
- Town of Yountville
- Circle Oaks County Water District
- Congress Valley Water District
- Lake Berryessa Resort Improvement District
- Los Carneros Water District
- Napa Berryessa Resort Improvement District
- Napa County Flood Control and Water Conservation District
- Napa River Reclamation District No. 2109
- Napa Sanitation District
- Spanish Flat Water District

PCA developed a project-specific website to provide opportunities for ongoing interaction with the subject agencies and members of the general public. The website is available to the public online at <https://sites.google.com/pcateam.com/napamsr/home>.

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Councilmember, City of American Canyon

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County of Napa Supervisor, 3rd District

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County of Napa Supervisor, 2nd District

Brendon Freeman
Executive Officer

Public Workshop

On May 4, 2020, the Commission provided formal direction to the Commission Chair and Executive Officer to schedule a special meeting to hold a public workshop for purposes of discussing the MSR and collecting comments on the draft report. A public workshop has been scheduled for July 13, 2020. Staff has tentatively reserved the Napa Valley Transportation Authority's Board of Directors meeting room for 2:00pm on July 13, 2020. Staff is committed to organizing the meeting room to allow for robust public participation and accommodate social distancing. Staff recommends the Commission provide formal direction with respect to a preferred meeting structure, location, and time.

Public Circulation of Draft Report

On May 18, 2020, the draft report was circulated to the general public. It is not anticipated the Commission has reviewed the entire draft report as of the date of this meeting. The draft report is available online at:

https://www.napa.lafco.ca.gov/uploads/documents/CountywideWaterWastewaterMSR_PublicReviewDraft_5-18-20.pdf

Written comments on the draft report are welcome for 60 days with a deadline of July 17, 2020. The draft report will be presented in detail at the public workshop on July 13, 2020.

COVID-19 Impacts and Possible Report Revisions

The recent and ongoing COVID-19 pandemic is significantly impacting local agencies with respect to their financial ability to provide services. For example, the Governor's Executive Order N-28-20 prohibits commercial or residential evictions on the basis of non-payment of utility bills, which represents an immediate impact on enterprise services. Further, tourism has essentially ceased until further notice, which represents a significant impact on general fund revenues including sales taxes and transient occupancy taxes.

The draft report does not address COVID-19 impacts. Staff believes COVID-19 impacts represent significant changes to local conditions and circumstances that should be addressed in the MSR. With this in mind, PCA provided two proposals for the Commission's consideration with respect to depth of COVID-19 impact analysis and associated costs. If the Commission elects to proceed with either option, it would necessitate the preparation of a revised draft report, which would be circulated for public review and presented at a future Commission meeting. A future contract amendment and budget adjustment may also be needed. All other data, analysis, and determinations in the report would remain unchanged.

Staff recommends the Commission provide direction to proceed with one of the two proposals described on the following page. As an alternative, the Commission may instead choose neither option and proceed without revising the draft report to address COVID-19 impacts.

Proposal One (Recommended by Staff): Approx. \$3,000 to \$5,000

The consultant team will include in the MSR a brief (two to three paragraphs) overview of the potential impacts of COVID-19 on different types of water and wastewater providers. Impacts may include, for example, non-payment of rates, assessments and property taxes; increased operating costs; increased need for low-income rate programs; delayed capital projects; impacts on other City operations, etc. Selected FY20-21 budgets will be reviewed to generally characterize impacts on budget forecasts for the upcoming fiscal year. Comments from agencies related to COVID-19 impacts will be integrated into the individual MSR sections.

Proposal Two: Approx. \$5,000 to \$10,000

The consultant team will prepare a brief email questionnaire to be sent to agencies requesting comments about anticipated short- and long-term impacts of COVID-19, specific impacts on FY20-21 budgets, operations and capital, and strategies to address the impacts. An overview of responses will be prepared, and specifics integrated into the respective sections of responding agencies.

ATTACHMENTS

None