

The background of the slide is a light gray gradient with several realistic water droplets of various sizes scattered across it. The droplets have highlights and shadows, giving them a three-dimensional appearance.

NAPA LAFCO WATER AND WASTEWATER MUNICIPAL SERVICE REVIEW PUBLIC WORKSHOP

PRESENTED BY

POLICY CONSULTING ASSOCIATES, LLC &

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JULY 13, 2020

SCHEDULE UPDATE

- COMMENTS DUE TO CONSULTANTS 7/20/20
- DISCUSS COMMENTS AT COMMISSION MTG 8/3/20
- PUBLIC HEARING FOR ADOPTION 10/5/20

WHAT IS A MUNICIPAL SERVICE REVIEW?

“IN ORDER TO PREPARE AND UPDATE SPHERES OF INFLUENCE IN ACCORDANCE WITH SECTION 56425, THE COMMISSION SHALL CONDUCT A SERVICE REVIEW OF THE MUNICIPAL SERVICES PROVIDED”

- GOVERNMENT CODE §56430

WHAT IS A MUNICIPAL SERVICE REVIEW?

AB 1744 REQUIRES LAFCO TO MAKE CERTAIN DETERMINATIONS:

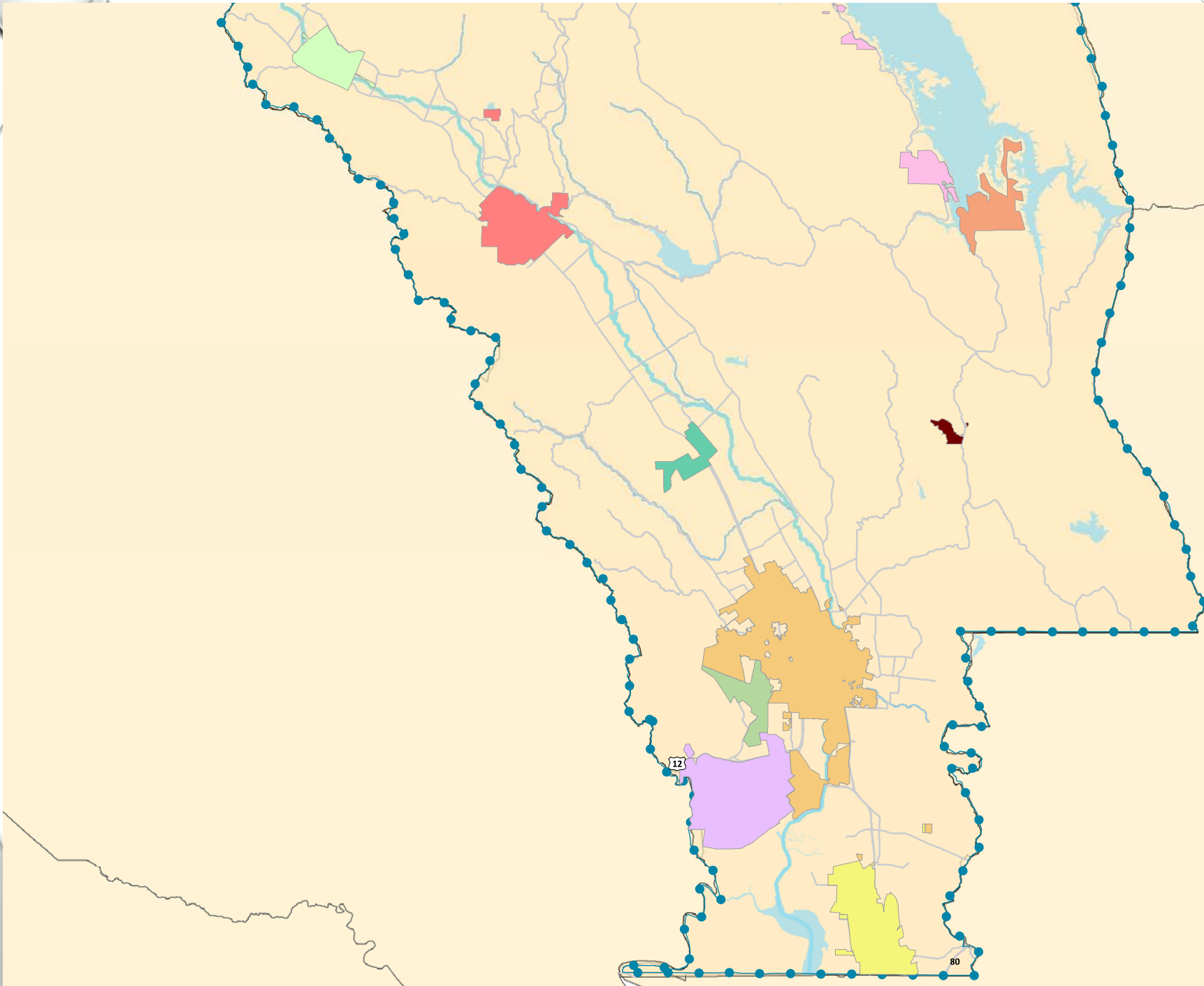
- PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS OR DEFICIENCIES
- THE LOCATION AND CHARACTERISTICS OF DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE AGENCY'S SOI
- GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA
- FINANCIAL ABILITY OF AGENCIES TO PROVIDE SERVICES
- STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES
- ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES
- ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY, AS REQUIRED BY COMMISSION POLICY.

MSR PROCESS

1. STAKEHOLDER KICKOFF MEETING
2. DEVELOPMENT OF PROJECT WEBSITE
3. PUBLIC OUTREACH
4. DATA DISCOVERY
5. AGENCY INTERVIEWS
6. AGENCY REVIEW OF CHAPTER
7. UPDATES AT 3 LAFCO MEETINGS
8. COMPILATION OF ADMINISTRATIVE DRAFT
9. REVIEW BY LAFCO STAFF AND AGENCY STAFF
10. STAKEHOLDER REVIEW MEETING
11. RELEASE OF PUBLIC REVIEW DRAFT VIA LIST OF INTERESTED STAFF, GOVERNING BODY, AND PUBLIC
12. PUBLIC COMMENT PERIOD OVER 2 MONTHS
13. COMPREHENSIVE PUBLIC WORKSHOP
14. EDITS MADE PURSUANT TO COMMENTS RECEIVED
15. CONSIDERED FOR ADOPTION AT LAFCO PUBLIC HEARING

PROVIDERS

Agency	Water	Recycled Water	Wastewater
City of American Canyon	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>
City of Calistoga	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>
City of Napa	✓ <input type="checkbox"/>		
City of St. Helena	✓ <input type="checkbox"/>		✓ <input type="checkbox"/>
Town of Yountville	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>
Circle Oaks Water District	✓ <input type="checkbox"/>		✓ <input type="checkbox"/>
Congress Valley Water District	✓ <input type="checkbox"/>		
Lake Berryessa Resort Improvement District	✓ <input type="checkbox"/>		✓ <input type="checkbox"/>
Los Carneros Water District		✓ <input type="checkbox"/>	
Napa Berryessa Resort Improvement District	✓ <input type="checkbox"/>		✓ <input type="checkbox"/>
Napa County Flood Control and Water Conservation District	✓ <input type="checkbox"/>		
Napa River Reclamation District			✓ <input type="checkbox"/>
Napa Sanitation District		✓ <input type="checkbox"/>	✓ <input type="checkbox"/>
Spanish Flat Water District	✓ <input type="checkbox"/>		✓ <input type="checkbox"/>



SUMMARY OF RECOMMENDATIONS

- ENSURE COMPLIANCE WITH AB 2257 (AGENDAS/WEBSITES)
- REVIEW/DEVELOP DATA MANAGEMENT SYSTEMS
- MAINTAIN COMPREHENSIVE DOCUMENTATION OF SERVICE CONNECTIONS
- DEVELOP 5-YEAR CAPITAL IMPROVEMENT PLANS AND UPDATE ANNUALLY
- MAINTAIN RELEVANT MASTER PLANS FOR ALL UTILITY SYSTEMS
- CONDUCT UP-TO-DATE ADVANCED GROWTH PLANNING
- INCORPORATE APPROVED USES AND LOCATIONS FOR TRUCKING OF WATER IN CODES
- PRIORITIZE COMPLIANCE WITH REPORTING REQUIREMENTS
- REGULARLY REVIEW RATES AND COSTS OF SERVICE
- UPDATE WEBSITES WITH FINANCIAL INFORMATION AND PLANNING STUDIES

CHALLENGES TO SERVICES

- CLIMATE CHANGE IMPACTS
- LACK OF A REGIONAL OUTLOOK FOR WATER RESOURCES,
- COLLABORATION ON A CASE-BY-CASE SCENARIO,
- SOME COUNTY WATER RESOURCES NOT FULLY USED,
- NEED FOR GREATER COORDINATION AND ACCOUNTABILITY OF JURISDICTIONS ,
- NEED FOR SUPPORT BUYING ON THE SPOT MARKET,
- CERTAIN REDUNDANCIES WITH SEVERAL SMALLER SYSTEMS,
- NEED FOR SUPPLEMENTAL TECHNICAL EXPERTISE AND SUPPORT,
- OUTDATED GOVERNANCE STRUCTURE OF SOME AGENCIES, AND
- LACK OF ECONOMIES OF SCALE IN SMALL WATER AND WASTEWATER SYSTEMS.

FINANCIAL CHALLENGES

- COSTS TO COMPLY WITH INCREASING REGULATORY REPORTING, STANDARDS AND REQUIREMENTS
- REPAIR AND REPLACEMENT OF AGING INFRASTRUCTURE, AND RELATED PLANNING
- LIMITED ABILITY OF RESIDENTS TO CONTINUE TO ABSORB INCREASING OPERATIONAL AND CAPITAL COSTS, MINIMAL NEW DEVELOPMENT
- GROWING FINANCIAL DEMANDS CAUSED BY UNFUNDED PENSION LIABILITIES
- COSTS TO REPAIR AND PROTECT AGAINST CLIMATE CHANGE, DROUGHT, WILDFIRE, AND OTHER NATURAL DISASTERS
- COVID-19 HAS ADVERSELY AFFECTED REVENUES AND STAFF, ESP. CITIES

GOVERNANCE STRUCTURE OPTIONS

Affected Agency	Governance Options
City of American Canyon	<ul style="list-style-type: none">• Clarification of LAFCO-approved service area• Inclusion of non-contiguous city-owned property in SOI or clarification of LAFCO policy• Participation in a county water agency
City of Calistoga	<ul style="list-style-type: none">• Participation in a county water agency
City of Napa	<ul style="list-style-type: none">• Reorganization of Congress Valley Water District• Contract service to other agencies• Merger with Napa Sanitation District• Creation of a Water Commission• Inclusion of non-contiguous city-owned property in SOI or clarification of LAFCO policy• Participation in a county water agency

GOVERNANCE STRUCTURE OPTIONS

Affected Agency	Governance Options
City of St. Helena	<ul style="list-style-type: none">• Elimination of Municipal Sewer District No. 1• Inclusion of non-contiguous city-owned property in SOI or clarification of LAFCO policy• Participation in a county water agency
Town of Yountville	<ul style="list-style-type: none">• Collaboration with California Department of Veterans Affairs to develop a water management plan• Continued collaboration with County regarding potential annexation of Domaine Chandon property• Participation in a county water agency
Circle Oaks County Water District	<ul style="list-style-type: none">• Contracting for services with City of Napa and/or Napa Sanitation District• Reorganization into a county water agency or a countywide county water district

GOVERNANCE STRUCTURE OPTIONS

Affected Agency	Governance Options
Congress Valley Water District	<ul style="list-style-type: none">• Reorganization of Congress Valley Water District<ul style="list-style-type: none">○ Expansion of City of Napa SOI and annexation of Congress Valley community○ Formation of a subsidiary district of City of Napa○ Formation of a county service area○ Dissolution and continued service by City of Napa
Lake Berryessa Resort Improvement District	<ul style="list-style-type: none">• Reorganization as a county service area• Reorganization into a county water agency or countywide county water district
Los Carneros Water District	<ul style="list-style-type: none">• Reorganization with Napa Sanitation District

GOVERNANCE STRUCTURE OPTIONS

Affected Agency	Governance Options
Napa Berryessa Resort Improvement District	<ul style="list-style-type: none">• Reorganization as a county service area• Reorganization into a county water agency or countywide county water district
Napa County Flood Control and Water Conservation District	<ul style="list-style-type: none">• Establish zones of benefit• Reorganization with Napa River Reclamation District No. 2109• Participation in a county water agency
Napa River Reclamation District No. 2109	<ul style="list-style-type: none">• Expansion of services to include levee construction and maintenance• Reorganization into a community services district• Reorganization as zone of Napa County Flood Control and Water Conservation District

GOVERNANCE STRUCTURE OPTIONS

Affected Agency	Governance Options
Napa Sanitation District	<ul style="list-style-type: none">• Merger with City of Napa• Annexation of Los Carneros Water District• Contract service to other agencies• Expansion of services to Monticello Park
Spanish Flat Water District	<ul style="list-style-type: none">• Contracting for services with City of Napa and/or Napa Sanitation District• Reorganization into a county water agency or countywide county water district• Transition to a county service area

COUNTYWIDE/REGIONAL GOVERNANCE STRUCTURE OPTIONS

POTENTIAL BENEFITS

- EFFICIENT USE OF THE COUNTY'S WATER RESOURCES,
- ENHANCED WATER RESOURCE MANAGEMENT,
- SOLIDARITY AMONGST NAPA WATER PURVEYORS WITH GREATER LEVERAGING POWER,
- GREATER SCRUTINY OF ALL UTILITY PROVIDERS,
- ENHANCED TECHNICAL AND OPERATIONAL SUPPORT FOR LOCAL PROVIDERS,
- ELIMINATION OF REDUNDANCIES AND DUPLICATION OF EFFORTS AMONGST THE SMALLER SYSTEMS, AND
- IMPROVED ECONOMIES OF SCALE.

COUNTYWIDE/REGIONAL GOVERNANCE STRUCTURE OPTIONS

POTENTIAL FINANCIAL BENEFITS

- COST EFFICIENCIES FROM INCREASED SCALE – IMPROVES ABILITY TO ACHIEVE “BEST PRACTICES” IN PLANNING, OPERATIONS, REPORTING, AND CAPITAL IMPROVEMENTS
- ELIMINATION OF REDUNDANCIES AND RELATED COSTS
- ENHANCED TECHNICAL AND OPERATIONAL SUPPORT AT LOWER COST
- SHARED COST OF COORDINATED, REGIONAL PLANNING

COUNTYWIDE/REGIONAL GOVERNANCE STRUCTURE OPTIONS

POTENTIAL CHALLENGES

- GARNERING CONSENSUS AMONGST AFFECTED AGENCIES,
- RETENTION OF LOCAL CONTROL,
- COMPOSITION OF GOVERNING OR DECISION-MAKING BODY,
- FUNDING OF REORGANIZATION EFFORTS,
- IDENTIFYING AND ESTABLISHING SUSTAINABLE REVENUE SOURCES,
- ENSURING THAT RATES ARE NOT SUBSTANTIALLY AFFECTED,
- RETAINING FUNDING WITH SOURCE AGENCY, AND
- ADJUSTING TO NEW OR ALTERED ROLES/RESPONSIBILITIES.

COUNTYWIDE/REGIONAL GOVERNANCE STRUCTURE OPTIONS

NEXT STEPS

- BEGIN DISCUSSIONS TO DETERMINE A PREFERRED SERVICE STRUCTURE AND CONFIRM CONSENSUS,
- FURTHER ASSESSMENT TO DETERMINE:
 - WHICH WATER RESOURCES WOULD BE UNDER THE JURISDICTION OF THE NEWLY FORMED ENTITY
 - WHAT SPECIFIC SERVICES WOULD THE NEW AGENCY PROVIDE TO WHICH AGENCIES
 - HOW THE REORGANIZATION WOULD AFFECT RATES
 - IMMEDIATE AND LONG-TERM COST OF THE REORGANIZATION
 - APPROPRIATE COMPOSITION OF THE GOVERNING BODY
 - FUNDING SOURCES THAT CAN FEASIBLY ENSURE SUFFICIENT REVENUES FOR THE NEW ENTITY

**ANY QUESTIONS OR
COMMENTS?**

