

**LAFCO OF NAPA COUNTY**

**NAPA COUNTYWIDE  
WATER AND WASTEWATER  
MUNICIPAL SERVICE REVIEW  
WORKSHOP ON ADOPTED  
RECOMMENDATIONS**

SEPTEMBER 11, 2023, 9:30 AM  
TOWN OF YOUNTVILLE COUNCIL  
CHAMBERS



## 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?

GOVERNMENT CODE §56430 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.

## PROVIDERS

Agency	Water	Recycled Water	Wastewater
City of American Canyon	✓	✓	✓
City of Calistoga	✓	✓	✓
City of Napa	✓		
City of St. Helena	✓		✓
Town of Yountville	✓	✓	✓
Circle Oaks 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			✓
Napa Sanitation District		✓	✓
Spanish Flat Water District	✓		✓





## **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



This Photo by Unknown Author is licensed under [CC BY-SA-NC](https://creativecommons.org/licenses/by-sa/4.0/)

## 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
- 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 WITH MINIMAL NEW DEVELOPMENT OCCURRING
- GROWING FINANCIAL DEMANDS CAUSED BY UNFUNDED PENSION LIABILITIES
- COSTS TO REPAIR AND PROTECT AGAINST CLIMATE CHANGE, DROUGHT, WILDFIRE, AND OTHER NATURAL DISASTERS
- COVID-19 ADVERSELY AFFECTED REVENUES AND STAFF, ESPECIALLY FOR CITIES



## GOVERNANCE STRUCTURE OPTIONS

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

## GOVERNANCE STRUCTURE OPTIONS

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

## GOVERNANCE STRUCTURE OPTIONS

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

## GOVERNANCE STRUCTURE OPTIONS

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

## GOVERNANCE STRUCTURE OPTIONS

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

# 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
- 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

This Photo by Unknown Author is licensed under CC BY-SA

# 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
- 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 JURISDICTION OF 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 NEW ENTITY