



Local Agency Formation Commission
LAFCO of Napa County

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February 4, 2008
Agenda Item No. 6a

January 23, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

**SUBJECT: Congress Valley Water District: Sphere of Influence Review
(Public Hearing)**

The Commission will receive a written report representing its scheduled sphere of influence review of the Congress Valley Water District. The Commission will consider a draft resolution adopting the recommendations of the report to add four distinct areas to the sphere comprising approximately 457 unincorporated acres.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires Local Agency Formation Commissions (LAFCOs) to review and update each local agency's sphere of influence every five years as needed. A sphere is a planning device used by LAFCO to designate the probable physical boundary and service area of the affected local agency. Change of organizations, such as annexations or detachments, must be consistent with the spheres of the affected local agencies. In order to review a local agency's sphere, LAFCO must prepare municipal services reviews to determine the availability and adequacy of services in the region. The collective purpose of these reviews is to inform and direct LAFCOs in their legislative mandate to coordinate the orderly development of local agencies and services in a manner that meets the present and future needs of the community.

Background

In October 2004, LAFCO of Napa County completed a countywide municipal service review on public water service providers. The review included an evaluation of the Congress Valley Water District (CVWD), which was formed in 1949 and provides potable water service to an unincorporated area immediately southwest of the City of Napa. The review culminated with the adoption of determinations making statements on a range of service and governance issues regarding CVWD. Markedly, the determinations identified that CVWD is operating efficiently and providing an appropriate level of service consistent with the preferences and needs of its constituents.

Jack Gingles, Commissioner
Mayor, City of Calistoga

Juliana Inman, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

Brad Wagenknecht, Chair
County of Napa Supervisor, 1st District

Bill Dodd, Commissioner
County of Napa Supervisor, 4th District

Mark Luce, Alternate Commissioner
County of Napa Supervisor, 2nd District

Brian J. Kelly, Vice Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Discussion

Drawing from the information collected and analyzed during the municipal service review, staff has prepared the attached report representing the sphere of influence review of CVWD. The report considers whether changes to the sphere are appropriate in planning the orderly development of CVWD. The report recommends adding to the sphere four distinct study areas that collectively comprises approximately 457 acres. In making this recommendation, the report concludes that the addition of the four affected study areas provides an appropriate service area for CVWD that is responsive to its existing jurisdictional boundary, service commitments, and infrastructure.

The attached draft resolution codifies the recommendations of the sphere report and is being presented from Commission consideration. The draft resolution includes statements addressing the four planning factors the Commission is required to consider anytime it makes a sphere determination. The adoption of the draft resolution would fulfill the Commission's sphere review requirement for CVWD through 2012.

Additionally, attached to this agenda report is a memorandum summarizing the timeline and circumstances underlying the preparation of the sphere review. The memorandum addresses the earlier comments provided by CVWD that it believes its jurisdictional boundary on file with the Commission is not accurate.

Recommendation

It is recommended for the Commission to take the following actions:

- 1) Receive and file the attached written report representing the sphere of influence review of the Congress Valley Water District; and
- 2) Approve the attached draft resolution with any desired changes making statements with respect to updating the sphere of influence for the Congress Valley Water District pursuant to California Government Code §56425.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- 1) Congress Valley Water District: Sphere of Influence Review
- ~~2) Draft Resolution~~
- 3) Memorandum

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

CONGRESS VALLEY WATER DISTRICT SPHERE OF INFLUENCE REVIEW

Final Report

October 2005

February 2008 (Updated)

Prepared by:

Local Agency Formation Commission of Napa County

Committed to serving the citizens and government agencies of its jurisdiction by encouraging the preservation of agricultural lands and open-space and coordinating the efficient delivery of municipal services.

Brad Wagenknecht, Chair, County Member

Brian J. Kelly, Vice Chair, Public Member

Bill Dodd, Commissioner, County Member

Jack Gingles, Commissioner, City Member

Juliana Inman, Commissioner, City Member

Cindy Coffey, Alternate Commissioner, City Member

Mark Luce, Alternate Commissioner, County Member

Gregory Rodeno, Alternate Commissioner, Public Member

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INTRODUCTION

Local Agency Formation Commissions

Local Agency Formation Commissions (LAFCOs) were established in 1963 and are responsible for administering California Government Code §56000 et seq., which is now known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. LAFCOs are delegated regulatory and planning responsibilities to coordinate the orderly formation and development of local governmental agencies and services, preserve agricultural and open-space resources, and discourage urban sprawl. Duties include regulating governmental boundary changes through annexations or detachments, approving or disapproving city incorporations, and forming, consolidating, or dissolving special districts. LAFCOs are also responsible for conducting studies that address a range of service and governance issues to inform and direct regional planning activities and objectives. LAFCOs are located in all 58 counties in California.

Spheres of Influence

A principal planning responsibility for LAFCO is the determination of a sphere of influence (“sphere”) for each city and special district under its jurisdiction.¹ California Government Code §56076 defines a sphere as “a plan for the probable physical boundary and service area of a local agency, as determined by the commission.” LAFCO establishes, amends, and updates spheres to indicate to local agencies and property owners that, at some future date, a specific area will likely require the services provided by the affected agency. The sphere determination also indicates the agency LAFCO believes is best situated to serve the affected area. Jurisdictional changes, such as annexations and detachments, must be consistent with the spheres of the affected agencies. LAFCO is required to review each agency’s sphere by January 1, 2008 and every five years thereafter as needed.

In establishing, amending, or updating a city or special district’s sphere, LAFCO is required to prepare written statements addressing four specific planning factors. These planning factors are intended to capture the legislative intent of the sphere determination with regard to coordinating the logical and orderly development of each local agency. These planning factors are:

- The present and planned land uses in the area, including agricultural and open-space lands.
- The present and probable need for public facilities and services in the area.
- The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

¹ LAFCOs have been required to determine spheres for cities and special districts within its jurisdiction since 1972.

- The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

In addition, when reviewing a sphere for a special district, LAFCO must also do the following:

- Require the special district to file a written statement with LAFCO specifying the functions or classes of services it provides.
- Establish the nature, location, and extent of any functions or classes of services provided by the existing special district.

Beginning in 2001, to help inform the sphere review process, LAFCO is responsible for preparing a municipal service review. A municipal service review is a comprehensive evaluation of the level and range of governmental services provided by a local agency or within a defined area. The municipal service review culminates in the preparation of written determinations addressing specific factors enumerated under California Government Code §56430(a). These factors range from infrastructure needs or deficiencies to local governance and accountability. The municipal service review is a prerequisite to updating an agency's sphere and may also lead LAFCO to take other actions under its authority.

Congress Valley Water District

In October 2004, LAFCO of Napa County, hereafter referred to as the "Commission," completed a countywide municipal service review on public water service providers. The review included an evaluation of the Congress Valley Water District. The review culminated with the adoption of determinations making statements on a range of service and governance issues involving the District.² The municipal service review is available for viewing at the LAFCO office and website: <http://napa.lafco.ca.gov>.

Drawing from information collected and analyzed as part of the municipal service review, this report represents the sphere review of the District pursuant to California Government Code §56425. The report considers whether changes to the sphere are warranted to plan the orderly development of the District in a manner that supports the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and the adopted policies of the Commission.

² LAFCO Resolution No. 04-18.

OVERVIEW

The Congress Valley Water District (CVWD) was formed in 1949 to provide water service to the unincorporated community of Congress Valley in southwest Napa County. CVWD's formation was engendered by local property owners in response to diminishing groundwater supplies. Following its formation, CVWD entered into an agreement with the City of Napa, hereinafter referred to as the "City," for an annual supply of potable water. The agreement was renewed in 1987 and provides CVWD up to 100 acre-feet of potable water annually through 2017. The agreement designates a water service area for CVWD, and specifies that the District only serve lands within its service area upon annexation. The agreement also states that CVWD shall voluntarily dissolve and turn over all assets to the City in July 2017.³

CVWD is as an independent special district governed by an elected five-member board of directors that serve staggered four-year terms. Elections are based on a registered-voter system. CVWD is staffed by one part-time administrator and is responsible for authorizing service connections, collecting connection fees, and coordinating service requests with the City. Billing and collections is performed by the City. (The City also retains all user charges.) CVWD currently administers water service to 72 single-family residences with an estimated resident population of 185.⁴

Congress Valley Water District	
Date Formed	1949
District Type:	Independent
Enabling Legislation	California Water Code §30000-33901
Services Provided	Water

Sphere of Influence

Establishment

CVWD's sphere was established by the Commission in 1985. Principal planning factors used by the Commission in establishing the location of the sphere included recognizing CVWD's existing service obligations, the projected capacity of the distribution system, and need for future service. Included in the establishment of the sphere were all lands in CVWD with the exception of two parcels located at its western and southern border, which were determined to be outside the range and capacity of the existing distribution system. Conversely, certain parcels outside CVWD were included in the sphere based on their close proximity to the distribution system. There have been no amendments to the sphere since its establishment in 1985.⁵

³ As part of the earlier municipal service review, the Commission determined that LAFCO should evaluate and consider options with respect to whether the scheduled dissolution of CVWD is appropriate.

⁴ The population estimate has been calculated by LAFCO staff and based on CVWD's current number of residential service connections (72) and multiplied by the average population per-household estimate for Napa County (2.57) as determined by the California Department of Finance.

⁵ The Commission did approve a sphere amendment in 1995 involving two parcels located on the northeast side of Buhman Avenue south of its intersection with Congress Valley Road. However, approval was conditioned on the affected property owners entering into an outside service agreement with CVWD. An outside service agreement was not reached and the sphere amendment was abandoned.

Current Relationship to Jurisdictional Boundary

CVWD's sphere is approximately 1,119 acres in size, or 1.9 square miles, and includes 110 unincorporated parcels. There are no parcels in the sphere that are not in CVWD. The sphere is smaller than CVWD's jurisdictional boundary, which is approximately 1,400 acres in size, or 2.2 square miles, and includes 113 unincorporated parcels.

- * A map depicting CVWD's current sphere and jurisdictional boundary is provided in Attachment One.

Land Use Factors

CVWD is under the land use authority of the County of Napa, hereinafter referred to as the "County." The County designates all land located within CVWD as *Agriculture, Watershed and Open Space*. This designation requires a minimum parcel size of 160 acres and prescribes the intended land uses as agriculture, processing of agriculture products, and single-family dwellings. The majority of lands adjacent to CVWD are unincorporated and also designated *Agriculture, Watershed and Open Space*. Unincorporated lands within and adjacent to CVWD are primarily characterized by agricultural and rural residential uses.

The remaining lands adjacent to CVWD are incorporated and under the land use authority of the City. These incorporated lands are generally undeveloped with the exception of moderately-dense residential uses in the "Browns Valley" section of the City, which is located along the northwest border of CVWD. The City's adopted urban growth boundary does not include any lands located in CVWD or within its sphere.

- * A map depicting the current land uses in and around CVWD is provided in Attachment Two.
- * A map depicting the land use designations under the County General Plan is provided in Attachment Three.

DISCUSSION

The objective of this report is to identify and evaluate areas that warrant consideration for inclusion or removal from CVWD's sphere as part of a comprehensive review. Underlying this objective is to encourage the orderly development of CVWD in a manner that is consistent with the provisions of Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and the Commission's own adopted policies. This includes considering the basic policy of the Commission that CVWD is a rural service provider and that its services support rural residential and agricultural development in Congress Valley.⁶ Consideration is also given to the service capacity of CVWD, which is drawn from information collected and analyzed as part of the Commission's earlier municipal service review on public water provision in Napa County.

⁶ LAFCO Resolution No. 85-2, Section 2(a).

As noted, a sphere is defined as “the probable physical boundary and service area of a local agency, as determined by the commission.” The legislative intent of the sphere is for the Commission to coordinate and encourage the orderly development of local governmental agencies and services based upon local conditions and circumstances. Jurisdictional changes, such as annexations and detachments, must be consistent with the spheres of the affected agencies. The Commission’s “Policy Determinations” emphasizes its commitment to these concepts and includes a statement that a special district’s sphere shall reflect its existing and planned service facilities. The Policy Determinations also state that the Commission shall exclude lands from a special district’s sphere that are designated as agricultural or open-space for the purpose of urban development. Finally, the Policy Determinations specify that the Commission will use the County General Plan to determine agricultural and open-space designations.

California Government Code §56425 requires the Commission to review and update each local agency’s sphere by January 1, 2008 and every five years thereafter as needed. It has been the practice of the Commission to review and update each local agency’s sphere in a manner that emphasizes a probable five-year service area.

Study Areas

Four study areas were developed by staff in the course of considering areas to add or remove as part of a comprehensive sphere review of CVWD. All four study areas represent unincorporated lands that are located outside the existing sphere and are evaluated to consider the merits of their inclusion.⁷ Study Areas “A” and “B” were chosen because they comprise lands that are already in CVWD. Study Areas “C” and “D” were chosen because they are directly contiguous to CVWD’s existing distribution system, and if annexed, would not result in the extension of the distribution system.

* A map depicting Study Areas A, B, C, and D is provided in Attachment Four.

ANALYSIS

Analysis of each study area is organized to address the four planning factors the Commission is required to consider anytime it makes a sphere determination under California Government Code §56425(e). These planning factors are 1) present and planned land uses; 2) present and probable need for public facilities and services; 3) present adequacy and capacity of public services; and 4) existence of any social or economic communities of interest. Recommendations are offered for each study area with respect to whether a sphere modification is appropriate at this time.

⁷ Staff did not identify any lands located within CVWD’s sphere that warranted consideration for removal based on its general contiguity with the District’s jurisdictional boundary.

Study Area A

This study area consists of one unincorporated parcel located along Buhman Avenue northwest of its intersection with Congress Valley Road. The study area is approximately 270 acres in size and appears to have been included in CVWD's jurisdictional boundary at the time of formation in 1949. The Commission excluded the study area from the sphere at the time of establishment in 1985 after concluding that it was outside the range and capacity of the existing distribution system. In 1987, the study area was included in CVWD's service area as defined under its service agreement with the City. CVWD approved and extended water service to the study area in 1988 following the resizing of its distribution system.

Present and Planned Land Uses

Present land uses in the study area include a single-family residence and a commercial vineyard. A sizeable portion of the study area also remains undeveloped. As land use authority, the County designates the study area *Agriculture, Watershed, and Open Space* with a zoning standard of *Agricultural Watershed*. These assignments collectively require a minimum parcel size of 160 acres, and as a result, prohibit the creation of additional lots. The study area is also under a Williamson Act contract with the County. This contract helps to ensure that the present land uses will remain intact for at least the next 10 years.

Present and Probable Need for Public Facilities and Services

The study area currently receives water service from CVWD. Water service is for domestic use and is needed to support an existing single-family residence. Other services provided to the study area include a basic level of fire protection, law enforcement, and road maintenance from the County. These basic services appear adequate given the present and planned land uses in the study area.

Present Capacity of Public Facilities and Adequacy of Public Services

The Commission's recent municipal service review involving CVWD indicates the District has established adequate service capacities and administrative controls to continue to provide an effective level of water service to the study area.

Existence of Social or Economic Communities of Interest

The study area has established communities of interests with CVWD. These interests are drawn from the social ties associated with the study area's inclusion in CVWD and the economic benefits underlying the provision of water service by the District. Adding the study area to the sphere would recognize and strengthen these existing interests.

Recommendation

It is recommended that the Commission modify CVWD's sphere to include the land comprising Study Area A as part of this comprehensive review. Inclusion would recognize CVWD's current delivery of water service to the study area and promote the planned and orderly development of the District by modifying the sphere to become congruent with its jurisdictional boundary. Inclusion would also be consistent with the Commission's adopted policies that CVWD's sphere reflect its infrastructure and service capacity as well as support existing rural residential and agricultural development in Congress Valley. Finally, inclusion would be consistent with recent amendments to California Government Code emphasizing that governmental services should be limited to areas located within the affected agency's sphere.

Study Area B

This study area consists of one unincorporated parcel and a portion of second unincorporated parcel located north of Highway 12 along the western side of the Congress Valley Creek. Both parcels are owned by the same property owner. The study area is approximately 46 acres in size and appears to have been included in CVWD's jurisdictional boundary at the time of formation in 1949. The Commission excluded the study area from the sphere at the time of establishment in 1985 after concluding that it was outside the range and capacity of the existing distribution system. In 1987, the majority of the study area was included in CVWD's service area as defined under its service agreement with the City. CVWD approved and extended water service to this portion of the study area in 1988 following the resizing of its distribution system.

The portion of the study area currently receiving water service from CVWD is hereafter identified as "B-1." The remaining portion of the study area not receiving water service from CVWD is hereafter identified as "B-2."

Present and Planned Land Uses

Present land uses in B-1 and B-2 include a commercial vineyard along with auxiliary structures and facilities. As land use authority, the County designates B-1 and B-2 as *Agriculture, Watershed, and Open Space* with a zoning standard of *Agricultural Watershed*. These assignments collectively require a minimum parcel size of 160 acres, and as a result, prohibit the creation of additional lots. B-1 and B-2 are also under a Williamson Act contract with the County. This contract helps to ensure that the present land uses will remain intact for at least the next 10 years.

Present and Probable Need for Public Facilities and Services

B-1 currently receives water service from CVWD. Water service is for domestic use and is needed to support existing vineyard operations, which includes drinking water for workers. B-2 is served by groundwater and/or captured surface water. Although these sources appear presently sufficient, the history of groundwater shortages in the area suggests there is a probable need to extend public water service to B-2 to provide long-term support for existing development. B-1 and B-2 also receive a basic level of fire protection, law enforcement, and road maintenance from the County. These basic services appear adequate given the present and planned land uses.

Present Capacity of Public Facilities and Adequacy of Public Services

The Commission's recent municipal service review involving CVWD indicates the District has established adequate service capacities and administrative controls to continue to provide an effective level of water service to B-1. These capacities and controls also appear sufficient to extend service to B-2 without impacting existing customers. Extension of the distribution system would not be required to serve B-2.

Existence of Social or Economic Communities of Interest

B-1 and B-2 have established communities of interests with CVWD. These interests are drawn from the social ties associated with B-1 and B-2's inclusion in CVWD and the economic benefits underlying the provision of water service to B-1. Adding B-1 and B-2 to the sphere would recognize and strengthen these existing interests.

Recommendation

It is recommended that the Commission modify CVWD's sphere to include the lands comprising Study Area B as part of this comprehensive review. Inclusion would recognize CVWD's current delivery of water service to B-1 and promote the planned and orderly development of the District by modifying the sphere to become congruent with its jurisdictional boundary. Inclusion would also be consistent with the Commission's adopted policies that CVWD's sphere reflect its infrastructure and service capacity as well as support existing rural residential and agricultural development in Congress Valley. Finally, inclusion would be consistent with recent amendments to California Government Code emphasizing that governmental services should be limited to areas located within the affected agency's sphere.

- * Staff also recommends the Commission encourage CVWD and the City to review their service agreement and consider amending the District's defined service area to include B-2.

Study Area C

This study area consists of one unincorporated parcel located on the northwestern side of Old Sonoma Road along a hillside known as Old Sonoma Notch. The study area is approximately 37 acres in size and outside both the jurisdictional boundary and sphere of CVWD. It appears that the Commission did not consider adding the study area to the sphere at the time of establishment in 1985 in deference to the preferences expressed by the property owner at the time. However, in preparing this review, the current property owner has asked the Commission to add the study area into the sphere to help facilitate annexation to CVWD. The property owner is seeking annexation to secure a supplemental water supply for her existing single-family residence (See Attachment Four).⁸

The study area is located directly adjacent to an interconnection between the distribution systems of CVWD and the City. Markedly, because it is adjacent to a portion of the distribution system, the study area is eligible to receive an outside service connection from the City under its Policy Resolution No. 7.⁹ However, this type of extraterritorial service arrangement must be approved by the Commission and based on specific determinations pursuant to California Government Code §56133.

Present and Planned Land Uses

Present land uses in the study area include a single-family residence and a private vineyard. As land use authority, the County designates the study area *Agriculture, Watershed, and Open Space* with a zoning standard of *Agricultural Watershed*. These assignments collectively require a minimum parcel size of 160 acres, and as a result, prohibit the creation of additional lots.

Present and Probable Need for Public Facilities and Services

The study area is currently served by groundwater. Although this source appears presently sufficient, the history of groundwater shortages in the area suggests there is a probable need to extend public water service to the study area to provide long-term support for existing development. Other services provided to the study area include a basic level of fire protection, law enforcement, and road maintenance from the County. These basic services appear adequate given the present and planned land uses in the study area.

Present Capacity of Public Facilities and Adequacy of Public Services

The Commission's recent municipal service review involving CVWD indicates the District has established adequate service capacities and administrative controls to extend water service to the study area without impacting existing customers. Extension of the distribution system would not be required to serve the study area.

⁸ In order to serve the study area, upon annexation, CVWD would need to amend its service agreement with the City to add the territory to its defined service area.

⁹ The City's Policy Resolution No. 7 authorizes the Public Works Director to approve outside service connections to residential properties of legal record as of December 31, 1982 that are contiguous to an existing City water line.

Existence of Social or Economic Communities of Interest

An implicit relationship exists between the study area and CVWD. This relationship is drawn from the study area's ties to the Congress Valley community, which is based on location and present and planned land uses. Adding the study area to the sphere would compliment this existing relationship and help establish social and economic communities of interests with CVWD.

Recommendation

It is recommended that the Commission modify CVWD's sphere to include the land comprising Study Area C as part of this comprehensive review. Inclusion would be consistent with Commission policies that CVWD's sphere reflect its existing infrastructure and service capacity as well as provide support for existing rural residential and agricultural development in Congress Valley. Inclusion would also signal to all local agencies the Commission's determination that CVWD is the appropriate service provider for the study area.

- * Staff also recommends the Commission encourage CVWD and the City of Napa to review their service agreement and consider amending the District's agency-defined service area to include the study area.

Study Area D

This study area consists of three unincorporated parcels located along the northwestern side of Old Sonoma Road at its intersection with Buhman Road. The study area is approximately 138 acres in size and located outside both the jurisdictional boundary and sphere of CVWD. It appears that the Commission did not consider adding the study area to the sphere at the time of establishment in 1985 after concluding that it was outside the range and capacity of the existing distribution system. In 1987, two of the three affected parcels were added to CVWD's service area as defined under its service agreement with the City.

In 1988, CVWD requested a sphere modification to include the entire study area as part of a concurrent annexation proposal involving seven additional parcels that were already in the sphere.¹⁰ In its review, the Commission expressed concern that expanding the sphere and the subsequent annexation of the study area was inconsistent with its policies to discourage the extension of urban services in agricultural areas. The Commission stated its preference that the study area receive water service from CVWD through outside service agreements, which at the time, did not require LAFCO approval. Accordingly, the Commission deferred considering the sphere modification and directed CVWD to negotiate an amendment to its agreement with the City to allow the District to serve the study area through outside service agreements.

¹⁰ In submitting the proposal to the Commission, CVWD stated that it was in the process of negotiating an amendment to its agreement with the City to include the last of the three affected parcels within its service area. However, an amendment was not reached and the affected parcel remains outside CVWD's service area.

In deferring consideration of the sphere modification, the Commission approved the annexation of the seven other parcels included in the proposal already in the sphere. These actions were apparently miscommunicated to CVWD as it believed the annexation approval included the study area. This miscommunication led to CVWD approving and extending water service to one of the three affected parcels in 1990. In 1995, a second affected parcel, which lies outside CVWD's service area, began receiving water service through an outside service agreement with the City. The third parcel in the study area, which is in CVWD's service area, remains unserved.

The portion of the study area currently receiving water service from CVWD is hereafter identified as "D-1." The portion of the study area receiving water service from the City is hereafter identified as "D-2." The remaining portion of the study area not receiving water from CVWD or the City is hereafter identified as "D-3."

Present and Planned Land Uses

Present land uses in D-1, D-2, and D-3 include two single-family residences, a farm labor residence, and commercial vineyards with auxiliary structures and facilities. As land use authority, the County designates D-1, D-2, and D-3 *Agriculture, Watershed, and Open Space* with a zoning standard of *Agricultural Watershed*. These assignments collectively require a minimum parcel size of 160 acres, and as a result, prohibit the creation of additional lots.

Present and Probable Need for Public Facilities and Services

D-1 receives water service from CVWD. D-2 receives water service from the City through CVWD's distribution system. Water services to both D-1 and D-2 are for domestic uses and are needed to support existing single-family residences, a farm labor residence, and vineyard operations, which includes providing drinking water for workers. D-3 is served by groundwater and/or captured surface water, which is needed to support a commercial vineyard. Although these sources appear presently sufficient, the history of groundwater shortages in the area suggests there is a probable need to extend public water service to D-3 to provide long-term support for existing development. D-1, D-2, and D-3 also receive a basic level of fire protection, law enforcement, and road maintenance from the County. These basic services appear adequate given the present and planned land uses.

Present Capacity of Public Facilities and Adequacy of Public Services

The Commission's recent municipal service review involving CVWD indicates that the District has established adequate service capacities and administrative controls to continue to provide water service to D-1. These capacities and controls are also sufficient for CVWD to assume service from the City for D-2 as well as to extend service to D-3 without impacting existing customers.

Existence of Social or Economic Communities of Interest

D-1 and D-2 have established communities of interests with CVWD. These interests are reflected in the economic benefits underlying the provision of water service provided by CVWD directly and indirectly to D-1 and D-2, respectively. Adding D-1 and D-2 to the sphere would recognize and strengthen these existing interests.

Adding D-3 to the sphere would compliment its existing relationship with the Congress Valley community, which is based on location and present and planned land uses, while helping to establish social and economic communities of interests with CVWD.

Recommendation

It is recommended that the Commission modify CVWD's sphere to include the lands comprising Study Area D as part of this comprehensive review. Inclusion would recognize the current delivery of water service to a substantial portion of the study area either by CVWD or through its distribution system. Inclusion would also be consistent with Commission policies that CVWD's sphere reflect its existing infrastructure and service capacity as well as provide support for existing rural residential and agricultural development in Congress Valley. Finally, inclusion would signal to all local agencies the Commission's determination that CVWD is the appropriate service provider for the study area.

- * Staff also recommends the Commission encourage CVWD and the City to review their service agreement and consider amending the District's defined service area to include D-2.

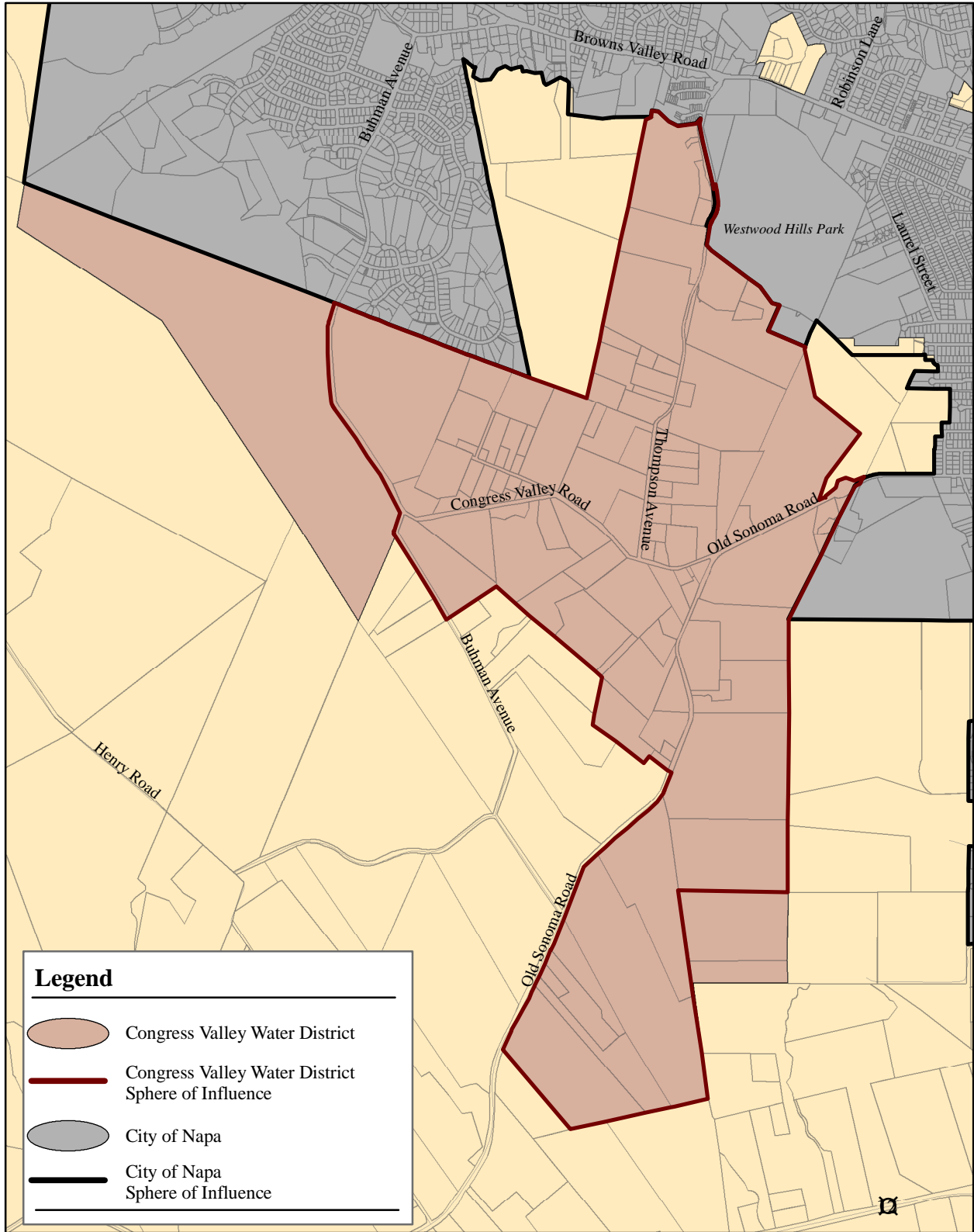
SUMMARY OF RECOMMENDATIONS

Modifications to the sphere are appropriate to add all lands comprising Study Areas A, B, C, and D. These modifications are responsive to the CVWD's existing jurisdictional boundary and distribution system. These modifications are also consistent with the adopted policies of the Commission to plan the orderly development of CVWD in manner that supports existing agricultural and rural residential uses in Congress Valley.





Attachments

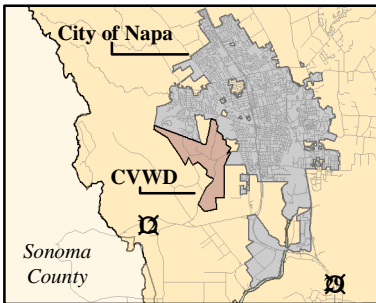
- 1) Map: CVWD's current sphere and jurisdictional boundary
- ~~2) Map: Current land uses in and around CVWD~~
- ~~3) Map: County General Plan Land Use Plan~~
- 4) Map: Study Areas A, B, C, and D
- ~~5) Correspondence: Letter from Nancy Otton, dated December 29, 2004~~
- ~~6) Map: CVWD service area as defined under agreement with City~~

Congress Valley Water District



Legend

-  Congress Valley Water District
-  Congress Valley Water District Sphere of Influence
-  City of Napa
-  City of Napa Sphere of Influence

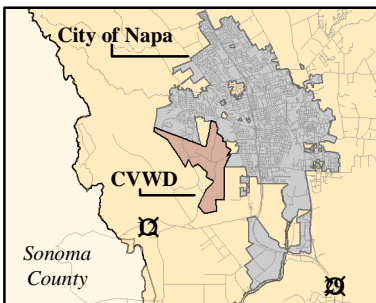
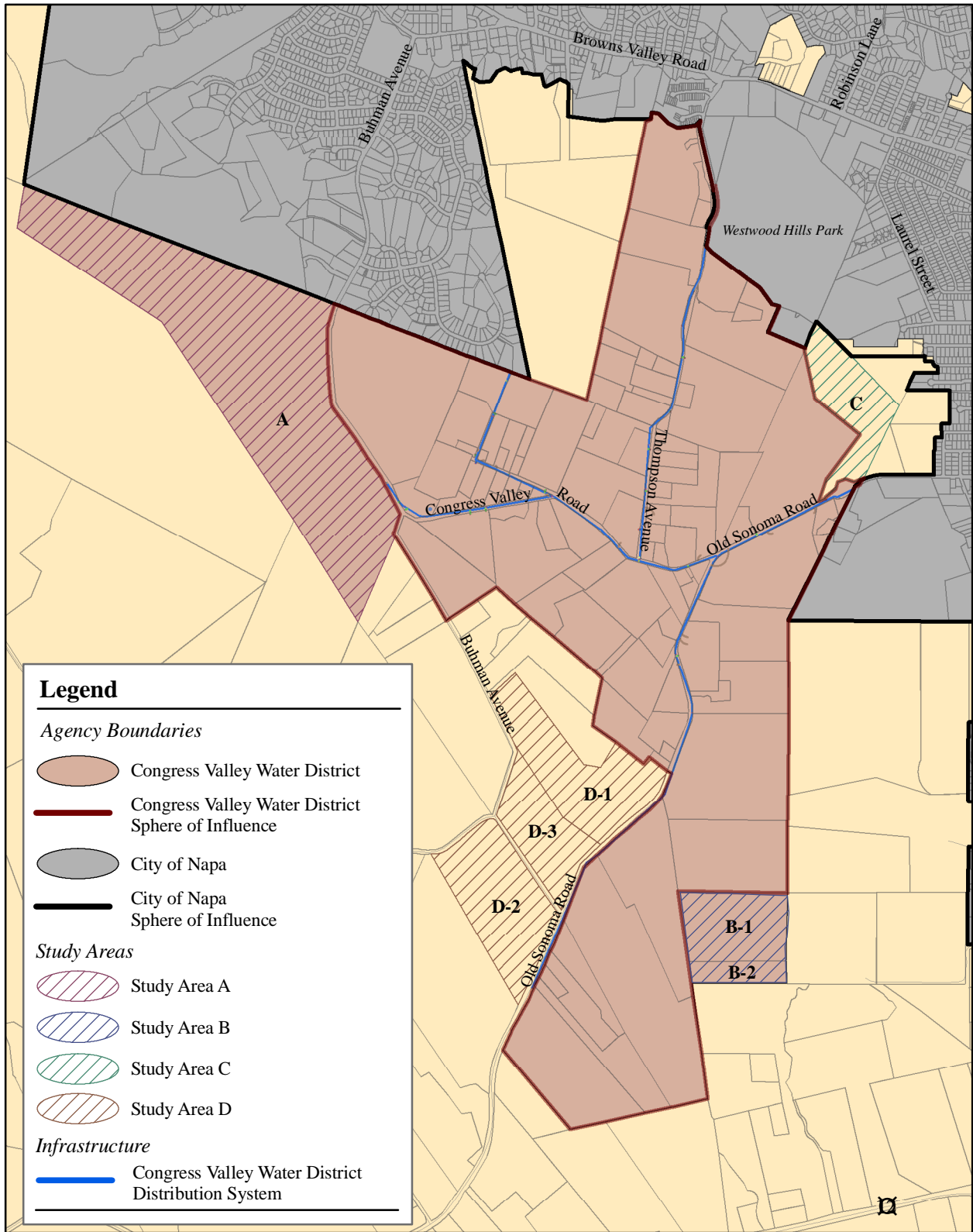


*Not to Scale
January 17, 2008
Prepared by KS*



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Congress Valley Water District



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Local Agency Formation Commission
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Memorandum

January 23, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Congress Valley Water District: Sphere of Influence Review

Memorandum addresses the timeline and circumstances underlying the preparation for the sphere review on the Congress Valley Water District.

In November 2004, staff began work on a sphere of influence review for the Congress Valley Water District (CVWD). A draft report on the sphere review was presented to the Commission for discussion at its June 6, 2005 meeting. Following a public review period, staff made two separate attempts to present a final report on the sphere review for Commission consideration at its August 1 and October 3, 2005 meetings. However, in both instances, the final reports were pulled from the meetings at the request of staff to address previously undocumented information submitted by property owners and CVWD.

All but one issue raised in the initial attempts to present a final sphere report to the Commission have been addressed. The outstanding issue pertains to a comment received from CVWD that it believes there is an error with the depiction of its jurisdictional boundary on file with the Commission. Specifically, based on an initial review by its own surveyor, CVWD believes that its jurisdictional boundary is measurably larger than what is on file with the Commission (see attachment). CVWD commented that its surveyor would prepare a report and final map summarizing his findings to the Commission. However, as of date, staff has not received any final documentation from CVWD or its surveyor on this matter.

Staff appreciates CVWD has experienced unexpected delays in submitting final documentation to the Commission in addressing the apparent mapping discrepancy involving the location of its jurisdictional boundary. Nonetheless, the Commission has a responsibility to complete its inaugural round of sphere reviews as soon as possible given that its statutory deadline of January 1, 2008 has already passed. With this in mind, drawing on the information on record with the Commission, staff has prepared an update to its initial final report that was prepared in October 2005. The update is generally limited to formatting changes to reflect the current practice employed by staff in preparing recent sphere reviews.

It is important to note CVWD is not adversely impacted by the Commission moving forward and adopting a sphere review at this time. Once CVWD submits final documentation, staff will work closely with the District as well as all other affected parties, including the County of Napa and State Board of Equalization, in addressing any warranted changes to the jurisdictional boundary. Updates to the Commission will be provided by staff as appropriate.

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Keene Simonds
Executive Officer