



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

1030 Seminary Street, Suite B
Napa, California 94559
Phone: (707) 259-8645
Fax: (707) 251-1053
www.napa.lafco.ca.gov

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

Agenda Item 6b (Action)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer

MEETING DATE: February 3, 2020

SUBJECT: Request from the Napa Resource Conservation District for a Waiver of Fees

RECOMMENDATION

It is recommended the Commission adopt the Resolution of the Local Agency Formation Commission of Napa County Approving a Request from the Napa Resource Conservation District for a Waiver of Fees, included as Attachment One.

BACKGROUND AND SUMMARY

The Commission's *Schedule of Fees and Deposits* ("fee schedule"), included as Attachment Two, is a policy document that sets fees and deposits for applicants to ensure the Commission has adequate revenues to fulfill its regulatory and planning duties.

Paragraph 13 of the fee schedule states in part: "Applicants may request the Commission reduce or waive a fee. All requests must be made in writing and cite specific factors justifying the reduction or waiver and will be considered by the Commission relative to public interest and agency mission. Examples of appropriate requests include, but are not limited to, addressing public health or safety threats, affordable housing development, and community serving projects."

The Napa County Resource Conservation District (NCRCD) is seeking annexation of approximately 1,300 acres of incorporated territory located within the City of Napa. This area represents the incorporated boundary of the City as of 1945 when NCRCD was formed. Staff has already confirmed the annexation would qualify for the general rule "common sense" exemption from the requirements of the California Environmental Quality Act pursuant to CEQA Guidelines Section 15061, Subsection b(3).

Kenneth Leary, Vice Chair
Councilmember, City of American Canyon

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Scott Sedgley, Alternate Commissioner
Councilmember, City of Napa

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

Diane Dillon, Commissioner
County of Napa Supervisor, 3rd District

Ryan Gregory, Alternate Commissioner
County of Napa Supervisor, 2nd District

Gregory Rodeno, Chair
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

NCRCDD recently submitted a letter, included as Attachment Three, requesting the Commission preemptively waive its two proposal processing fees associated with annexations. These fees include \$6,240 for the initial proposal fee and \$156 for the Geographic Information Systems (GIS) update fee. A vicinity map showing the subject area is included as Attachment Four. The letter states NCRCDD will submit an annexation application during the current calendar year. Further, the letter states annexation would benefit the community by creating a more accurate reflection of the geographic scope of NCRCDD's current programming and making it easier for NCRCDD's governing body to represent the entirety of the Napa County community.

Staff recommends the Commission approve the request submitted by NCRCDD for a waiver of the proposal processing fees based on the community serving elements associated with annexation. NCRCDD operates with limited financial resources and relies on restricted grants and contracts to provide its services to the community, and thus a fee waiver would allow NCRCDD to direct more of its resources towards its community programs. Annexation of the subject area would also promote a logical and orderly jurisdictional boundary for NCRCDD consistent with LAFCO's mission and purpose.

ATTACHMENTS

- 1) Draft Resolution Approving NCRCDD's Fee Waiver Request
- 2) Schedule of Fees and Deposits
- 3) Letter from NCRCDD Requesting a Fee Waiver
- 4) Vicinity Map

RESOLUTION NO. _____

**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
APPROVING A REQUEST FROM THE NAPA COUNTY RESOURCE
CONSERVATION DISTRICT FOR A WAIVER OF FEES**

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) authorizes the Local Agency Formation Commission of Napa County (hereinafter referred to as “Commission”) to adopt a fee schedule; and

WHEREAS, the Commission established and adopted by resolution a “Schedule of Fees and Deposits” on December 1, 2001, in a manner provided by law; and

WHEREAS, the Commission Schedule of Fees and Deposits provides that the applicants may request the Commission reduce or waive fees and provides that the Commission may reduce or waive fees based on the public interest and agency mission; and

WHEREAS, the Commission received a written request from the Napa County Resource Conservation District for a waiver of the Commission’s proposal processing fees for the anticipated annexation of the remainder of non-jurisdictional territory within the District’s sphere of influence based on the anticipated community serving benefits associated with annexation; and

WHEREAS, at its February 3, 2020, meeting, the Commission considered the request from the Napa County Resource Conservation District for a waiver of the Commission’s proposal processing fees for the aforementioned anticipated annexation.

NOW, THEREFORE, BE IT RESOLVED that the Local Agency Formation Commission of Napa County hereby approves the request from the Napa County Resource Conservation District for a waiver of the Commission’s proposal processing fees for the aforementioned anticipated annexation.

This Resolution shall take effect immediately.

The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of Napa County at a meeting held on February 3, 2020, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSENT: Commissioners _____

ABSTAIN: Commissioners _____

Gregory Rodeno
Commission Chair

ATTEST: _____
Brendon Freeman
Executive Officer

Recorded by: Kathy Mabry
Commission Secretary

DRAFT



Local Agency Formation Commission of Napa County

Subdivision of the State of California

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

Schedule of Fees and Deposits

Effective Date: January 1, 2020

These are the policies of the Local Agency Formation Commission (LAFCO) of Napa County with respect to setting fees and deposits in fulfilling the agency's regulatory and planning duties prescribed under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

1. This schedule shall be administered in accordance with the provisions of California Government Code Section 56383.
2. This schedule includes both "fixed" and "at-cost" fees. Fixed fees represent reasonable cost estimates for processing routine proposals and based on a number of predetermined staff hours. At-cost fees apply to less routine proposals and based on the number of actual staff hours.
3. Proposals submitted to the Commission shall be accompanied by a non-refundable initial fee as detailed in this schedule. All deposit amounts tied to at-cost proposals shall be determined by the Executive Officer. The Executive Officer shall provide a written accounting of all staff time and related expenses billed against the deposit. If the cost in processing a proposal begins to approach or exceed the deposited amount, the Executive Officer shall request additional monies from the applicant.
4. All initial fees shall be submitted in check and made payable to the "Local Agency Formation Commission of Napa County."
5. Proposals will not be deemed complete until the initial fee has been collected by the Executive Officer as detailed in this schedule.
6. Applicants are responsible for any fees or charges incurred by the Commission and or required by other governmental agencies in the course of the processing of a proposal.
7. Additional staff time shall be charged to the applicant at an hourly rate of \$156.
8. Applicants are responsible for any extraordinary administrative costs as determined by the Executive Officer and detailed for the applicant in a written statement.
9. Additional staff time and administrative costs shall not be charged for city annexation proposals involving one or more entire unincorporated island subject to California Government Code Section 56375.3.

10. If the processing of a proposal requires the Commission contract with another agency firm, or individual for services beyond the normal scope of staff work, such as the drafting of an Environmental Impact Report or Comprehensive Fiscal Analysis, the applicant shall be responsible for all costs associated with that contract. The applicant will provide the Commission with a deposit sufficient to cover the cost of the contract.
11. The Executive Officer may stop work on any proposal until the applicant submits a requested deposit.
12. Upon completion of an at-cost proposal, the Executive Officer shall issue to the applicant a statement detailing all billable expenditures from a deposit. The Executive Officer shall refund the applicant for any remaining monies remaining from the deposit less one-half hour of staff time to process the return as provided in this schedule
13. Applicants may request the Commission reduce or waive a fee. All requests must be made in writing and cite specific factors justifying the reduction or waiver and will be considered by the Commission relative to public interest and agency mission. Examples of appropriate requests include, but are not limited to, addressing public health or safety threats, affordable housing development, and community serving projects. Requests by landowners or registered voters shall be considered by the Commission at the next regular meeting. Requests by local agencies may be considered at the time the application is presented to the Commission for action.
14. With respect to instances where the Commission approves an outside service agreement under California Government Code Section 56133, the fee for a subsequent change of organization or reorganization involving the affected territory will be reduced by one-half if filed within one calendar year.
15. Requests for research on any particular subject will be provided at no cost for the first two hours. This includes, but is not limited to, archival retrieval, identifying properties relative to agency boundaries, and discussing potential proposals. Any additional research time will be billed at the hourly rate provided in this schedule.
16. The Commission shall annually review this schedule to help maintain an appropriate level of cost-recovery.

INITIAL PROPOSAL FEES

These fees must be submitted to the Commission as part of the proposal filing; proposal will be deemed incomplete without the designated payment. Any fees designated at-cost will require a deposit as determined by the Executive Officer.

Change of Organization or Reorganization: Annexations and Detachments

• Proposals Exempt from California Environmental Quality Act	
100% Consent from Landowners and Agencies where the Commission is Responsible or Lead Agency	\$4,680 (30 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Responsible or Lead Agency	\$6,240 (40 hours)
• Proposals Not Exempt from California Environmental Quality Act / Negative Declaration	
100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$5,460 (35 hours)
100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$7,800 (50 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$7,020 (45 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$9,360 (60 hours)
• Proposals Not Exempt from California Environmental Quality / Environmental Impact Report	
100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$6,240 (40 hours)
100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$7,800 (50 hours) plus consultant contract
Without 100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$7,800 (50 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$9,360 (60 hours) plus consultant contract

* Annexation or detachment proposals involving boundary changes for two or more agencies qualify as reorganizations will be charged an additional fee of \$780 (5 hours). Annexation proposals involving cities that require concurrent detachment from County Service Area No. 4 will only incur an additional fee of \$156 (one hour).

* City annexations involving entire unincorporated islands and subject to expedited proceedings under Government Code Section 56375.3 shall not be charged a fee by the Commission.

Change of Organization or Reorganization: Other

• City Incorporations and Disincorporations	at-cost
• Special District Formations, Consolidations, Mergers and Dissolutions	at-cost
• Special District Requests to Activate or Deactivate Powers	at-cost

Other Service Requests

• New or Extended Outside Service Request	\$3,120 (20 hours)
• Request for Reconsideration	\$3,120 (20 hours)
• Request for Time Extension to Complete Proceedings	\$780 (5 hours)
• Municipal Service Reviews	at-cost
• Sphere of Influence Establishment/Amendment	at-cost

Miscellaneous

• Special Meeting	\$1,200
• Alternate Legal Counsel	at-cost

OTHER PROPOSAL FEES

These fees generally apply to proposals that have been approved by the Commission and are not required at the time of filing. An exception involves the fee for registered voter lists, which may be required before the Commission takes action on an application if the underlying activity is subject to protest proceedings. Other fees in this section apply to service requests that are not tied to a specific proposal, such as research and photocopying.

Fees Made Payable to the County of Napa

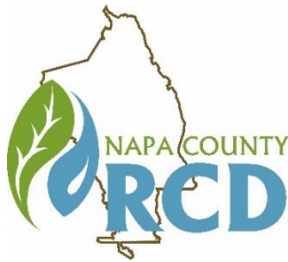
• Assessor's Mapping Service	\$162
• County Surveyor's Review	\$253.09
• Elections' Registered Voter List	\$75 hourly
• Clerk-Recorder's Environmental Filing Fee	\$50
• Clerk-Recorder's Environmental Document Fee	
.....Environmental Impact Report	\$3,343.25
.....Mitigated Negative Declaration	\$2,406.75
.....Negative Declaration	\$2,406.75

Fees Made Payable to LAFCO

• Geographic Information System Update	\$156
• Photocopying	\$0.10 (black) / \$0.40 (color)
• Mailing	at-cost
• Audio Recording of Meeting	at-cost
• Research/Archive Retrieval	\$156 hourly

Fees Made Payable to the State Board of Equalization to Record Boundary Changes

Acre	Fee	Acre	Fee
0.00-0.99	\$300	51.00-100.99	\$1,500
1.00-5.99	\$350	101.00-500.99	\$2,000
6.00-10.99	\$500	501.00-1,000.99	\$2,500
11.00-20.99	\$800	1,001.00-2,000.99	\$3,000
21.00-50.99	\$1,200	2,001.00+	\$3,500



January 9, 2020

Attention: Brendon Freeman
Local Agency Formation Commission of
Napa County
1030 Seminary Street, Suite B, Napa,
California 94559

Subject: Annexation for the Napa County Resource
Conservation District

Dear Brendon:

The Napa County Resource Conservation District (RCD) desires to annex portions of the City of Napa that were incorporated as of 1945 which have been excluded from our district boundary since our formation as an independent special district in 1945. This gap area is included in our Sphere of Influence and is wholly within the City of Napa. Other than this gap area, our service area includes all of Napa County.

We have a long history of programming throughout the City of Napa. Processing an annexation to include all of the City of Napa within our district will allow our service area to accurately reflect the geographic scope of our current programming and make it easier for our governing body to represent the entirety of the Napa County community. I have attached the RCD's most recent Municipal Service Review which describes our operations and finances, and you will find in "Exhibit A" a map of our current district boundary.

The RCD helps our community achieve resource conservation goals by providing technical assistance, educational programs, monitoring programs, and funding sources on issues ranging from fisheries to forest health, soil management, water conservation and quality, and more. For instance, in fiscal year 2019 we provided over 2,000 students with in-class and outdoor education programs, and coordinated over 1,200 volunteers in cleaning up trash, planting native trees, and monitoring fish in the Napa River. We also developed conservation farm plans for 90 vineyard properties and upgraded 14 streamflow monitoring stations to bolster our flood alert system. I am enclosing a copy of the RCD 2018-2019 Annual Report for more information on our programs and accomplishments.

The RCD respectfully requests that the Local Agency Formation Commission of Napa County waive its two fees associated with the RCD's annexation proposal: Initial Proposal Fee and GIS Update Fee. The RCD relies heavily on restricted grants and contracts to provide its services to

Napa County Resource Conservation District

1303 Jefferson St., Ste. 500B

Napa, California 94559

Phone: (707) 252-4189

www.NapaRCD.org

the community, as property taxes account for only 23% of our annual revenue. Thus, a fee waiver will help us direct more of our resources towards our community programs.

The RCD will provide a completed application to move this annexation process forward in 2020. We would appreciate a formal determination on the fee waiver request so that we can ensure that we budget the correct amount for this effort.

Sincerely,



Lucas Patzek
District Manager
(707) 690-3119
lucas@naparcd.org

Attachments:

1. RCD's 2018-2019 Annual Report
2. RCD's Municipal Service Review

ANNUAL REPORT 2018-2019



Napa County Resource Conservation District
1303 Jefferson Street, Suite 500B
Napa, California 94559
NapaRCD.org
(707) 252-4189



LUCAS PATZEK
Executive Director



JIM LINCOLN
Board President

MESSAGE FROM THE EXECUTIVE DIRECTOR

With tremendous gratitude and pleasure, I took the helm as the new Executive Director this year. My first order of business has been to immerse myself in the community and listen, explore new partnerships and strengthen existing ones, and work on making an excellent organization even better. I am committed to ensuring that the RCD remains a trusted and effective partner in protecting, conserving, and restoring natural resources in Napa County in the years to come. One thing has remained constant over the years, and it is that the RCD owes all of its success to its people – the terrific staff and directors, steadfast partners, and dedicated volunteers. It is in partnership with these people, our community, that we look forward to stewarding our natural resources and co-creating a positive future for Napa County and beyond.

MESSAGE FROM THE BOARD PRESIDENT

This year has been a year of transition for the RCD with a new Executive Director joining the team. While we all miss Leigh Sharp and are thankful for her many years of service to the district, we are glad to be joined by our new Executive Director Lucas Patzek. A strong and dedicated staff with years of continuity also provide the balance needed to move forward without losing sight of all the partnerships and commitments of the past. The broad range of project areas we cover is amazing, from youth education to fish to roads to sustainable vineyard practices and government monitoring requirements. Add to this list the emerging program area of carbon farming and soil health, through which we can help Napa County achieve its climate action goals. All of this work is a huge benefit to our community and I'm very pleased to be a part of it.

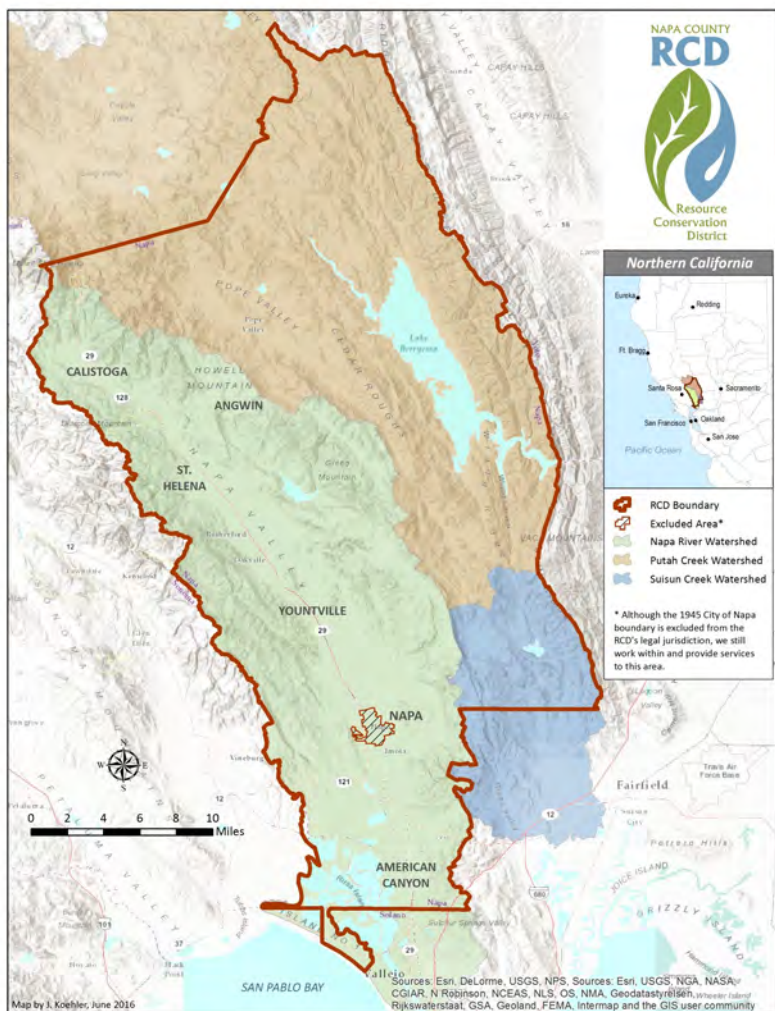


ABOUT US

Napa County Resource Conservation District (RCD) was established in 1945 as a special district of the State of California to help farmers and ranchers in Napa County tackle erosion and other problems on their land. As natural resource issues change, we continue to evolve. Today, we help our community achieve conservation goals by providing technical assistance, educational programs, monitoring programs, and funding sources on issues ranging from fisheries to forest health, soil management, water conservation and quality, and more.

We are governed by a locally-appointed Board of Directors. Our leaders are also your neighbors — they live in the district and understand what the local resource needs and concerns are, which helps steer the RCD in the right direction. Our team consists of conservation scientists and outreach and administrative professionals who are skilled at developing, implementing, and monitoring many types of projects. Our RCD works at many scales – from the individual landowner to entire watersheds.

We help our community care for land, water, soil, and wildlife.



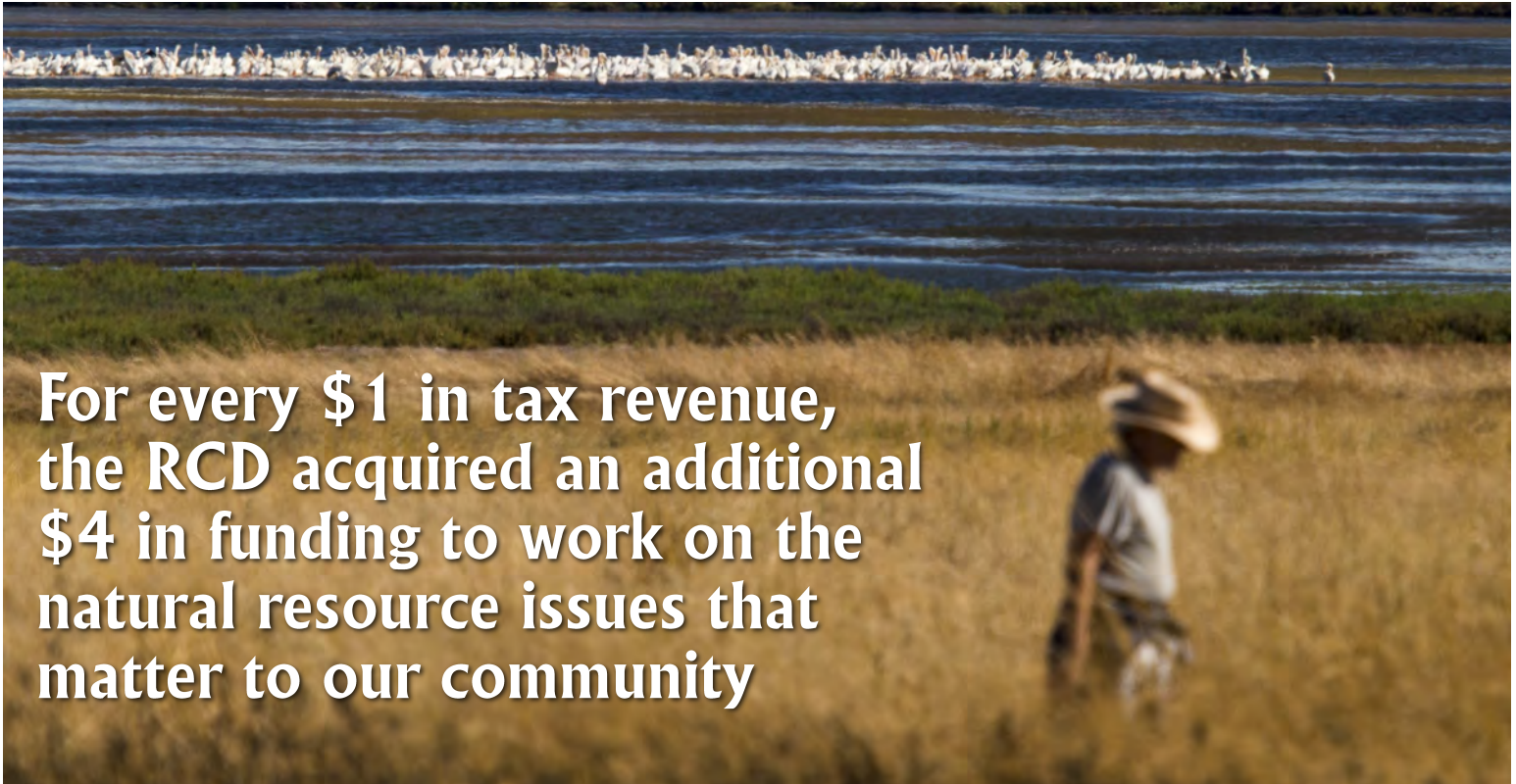
Our Guiding Principles:

- We help individuals make good **science-based decisions** that lead to more vibrant communities and stronger farm enterprises while improving and sustaining the quality of our natural resources.
- **We work on the natural resource issues that matter to our community today**, and promote an ethic of stewarding natural resources for this and future generations.
- We are a **trusted resource for our neighbors**. We are non-regulatory, working with landowners on a voluntary basis, and we are accountable to our local community for what we do and how we use resources.
- We are an **efficient, effective partner**. We are a bridge that links landowners, agencies, and others to achieve shared goals. As a special district, we are very versatile. We can receive grants and donations, be contracted directly, or develop intergovernmental agreements.

Napa RCD by the Numbers

2,169	students educated about caring for our watersheds
1,415	community members participated in workshops, garden tours, and wildlife lectures
1,394	native fish counted in the Rotary Screw Trap
1,195	volunteers at cleanup, tree planting, and fish monitoring days
600	sheep grazed at our research and demonstration vineyard
387	native oaks planted
200	vineyards monitored for winterization best management practices
160	storm drain outfalls assessed as “clean” for water quality
90	vineyards served by LandSmart® conservation farm plans
14	streamflow monitoring stations upgraded to latest technology
11	species of native fish observed in the Napa River
6.5	miles of unpaved roads storm-proofed to prevent erosion
3	Carbon Farm Plans developed for vineyards
2	new staff joined the team

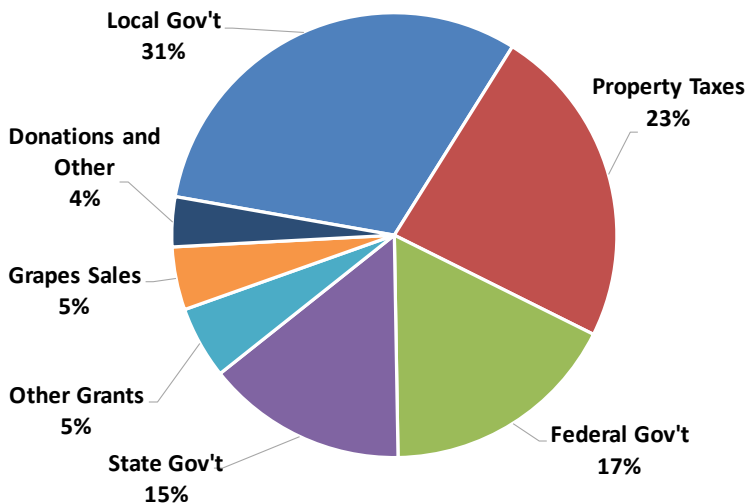
FINANCIAL HIGHLIGHTS



For every \$1 in tax revenue, the RCD acquired an additional \$4 in funding to work on the natural resource issues that matter to our community

Napa County Resource Conservation District is a special district of the State of California. As a government entity, it is an exempt organization under the provisions of IRC § 115 and contributions to the district are deductible under the provisions of IRC § 170(c)(1). We conduct annual financial audits by an independent auditing firm. Our most recent audit is available to view in full on our website. The audit shows the RCD to be solvent and stable. District programs, projects, and services are primarily funded by local, state, and federal grants and contracts, property taxes, and donations. In addition, we receive income from grape sales from our Huichica Creek Vineyard.

Revenue by Source



Actual Revenues & Expenditures

Revenues	
Taxes	\$365,276
Intergovernmental	\$784,693
Other	\$337,759
Total	\$1,487,718
Expenditures	
Salaries & Benefits	\$899,322
Services & Supplies	\$603,315
Total	\$1,502,637
Net Change in Fund Balance	(\$14,919)

Acorns to Oaks Helps with Wildfire Recovery



Skyline Park staff will make sure the young trees are kept weed-free so that they have the best chance possible of surviving to become acorn-producing trees.

“Our friends at RCD were there to help us restore the Skyline Park canopy with their Acorns to Oaks program. Partnerships like these encourage people to get out and enjoy nature, promote stewardship, and contribute to a sense of community. Everybody can feel great about that.”

- Tom Bunter, Skyline Park

One of the many inspiring responses to the devastating fires that occurred in Napa County in 2017 has been the community mobilizing to support oak woodland restoration. The RCD’s Acorns to Oaks program, which has worked with school groups and community volunteers to re-oak our County since 2012, provides a great avenue for locals to help collect acorns, plant oaks, and take care of new oak seedlings in their own communities. To date, we have worked with over 3,000 students and 700 volunteers to plant 5,000+ locations with native oaks.

North Napa Rotary Club members became so excited about Acorns to Oaks after the fires that they donated \$7,500 to help us work with even more kids and volunteers to plant oaks. But that was not enough! North Napa Rotary then applied for and received a grant for \$2,574 to sponsor an oak planting on a property recovering from fire damage. To meet this noble goal, we coordinated a planting in Skyline Park, which had several small areas close to Skyline Trail which had burned hot, and as a result, oaks were not coming up on their own. Skyline Park staff collected acorns from their property, we coordinated logistics and outreach to our volunteers, and North Napa Rotary brought a team of volunteers to the planting day. In total, 35 volunteers planted 33 sites with acorns. At a recent check-in, over 80% of the planted sites had one or more seedlings!

Why is the RCD Focused on Re-Oaking?

Oaks are part of our fundamental ecological infrastructure. These long-lived, fire-resilient trees provide reliable shade and require minimal water. Our oaks support a remarkable diversity of wildlife, are the basis of multiple food webs, benefit pollinators, provide habitat for birds and mammals, access deep soil moisture, and thus sustain whole ecological communities. Able to thrive in both rural and urban setting, oaks provide significant carbon sequestration and ecosystem services and can be an essential part of preparing our communities and ecosystems to successfully mitigate climate change.



Growing the Next Generation of Environmental Leaders

In winter 2015, RCD and the Environmental Education Coalition of Napa County (EECNC) held the first ever Youth for Environmental Sustainability Summit at Browns Valley Elementary School. Participating teens strongly agreed that there was a lack of opportunities for them to participate in local environmental activities. Students recalled positive experiences in nature throughout elementary school. However, at the critical point in youth development where students are aligning their core values with future study and career options, students were finding a drop off in field trips, volunteer projects, and environmental stewardship activities.

In response, RCD and FONR developed the Napa Youth Stewardship Council (NYSC), now in its 5th year. This free, inclusive leadership club is open to students from all Napa County high schools, and exposes them to environmental science, service, careers, and issues that are relevant to our local and global community.

“If it weren’t for this club I would not have the goals I have right now. This club gave me an idea of what I want to do with my life.”

- Nicole, NYSC Years 1 & 2



During monthly meetings, students work directly with professionals to learn about restoration ecology, receive leadership skills training, and design, develop, and lead service projects for community members. In 2018-2019, Napa RCD partnered with Land Trust of



Napa County to engage NYSC members in stewardship on their lands. RCD and LTNC helped students develop service projects for the community, such as pollinator plantings at Huichica Creek, river cleanups, and a guided bilingual nature hike for residents of Napa Valley Community Housing.

To date, 73 students have completed NYSC, and over 3,500 community members have participated in NYSC guided stewardship projects. Perhaps the biggest impact though is that students understand a pathway to conservation careers. Upon exit surveys, NYSC members and alumni identified their experience with RCD as one of the most influential programs in their schooling because it provides exposure to and direct links to college environmental programs.

“I feel that I learned enough about environmental issues in our community so that I may have an intelligent conversation with somebody about the environment.”

- NYSC Member, Year 3

Staying on the Cutting Edge: Upgrading Napa County's ALERT System

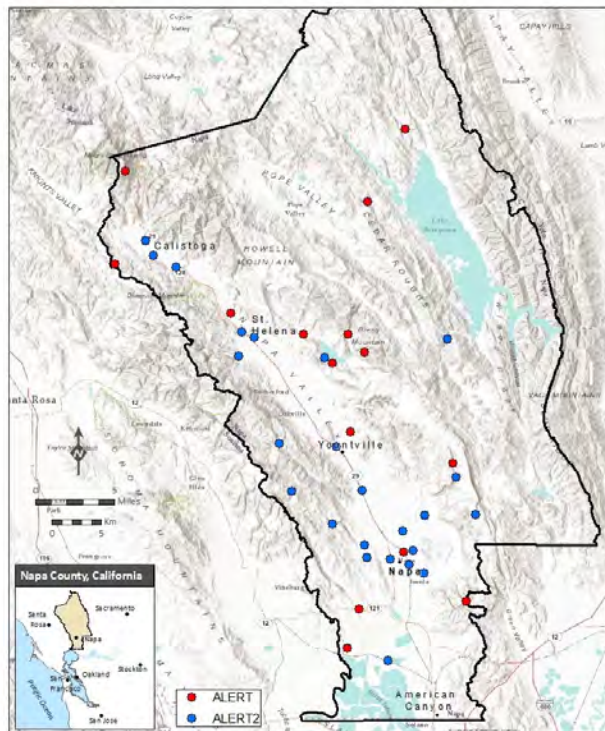
The Napa County Rainfall and Stream Monitoring System, known as the ALERT System, was installed in the 1990s to provide emergency managers with much-needed real-time rainfall and stream level information during flood events. The system records rainfall at 21 gauges and monitors 20 streams (and two reservoirs) at 32 water level monitoring sites. Though built for flood warning, the existing sensor network, radio communications system, data collection and processing software, and public internet interface make it appealing to also use for environmental monitoring. This use, however, often requires more accurate, higher-resolution data than flood warning.

ALERT Systems used the ALERT (Automated Level Evaluation in Real Time) radio protocol, a standard developed in the 1970s. By today's standards, transmission speeds were slow, transmission size was limited, and the stations were not coordinated and transmitted data randomly. This worked reasonably well for flood warning when the number of stations per receiver was small and sensors were not collecting large amounts of data. Even so, data collisions (simultaneous transmissions) occurred and caused data anomalies and data loss. In a dense system like Napa County's, data collection was limited and data quality was often poor.

To solve this issue a new radio protocol, ALERT2, was developed by the National Hydrologic Warning Council and the ALERT Users Group. ALERT2 is much faster and allows the use of more sites and sensors, collection and transmission of high-resolution data, and uses GPS technology and a process called time division multiple access (TDMA) to eliminate data quality issues resulting



from heavy radio traffic. However, upgrading to ALERT2 is expensive because it requires new transmitters and equipment at all receivers and stations.



In 2017 and 2018, the Napa County Flood Control and Water Conservation District, with a grant from the California Department of Water Resources (DWR), purchased enough new equipment to upgrade the receiving sites and 21 of 39 remote stations to ALERT2. RCD performed 14 of the upgrades, which included replacement of the transmitters, installation of GPS antennas, associated calibration and testing, and website configuration.

Upgrades will continue when more funding is available, but many stations now have the capacity to collect the high-resolution, error-free data required for low-flow stage and streamflow monitoring. RCD intends to utilize this new capability to continue increasing low stage and flow data collection and improve the value of the system for monitoring related to natural resources conservation.

Improving Water Quality One Road at a Time

Keeping sediment out of streams is a win for fish and the landowners who get to keep sediment on their properties. Since before the Napa River was listed by the Regional Water Quality Control Board as impaired for having too much sand and finer sediment in the streambed, RCD has partnered with landowners to evaluate the risk of sediment delivery from their vineyard, roads, creek banks, and other sources.



Unpaved roads have been found to be a big contributor of sediment to the waterways, and as such, the Water Board's Waste Discharge Regulations for vineyard properties requires strict performance standards that growers are now having to meet. In response, RCD has focused a lot of attention on assessing unpaved road networks, both public and private, and acquiring grant dollars to bring roads up to best management practices for storm-proofing.

Perhaps most importantly, RCD has devoted a lot of time towards training land managers to recognize where their roads are delivering sediment and what to do about it. To increase the pace and scale of road improvements, it is critical that we spread this knowledge far and wide. Since 2012, we have put on 10 workshops on the topic of storm-proofing roads, and road education was a major part of the 8 LandSmart Vineyard Planning workshops we hosted.

Enterprise Vineyards was eager to get more training in managing and improving unpaved roads. Being strongly committed to sustainable vineyard management, they wanted to bring that same level of attention to the unpaved road network on the hundreds of hillside acres

they manage in Napa and Sonoma Valleys. They quickly understood that improving road drainage leads to lower maintenance costs and fewer road-induced headaches. Several of their staff attended our road workshop, and followed up by attending our LandSmart Vineyard Planning workshops. They worked with RCD to develop two LandSmart Plans (verified last year), and through that process, identified several miles of roads that needed drainage upgrades. Over the past year, RCD worked with their heavy equipment operators to show them how to put in drainage features that would disconnect the road drainage from the streams. Since those training days, they have successfully installed a few drainage features throughout their properties and have plans to do more.

Through awareness building, training, or on-the-ground projects, RCD is here to help landowners take action to improve local water quality.

“Working with the RCD has redefined how we maintain and manage our road systems. Having Bill come out into the field really showed us that storm-proofing roads is simple and just makes good sense.”

- Max & Phil Coturri, Enterprise Vineyards



Steelhead Return to the Napa River



allows us to collect length and weight measurements and tissue samples for genetic analysis, and tag fish for long-term tracking.

To figure out whether the steelhead and salmon we have been catching in our trap during the past decade are indeed returning, we have been using a technology called Passive Integrated Transponders, also known as PIT tags. These tiny tags, about the size of a grain of rice, are implanted into the young fish and provide a unique identification code for life, as they live most of their 4-7-year lifespan growing at sea. When these tagged fish return from the ocean to spawn, a special antenna that RCD constructed to span the Napa River detects them and records their individual code, much like the FasTrak toll system on our local bridges.

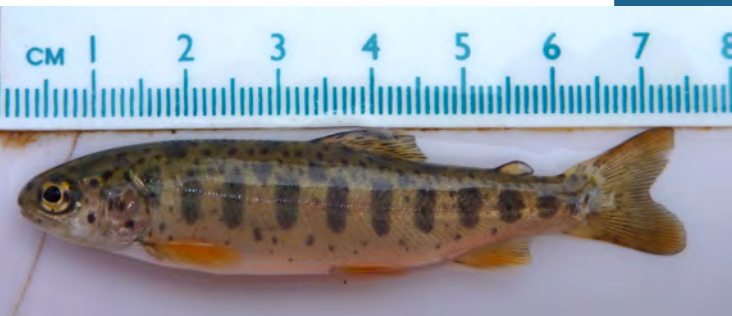
For more than a decade, the RCD and our many partners have been conducting broad-scale monitoring and specialized research of local fish populations. The Napa River Steelhead and Salmon Monitoring Program, as it's known, has many objectives, but top amongst them is to answer the seemingly simple question, "Does the Napa River support self-sustaining runs of steelhead and salmon?" So, for the past 11 years, the RCD and a dedicated group of citizen volunteers have been collecting the scientific data necessary to solve this mystery.

The centerpiece of our monitoring effort is a large stationary fish trap installed in the Napa River each spring. The trap allows us to catch and study hundreds (sometimes thousands) of young steelhead and salmon, which are then harmlessly released. Capturing fish

In 2018 and again in 2019, for the first times ever, we documented tagged steelhead returning to the Napa River to spawn. These were fish that were originally captured and marked as out-migrating juveniles (aka smolts), that had returned years later as adults. Although we never actually physically re-captured these adult steelhead, our PIT tag antenna detected them swimming upstream to their spawning grounds.

"There is nothing like being out on the fish trap in the early morning, scooping smolts and other fish from the trap - it's wonderful to see river life up close, but the work gives me hope that there could one day be change for the Napa River with salmon and steelhead once again living in healthy numbers."

- Pam Smithers



On average, we only tag approximately 100-150 steelhead per year, so the odds of re-detecting any given fish is relatively low. Still, these promising results encourage us to continue tagging and tracking so that we can understand trends and patterns in coming years.

Carbon Farm Planning for the Vineyard

In 2016, we partnered with our sister RCDs in Sonoma and Mendocino Counties and the USDA-NRCS to establish the North Coast Soil Health Hub, a network of farmers, industry representatives, scientists, and agricultural professionals working together to improve soil health in vineyards. The goal is to increase adoption of regionally appropriate practices to help sustain the North Coast as a world-class viticulture region. There is no better way to achieve this goal than through improving soil health, which will help farmers increase farm resiliency, stay ahead of the regulatory curve, save money, and enhance marketability.



The Soil Health Hub got a big boost in 2018 with the award of a USDA Conservation Innovation Grant to the Napa RCD, which brings \$389,432 to the North Coast. With this new injection of funds, RCD partners will continue working with grape growers to expand understanding of soil health fundamentals, practices that impact soil health, and how improving soil health

“We’re always learning. The RCD had funding for Carbon Farm Planning and we decided to take advantage of it. The process has been valuable and streamlined. Learning about complex concepts like carbon sequestration can be overwhelming - you need folks like the RCD and NRCS to help you. Our whole team is excited to be able to tell this restoration story.”

- Brad Smith, Winemaker, Silenus Winery



can lead to enhanced grape production as well as other benefits, including improved water-use efficiency, water quality, and on-farm habitat. RCD partners will also continue to develop SoilHub.org as the best online resource for growers in the region that are hungry for information on soil health and vineyards.

One of the benefits of improved soil health is a reduction in vineyard carbon footprints and greenhouse gas emissions. The RCD has pioneered the development of vineyard specific carbon farm plans as a means of increasing the adoption of climate beneficial practices. In 2018, we helped Silenus Winery develop a plan for their 7-acre vineyard which included replanting a riparian area, reducing tillage, compost application, hedgerow planting, and the application of woody mulch under the vine for weed management.

Once implemented these practices will control invasive plants, provide erosion protection, increase wildlife habitat, and generally improve soil health. Also, 44.3

MT of CO₂ will be sequestered every year, the equivalent of removing 9 typical passenger vehicles off the road. Silenus Winery was committed to improving their sustainability and the RCD was able to assess their current operation and develop a practical strategy for achieving this goal.

OUR PEOPLE & PARTNERS

Board of Directors

Jim Lincoln, President
Ashley Anderson, Vice President
Rainer Hoenicke, PhD
Jon Kanagy
Beth Painter
Bill Pramuk
Gretchen Stranzl McCann

Associate Directors

Mariam Aboudamous
Dennis Bowker
Geoff Gatto
Joseph Nordlinger
Margaret Woodbury
Bob Zlomke

Staff

Lucas Patzek, PhD, Executive Director
Bill Birmingham, Conservation Project Manager
Paul Blank, Senior Hydrologist
Guadalupe Garcia, Program Assistant
Miguel Garcia, PhD, Sustainable Agriculture Program Manager
Frances Knapczyk, PhD, Program Director
Jonathan Koehler, Senior Biologist
Ashley Kvitek, Volunteer & Outreach Coordinator
Anna Mattinson, Office Manager
Eric McKee, Education Program Coordinator

USDA-NRCS Staff

Wendy Rash, District Conservationist
Chip Bouril, Soil Conservationist
Liz Colby, PE, Agricultural Engineer
Kristan Flynn, Rangeland Conservation Planner
Kelly Gin, Soil Conservationist

Staff that departed the RCD this year were Charles Schembre and Anna Yip. Thank you for your service!

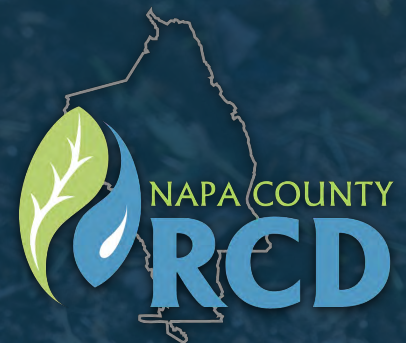
There are many organizations that partner with the RCD to make our programs possible. These are some of our key partners:



Helping you care for our land, water, soil, and wildlife

Since 1945.

- » We help individuals make good, science-based decisions
- » We work on the natural resource issues that matter to our community today
- » We are a trusted resource for our neighbors
- » We are an efficient, effective partner



Learn more and connect with us at NapaRCD.org



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
Political Subdivision of the State of California

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

**NAPA COUNTY RESOURCE CONSERVATION DISTRICT
MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE**

Prepared in accordance with Government Code Sections 56425 and 56430

Final Report

April 2016



LAFCO of Napa County
Overseeing the
logical formation and development
of cities and special districts.

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Brendon Freeman, Executive Officer
Kathy Mabry, Commission Secretary
Jennifer Gore, Commission Counsel

1030 Seminary Street, Suite B
Napa, California 94559
www.napa.lafco.ca.gov

I. EXECUTIVE SUMMARY

This report is presented as part of a process mandated by Sections 56425 and 56430 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This report comprehensively reviews municipal services provided by, and proposes amendments to the sphere of influence of, the Napa County Resource Conservation District (NCRCD). The Commission most recently prepared a municipal service review for NCRCD in 2006. NCRCD's sphere of influence was originally established by the Commission in 1985 and affirmed with no changes in 2007. This report includes determinative statements based on factors required to be considered as part of the municipal service review component and also includes a recommendation to affirm the District's sphere of influence with no changes. A map depicting NCRCD's current jurisdictional boundary and sphere of influence is included in this report as Exhibit A.

II. OVERVIEW



NCRCD was formed in 1945 to provide soil and water conservation services to farmers and ranchers in Napa County. Since its formation, NCRCD has gradually expanded the scope of its conservation services to benefit both non-urban and urban areas. This expansion has included working with citizens, organizations, and local agencies in developing and managing viticulture and watershed projects as well as facilitating volunteer stewardship programs. The majority of NCRCD's services are provided in partnership with the United States Department of Agriculture's Natural Resources Conservation Service. This partnership, which includes the sharing of office space, equipment, and staff resources, is formalized through a memorandum of understanding and helps to coordinate and enhance local conservation activities.

NCRCD's adopted operating budget for fiscal year 2015-16 is \$1.457 million and includes 8.75 total full-time equivalent employees.

III. MUNICIPAL SERVICE REVIEW

Overview

The Napa County Resource Conservation District (NCRCD) is charged with protecting and restoring natural resources within a jurisdictional boundary that includes most of Napa County and a small portion of Solano County. The origins of resource conservation districts dates back to the national “Dust Bowl” crisis of the 1930s as drought and attendant soil losses destroyed millions of acres of cropland. On April 27, 1935, in response to the Dust Bowl, Congress established the Soil Conservation Service as part of the United States Department of Agriculture (USDA) for the purpose of conserving natural resources on agricultural lands. To deliver these services locally, state governments began adopting legislation to allow for the formation of conservation districts to provide assistance and leadership in the management of soil and water resources. In 1945, NCRCD was formed under California’s Soil Conservation District Act to provide non-regulatory soil and water conservation services to farmers and ranchers in Napa County.¹ Over the years the range of services provided by NCRCD has expanded to include soil erosion plans for non-agricultural lands and watershed management projects. **Table 1** provides an agency profile for NCRCD.

Table 1
NCRCD: Agency Profile

District Formation:	1945
Enabling Legislation:	Public Resources Code, Division 9
District Type:	Independent
District Boundary:	506,200 acres
District Sphere:	507,500 acres
Staff:	8.75 FTE
FY15/16 Budget:	\$1.46 million
Services Provided:	Conservation

Today, NCRCD’s jurisdictional boundary includes most of Napa County with the exception of those portions of the City of Napa that were incorporated as of 1945. NCRCD’s jurisdictional boundary also encompasses a small portion of Solano County known as “Cullinan Ranch.” This approximate 2,070-acre area is located in southwestern Solano County and was annexed to NCRCD in 1952. Cullinan Ranch is owned by the United States Fish and Wildlife Service and is comprised of tidal wetlands providing habitat for a

number of native fish, plants, and wildlife species. **Exhibit A** provides a map depicting NCRCD’s current sphere of influence and jurisdictional boundary.

¹ This legislation was reorganized in 1975 as part of the Resource Conservation District Act.

Planning Context

Napa County covers approximately 505,850 acres, of which 94% are unincorporated lands. Over one-half of all lands in Napa County are identified as “rural” according to parcel-level information prepared by the County of Napa Assessor’s Office. Although NCRCD has jurisdiction throughout Napa County (except where noted in the City of Napa), the District’s priority is the conservation, protection, and restoration of agricultural, rural, grazing, farming, parks, and open space land – which constitutes the majority of land in Napa County as shown in **Table 2**.

Table 2
Unincorporated Land Use

Land Use Category	Total Acres	% of Total Acres in Napa County
Commercial	3,188	0.6
Industrial	2,948	0.6
Public/Quasi-public	6,850	1.4
Parks and Open Space	89,823	17.7
Urban/Suburban Residential	4,399	0.9
Rural Residential	10,735	2.1
Rural Lands	256,263	50.6
Farming	50,689	10.0
Grazing	54,024	10.7
<i>Total</i>	<i>478,919</i>	<i>94.5</i>

Source: County of Napa Assessor’s Office

In the past 25 years, Napa County has grown approximately 27 percent, increasing in population from 110,800 in 1990 to 140,300 in 2015. Accordingly to the California Department of Conservation, urban growth has resulted in the conversion of 4,458 acres of agricultural lands in Napa County between 2000 and 2010.² These trends are expected to marginally decrease over the next 10 years as population growth in Napa County is projected to increase 0.6 percent annually as shown in **Table 3**.

Table 3
ABAG Population Projections, 2015-2025

Jurisdiction	2015	2020	2025
American Canyon	20,500	21,500	22,600
Calistoga	5,200	5,300	5,400
Napa	78,800	80,700	82,800
St. Helena	5,900	6,000	6,100
Yountville	3,000	3,100	3,300
Unincorporated	26,900	27,600	28,400
Total	140,300	144,200	148,600

Source: ABAG, 2013 Projections

Napa County, like many other regions in California, is subject to residential and commercial development to accommodate demands of a growing population. Although local policies have slowed the premature encroachment of urban uses onto open space and agricultural lands, the gradual expansion of urban boundaries and intensification of development underscores the need for NCRCD to contend with population growth and urban encroachment in a conscientious method that addresses watershed conservation and agricultural needs.

According to NCRCD’s 2014-2020 Strategic Plan, the primary focus in the next four years will be improving and protecting water quality and quantity, fish and wildlife habitat, biodiversity, soil health, and overall ecosystem function. Additional areas of focus will involve improving understanding about the condition of watersheds within NCRCD and effectively utilizing that information to appropriately influence policy and land use decisions. Critical local resource issues include soil and water conservation, air quality, and the presence of threatened and endangered species and non-native plants.

² This includes lands classified by the California Department of Conservation as grazing land, prime farmland, farmland of statewide importance, unique farmland, and farmland of local importance.

District Operations

Mission

NCRCDD is a non-regulatory agency whose mission is to promote responsible watershed management through voluntary community stewardship and technical assistance. Stated goals of NCRCDD are:

- Promotion of watershed based land stewardship, including sustainable agriculture
- Protection and enhancement of waterways and water quality
- Reduction of soil erosion
- Preservation and restoration of wildlife habitat
- Fostering of an informed and knowledgeable community

NCRCDD has adopted the following mission statement:

“Our mission is to empower the community to voluntarily conserve, protect, and restore natural resources in a landscape that supports agriculture, urban areas, and wild spaces. We provide technical assistance, educational programs, monitoring programs and funding sources to help land managers improve their conservation practices.”

Governance and Staffing

NCRCDD is governed by an independent board of directors that includes seven Directors that are appointed in-lieu of election by the Napa County Board of Supervisors and eight Associate Directors that are appointed by the NCRCDD Board of Directors. The roles of NCRCDD’s Board of Directors are to establish priorities, set policies and guidelines, and oversee general operations. Associate Directors are non-voting members that provide guidance and assistance to NCRCDD. The Board of Directors meets on the second Thursday of every month. Meetings are posted on-site, on NCRCDD’s website, and published in the local newspaper.

The Board of Directors appoints an Executive Director who is responsible for managing services and overseeing staff. NCRCDD staff includes technical specialists with expertise in a variety of areas, including hydrology, biology, restoration, conservation education, vineyard management, and erosion control. NCRCDD’s adopted budgets over the past five fiscal years have averaged \$1.338 million, with the majority of its revenues drawn from intergovernmental grants and contracts. Staff for NCRCDD currently comprises:

- Executive Director
- Conservation Project Manager
- Senior Hydrologist
- Office Manager
- Conservation Program Manager
- Senior Biologist
- Conservation Program Assistant
- Education Program Coordinator
- Vineyard Conservation Coordinator

Services and Programs

Pursuant to Division 9 of the State of California Public Resources Code, NCRCD is authorized to control runoff, prevent and control soil erosion, develop and distribute water, improve land capabilities, and coordinate resource management efforts for watershed restoration and enhancement. NCRCD provides services in conjunction with the USDA's local Natural Resources Conservation Service (NRCS) office. This includes sharing an office space, equipment, and staff resources. The two agencies work together in their outreach efforts to introduce emerging conservation technologies to landowners and community leaders in Napa County. These agencies also work together in providing leadership in facilitating community and land management forums to encourage the formulation of effective and practical conservational policies and practices. NCRCD services emphasize public education and information and therefore the District does not have the typical infrastructure associated with other special districts.

The services that NCRCD provides to landowners include erosion control plans and information regarding resources and regulations, watershed management, and other relevant data to identify and achieve their natural resource and agricultural objectives. Technical services for government agencies cover surface water monitoring, soils analysis, and habitat assessments. NCRCD also works with local schools and community organizations to educate students and the public about natural resource functions and conservation practices. Services and programs provided by NCRCD include the following:

- *LandSmart Planning* provides technical assistance to landowners and land managers to identify and prioritize management practices according to their individual needs, goals, and timelines.
- *LandSmart On-the-Ground* provides technical and financial assistance to rural and agricultural landowners to implement best management practices to achieve resource and land management goals. This includes, but is not limited to, erosion control, fish habitat improvement, and climate resiliency. On-the-Ground also provides trainings, tools, and hands-on workshops to help individuals successfully complete conservation projects including rural road maintenance, rainwater harvesting, and laundry to landscape graywater use.
- *LandSmart Water Resources* provides local solutions for water security to urban and rural residents and agriculturalists. Water management options include irrigation efficiency, storm water management, rain water harvesting, laundry to landscape graywater use, and surface water monitoring.
- *LandSmart for Kids and LandSmart Education* create connections and inspire conservation by offering community members and youth opportunities to directly engage with and participate in stewarding the renowned landscape and agricultural properties of Napa County.
- *Resource Monitoring* provides important data to the community to inform decision making and to monitor changes to the health of local watersheds over time.
- *Huichica Creek Sustainable Demonstration Vineyard* is a 14-acre vineyard where NCRCD experiments with and demonstrates sustainable vineyard management practices to promote soils and vineyards in a healthy and sustainable ecosystem. NCRCD is currently developing a re-plant schedule. Timing of the re-plant will be staged over time and will be based upon need and the availability of funds.

Cooperative Efforts

NCRCDD provides individual services to landowners primarily in conjunction with NRCS as well as other organizations. Special demonstration projects, applied conservation research, and general community outreach are used to introduce emerging conservation technologies to landowners and community leaders. NCRCDD participates in a number of cooperative efforts with public, private, and volunteer organizations with respect to protecting and restoring natural resources in Napa County. An existing memorandum of understanding (MOU) allows NCRCDD to implement the *LandSmart* conservation program and share resources in partnership with Sonoma RCD, Gold Ridge RCD, and Mendocino County RCD. This MOU involves staff from each RCD working closely together along with shared grants, information, and documents. Additionally, NCRCDD has established strong partnerships with Marin RCD, Solano RCD, Sonoma RCD, and the North Bay Watershed Association. Beyond partnerships with other North Bay RCDs and entities, Napa RCD is a member of the California Association of Resource Conservation Districts and the California Special Districts Association.

Other organizations NCRCDD regularly works with include the following:

- County of Napa*
- Napa County Flood Control and Water Conservation District*
- City of Napa
- California Department of Fish and Wildlife
- California State Coastal Conservancy
- California State Regional Water Quality Control Boards
- California Department of Conservation
- United States Department of Agriculture Natural Resources Conservation Service
- Napa County Farm Bureau
- Land Trust of Napa County
- Friends of the Napa River
- Watershed Information and Conservation Council (WICC) of Napa County*

* Since 1991, NCRCDD has had a contractual agreement with the County of Napa to perform technical reviews of agricultural erosion control plans and to make recommendations to its Planning Department as to their technical adequacy. NCRCDD also provides the County with watershed education materials, trainings, and workshops, and conducts specific watershed assessment and monitoring studies. Additionally, NCRCDD has had a contractual relationship with the Napa County Flood Control and Water Conservation District since the early 2000's to assist with implementation of the Napa Countywide Stormwater Pollution Prevention Program, stream monitoring, and stream maintenance.

Planning and Objectives

NCRCRD has prepared a Strategic Plan that identifies and promotes service objectives from 2014 through 2020. Additionally, each fiscal year NCRCRD prepares an Annual Plan to identify and promote services and education programs in accordance with the District's Strategic Plan and the public's need. The 2015-2016 Annual Plan is organized in terms of the following specific goals and focus areas:

Goal 1: Improve and protect water quality and quantity, fish and wildlife habitat, biodiversity, soil health, and overall ecosystem function.

- Provide educational and technical assistance to support implementation of stewardship practices to conserve resources and improve ecosystem function
- Implement and oversee high priority habitat and water quality improvement projects on private and public land.

Goal 2: Improve understanding about the condition of watersheds in NCRCRD and effectively utilize that information to influence policy and land management decisions.

- Better understand the condition and population dynamics of fish species in the Napa River watershed.
- Better understand water quality and availability as it relates to supporting ecological, agricultural, rural and urban uses.
- Expand monitoring programs to better understand watershed conditions beyond fish species and water quality.
- Effectively communicate results related to the condition of the watersheds to the community, land managers, and policy makers to inform resource management decisions and policies.

Goal 3: Empower and inspire the community to make informed stewardship decisions that are mindful of watershed and ecosystem function.

- Support and encourage an ethic and understanding of resource stewardship in youth of Napa County.
- Engage in and encourage dialogue amongst the community regarding stewardship of natural resources.

Goal 4: Enhance NCRCRD's ability to implement its mission through making continuous improvements in management, staff enrichment, and visibility of the RCD within the community.

- Strive for excellence in areas of fiscal responsibility, transparency, and overall operation of NCRCRD.
- Improve marketing and NCRCRD's capacity to provide information about RCD programs.
- Foster an engaged, knowledgeable, and happy staff and Board of Directors.

Public Accountability

NCRCDD adheres to a public education program consisting of newsletters, website, participation in demonstrations, tours and education programs, presentations to schools and community groups, develops educational fact sheets, and other educational activities. In addition, NCRCDD pursues interest from local news media and invites media representatives to workshops and events.

NCRCDD maintains a website <http://www.naparcd.org/> as a resource for a broad range of service information. Board meetings are conducted on the second Thursday of each month at the NCRCDD office and are open to the public. NCRCDD provides an annual summary of past and projected projects for each year in accordance with the District's long-term plan.

Finances

Budget Preparation

NCRCDD's Executive Director works with staff in March and April of each fiscal year to draft a budget based upon anticipated revenues and expenses in accordance with the District's budget preparation policy. NCRCDD annually establishes a Finance Committee that reviews the draft budget prior to it being presented to the District as part of a public hearing that generally occurs in May each year. A final budget is presented to NCRCDD's Board of Directors for adoption in June.

Financial Policies

NCRCDD has 11 financial policies: budget preparation, fixed asset, fund balance, revenue recognition, fee for service, petty cash, reimbursement, Cal-Card usage, purchasing, procurement of professional services, and procurement of construction services. NCRCDD completed an extensive review of all policies during 2014 and 2015. Existing policies were updated, a gap analysis of missing policies was conducted, and new policies were adopted as needed. A schedule for periodic policy review and update is tracked and monitored.

Revenues and Expenses

NCRCDD's major source of revenue is grants and donations. Each year NCRCDD receives approximately 20 grants. Typical grantors include the following:

- State Coastal Conservancy
- State Department of Conservation
- State Department of Fish and Wildlife
- State Department of Water Resources
- State Water Resources Control Board
- United States Environmental Protection Agency
- United States Natural Resources Conservation Service

Additional revenue sources for NCRCDD include contracts with local agencies for services, property taxes, and grape sales from the District's demonstration vineyards. While revenue sources are not stable, they have been consistent over the past several years. Major expense categories are salaries and employee benefits, professional services, and supplies related to operating natural resource programs.

NCRCDD’s adopted budget for the 2015-2016 fiscal year totals \$1.457 million. This amount represents NCRCDD’s total approved expenses or appropriations for the fiscal year. Revenues are also budgeted at \$1.457 million and primarily expected to be drawn from grants, donations, and property tax proceeds. NCRCDD’s adopted revenues and expenses for the last five fiscal years are provided below.

Category	2011-12	2012-13	2013-14	2014-15	2015-16
Adopted Revenues	\$1,593,588	\$1,459,574	\$1,498,980	\$1,528,158	\$1,456,990
Adopted Expenses	\$1,593,588	\$1,393,322	\$1,469,236	\$1,525,397	\$1,456,990
Difference	\$0	\$66,252	\$29,744	\$2,761	\$0

Current Grants

As of the preparation of NCRCDD’s 2015-2016 Annual Plan, the following grant agreements, contracts, joint powers agreements (JPAs), and professional services agreements are anticipated or have been received to implement the services and programs of the District:

- California Coastal Conservancy: 5000 Oaks Initiative (grant approved, agreement pending)
- California Coastal Conervancy: Regional Carbon Planning (grant approved, agreement pending)
- California Department of Fish and Wildlife: Napa River Dry-Season Streamflow Monitoring (acquired)
- California Department of Fish and Wildlife: Assessing Road-Related Sediment Sources in the Napa River Watershed (acquired)
- California Department of Fish and Wildlife: Calistoga Fish Barrier Removal Design through National Oceanic and Atmospheric Administration (acquired)
- California Department of Fish and Wildlife: Reducing Road-Related Sediment Delivery to Stream Systems in the Wing Canyon Sub-Watershed, Napa River (acquired)
- California Department of Water Resources: Fisheries Monitoring through Center For Ecosystem Management and Restoration (acquired)
- California Department of Water Resources: Irrigation Mobile Lab (1 acquired and 1 pending)
- Carneros/Huichica Streamgages (acquired)
- City of Napa: Water Division Support (pending)
- County of Napa: JPA with Planning, Building and Environmental Services for support of Conservation Regulations (pending)
- County of Napa: JPA with Public Works for WICC support and Groundwater Education (pending)
- County of Napa: Support for Measure A Project – Napa River Restoration Projects (pending)
- County of Napa: Zinfandel Lane & Fisheries Monitoring (amendment pending)
- Environmental Protection Agency: Napa Total Maximum Daily Load Implementation through Marin Municipal Water District (acquired)
- Environmental Protection Agency: Napa Total Maximum Daily Load Information Tracking & Accounting through County (acquired)

- Environmental Protection Agency: Wing Canyon Road Erosion Reduction Project through State Water Board (acquired)
- Environmental Protection Agency: Upper Napa River Enhancement Plan through California Land Stewardship Institute (acquired)
- Environmental Protection Agency: Bale Slough/Bear Creek Watershed Enhancement Plan through State Water Board (grant approved, agreement pending)
- Environmental Protection Agency: LandSmart Road Improvement and Conservation Planning through State Water Board (grant approved, agreement pending)
- Gasser Foundation: Special Hydrologic Study in Calistoga (acquired)
- Gasser Foundation: Rotary Screw Trap support (acquired)
- Hudson Ranch: Carneros Biological Study (acquired)
- Huichica Creek Vineyard (acquired)
- Land Trust of Napa County: Technical Assistance (acquired)
- Napa County Flood Control and Water Conservation District: Watershed Maintenance Support, Rutherford Monitoring Support, Napa Countywide Stormwater Support, Special Hydrologic Study in Calistoga (amendment pending)
- Natural Resources Conservation Service: Regional Conservation Partnership Program – Regional Carbon Farm Planning (grant approved, agreement pending)
- North Bay Watershed Association: LandSmart On-the-Ground Workshops (acquired)
- Napa County Resource Conservation District 16
- North Bay Watershed Association: LandSmart for Kids Youth Stewards (pending)
- Putah Creek Watershed Group (amendment pending)

Total grants and contributions have remained relatively consistent over the last five completed fiscal years as summarized below.

Category	2010-11	2011-12	2012-13	2013-14	2014-15
Intergovernmental	\$1,074,481	\$1,206,364	\$959,141	\$998,090	\$969,143
Huichica Creek Vineyard	\$101,750	\$78,983	\$115,914	\$161,629	\$137,579
Total	\$1,176,231	\$1,285,347	\$1,075,055	\$1,159,719	\$1,106,722

Audited Financial Statements

NCRCDD has annual independent audits and the District periodically changes auditors. Charles Pillon, CPA, completed NCRCDD’s audits for the 2010-2011, 2011-2012, and 2012-2013 fiscal years. Larry Bain, CPA, has completed NCRCDD’s 2013-2014 and 2014-2015 audits and is under contract for the 2015-2016 fiscal year audit. There is a provision in the contract with Larry Bain that allows NCRCDD to extend the contract for an additional two years at the District’s option. NCRCDD has engaged the County Auditor-Controller regarding additional auditing opportunities.

Recent audits reveal that revenues have exceeded expenditures in four of the past five fiscal years. In the lone instance in which expenses exceeded revenues, the deficit involved the timing of invoices for which NCRCD had earned revenues that were not paid within 90 days of the end of the fiscal year; a common issue involving grant funding. Actual revenues and expenses for NCRCD over the last five fiscal years are provided below.

Category	2010-11	2011-12	2012-13	2013-14	2014-15
Actual Revenues	\$1,448,255	\$1,549,874	\$1,353,260	\$1,447,250	\$1,409,988
Actual Expenses	\$1,409,791	\$1,508,417	\$1,315,799	\$1,423,888	\$1,463,444
Difference	\$38,464	\$41,457	\$37,461	\$23,362	(\$53,456)

NCRCD’s 2014-2015 audit identifies that the District received revenues totaling \$1.459 million and incurred expenses totaling \$1.374 million, resulting in a total operating income of \$85,135 during the fiscal year. NCRCD receives 85% of its revenue from Federal, State, and local grants and contracts. The remaining portion of NCRCD’s revenue is drawn from its proportional share of property tax assessments, income from the District’s demonstration vineyard, and interest on investment funds. Approximately 61% of NCRCD’s expenditures are dedicated to salaries and subcontractor expenses. The remaining 39% of NCRCD’s expenses are dedicated to grant services and supplies, depreciation, and interest payments.

As shown in **Table 4**, NCRCD had \$1.599 million in total assets and \$0.880 million in total liabilities as of June 30, 2015. NCRCD had \$1.002 million in current assets including cash, accounts receivable, and short term investments. Long-term assets totaled \$0.414 million. NCRCD maintains a fund balance that is reasonable to cover anticipated operating expenses for approximately six months. NCRCD has sufficient current assets to meet current liabilities with a ratio of 9.6:1. Long-term debt is in the form of compensated absences and a loan payable. The District’s loan payable consists of a loan agreement with the State Revolving Fund Loan Program, dated May 23, 1997 and is due in annual installments of \$9,248 on July 23 at an interest rate of 2.8%. The proceeds were used for District improvements. The outstanding loan balance as of June 30, 2015 was \$17,739.

Table 4
Balance Sheet Ending June 30, 2015

Assets	Amount
Current Assets	\$1,001,896
Land	\$350,100
Other capital assets, net of depreciation	\$64,269
Deferred outflows - pensions	\$182,577
Total Assets	\$1,598,842
Current Liabilities	\$104,553
Non-Current Liabilities	\$671,657
Deferred inflows of resources	\$103,867
Total Liabilities	\$880,077
Invested in Capital Assets, net of related debt	\$396,630
Unrestricted equity	\$322,135
Total Net Assets	\$718,765

Source: NCRCD Audited Financial Statements, 2014-2015 (Larry Bain, CPA)

NCRCDD does not have reserves or contingency fund balances. However, NCRCDD’s unassigned general fund balance as of June 30, 2015 totaled \$675,530, which is technically available for any purpose. Further, NCRCDD’s fund balance policy ensures the District maintains an adequate fund balance equivalent to a minimum of two months operating expenses. While not technically categorized as reserves, this fund balance amount serves a similar purpose to ensure NCRCDD is protected against significant economic downturns and unforeseen emergencies. NCRCDD’s unassigned fund balance at the end of each of the last five fiscal years is provided below.

	2010-11	2011-12	2012-13	2013-14	2014-15
Unassigned Fund Balance	\$710,169	\$759,112	\$802,287	\$720,692	\$675,530

Financial Issues

A key financial issue for NCRCDD is that its revenue stream is primarily dependent on grant funding. The dependency on grants to fund its service operations requires extensive work by NCRCDD to continually apply and maintain due to increasing competition. The result is that NCRCDD is financially reliant on a revenue stream that is subject to fluctuations. Other revenue streams include sales from Huichica Creek Sustainable Demonstration Vineyard as well as property tax based assessments that increase slowly and may be subject to budget cuts. NCRCDD has completed a fund development strategy and is exploring opportunities to develop a conservation fund through Napa Valley Community Foundation or through establishing an independent foundation.

IV. MUNICIPAL SERVICE REVIEW DETERMINATIONS

The following determinations address the service and governance factors enumerated for consideration by the Commission under G.C. Section 56430 as well as required by local policy. These factors range in scope from considering infrastructure needs and deficiencies to relationships with growth management policies. The determinations serve as independent conclusions of the Commission on the key issues underlying growth and development within the affected community and are based on information collected, analyzed, and presented in this report and are specific only to NCRCD.

Growth and Population Projections

- a) The Napa County Resource Conservation District's jurisdictional boundary includes most of Napa County with the exception of an approximate 1,300-acre inhabited portion of the City of Napa. While specific population projections are not available, all 140,300 people currently residing in Napa County (as estimated by the Association of Bay Area Governments) benefit from the District's conservation services.
- b) The Association of Bay Area Governments projects an annual population growth rate for Napa County of 0.6 percent over the next 10 years. Although limited, this projected growth rate will contribute to the intensification of land uses and result in the continued demand for conservation services in Napa County.
- c) It is the policy of the County of Napa to direct urban development to the incorporated areas and to preserve surrounding lands for agricultural and open-space uses through restrictive zoning standards. This policy is reflected in the land use policies of the five incorporated cities and helps to ensure that agriculture and open-space remain predominant land uses within the jurisdictional boundary of the Napa County Resource Conservation District.

Present and Planned Capacity of Napa County Resource Conservation District's Public Facilities, Adequacy of Public Services and Infrastructure Needs of Deficiencies

- a) The Napa County Resource Conservation District does not own or maintain substantial infrastructure or equipment. The District relies on staff resources to deliver information and technical assistance to private landowners, organizations, and local jurisdictions involving its conservation services.
- b) The Napa County Resource Conservation District has made a measurable investment in staff over the last 20 years. The increase in staff corresponds with the District's decision to expand the scope of its conservation services to address watershed and urban resource management issues.

Financial Ability to Provide Services

- a) The Napa County Resource Conservation District is primarily funded by intergovernmental revenues, including contracts and grants. The dependency on contracts and grants to fund its conservation services makes the District financially reliant on a revenue stream that is subject to fluctuations. The District would benefit from securing a more stable source of revenues.

- b) The Napa County Resource Conservation District serves as an instrument in securing federal and state grants that would not be otherwise available to fund conservation services in Napa County.

Status and Opportunities for Shared Facilities

- a) The Napa County Resource Conservation District maintains a long-standing partnership with the United States Department of Agriculture's Natural Resources Conservation Service. This partnership, which includes the sharing of office space, equipment, and staff resources, is formalized through a memorandum of understanding and helps to coordinate and enhance local conservation activities.
- b) The Napa County Resource Conservation District works with local agencies, citizens, and organizations on a variety of watershed protection and flood prevention projects in Napa County. These projects range from monitoring stream flows to organizing volunteer stewardship groups and help to connect private and public interests to serve common conservation goals.

Accountability for Community Service Needs, Including Government Structure and Operational Efficiencies

- a) The Napa County Resource Conservation District is the only public agency authorized to provide a full range of soil and water conservation services within its jurisdictional boundary. The conservation services provided by the District are important in restoring and protecting the community's natural resources.

Location and Characteristics of Any Disadvantaged Unincorporated Communities within or Contiguous to the Existing Spheres of Influence

- a) No disadvantaged unincorporated communities meeting the definition under State law have been identified anywhere in Napa County. Furthermore, there are no disadvantaged unincorporated communities located within the immediate vicinity of the portion of the Napa County Resource Conservation District that extends into Solano County.

Relationship with Regional Growth Goals and Policies (Local Policy)

- a) Resource conservation districts have no authority over land use policies and hence no direct participation on the policy level that would connect the activities of the district with regional growth.

V. SPHERE OF INFLUENCE UPDATE

The analysis conducted as part of the municipal service review portion of this study identifies that NCRCD is providing an adequate and effective level of conservation services within its jurisdictional boundary. These conservation services have been instrumental in enhancing and restoring natural resources for the benefit of both rural and urban areas and have contributed to the preservation of local agricultural and open space lands. NCRCD has developed sufficient capacities and service programs to continue to provide an effective level of conservation services within its existing sphere. Based on outreach to resource conservation districts in neighboring counties, no additional areas beyond NCRCD's existing sphere appear to require services that could be provided by the District within the timeframe of this sphere update.

Adoption of Sphere of Influence and 2007 Update

NCRCD's sphere was originally adopted by the Commission in 1985. The sphere was designated to include all incorporated and unincorporated lands in Napa County as well as approximately 2,070 acres in Solano County, the latter of which was annexed into NCRCD in 1952. The Commission affirmed NCRCD's sphere in 2007 as part of a comprehensive review and update. There have been no changes to the sphere since its adoption.

Jurisdictional Boundary and Land Use Authorities

NCRCD's sphere encompasses approximately 507,500 total acres. Of this amount, approximately 1,300 contiguous acres are located outside NCRCD's jurisdictional boundary. This portion of the sphere represents the City of Napa's incorporated boundary as of 1945, which was excluded from NCRCD at the time of its formation. Annexation of these 1,300 acres would require NCRCD to submit a complete application to the Commission, including associated application fees along with a final map and geographic description consistent with the requirements of the State Board of Equalization. A map depicting NCRCD's current sphere of influence and jurisdictional boundary is provided in this report as Exhibit A.

NCRCD operates under the land use authorities of seven local jurisdictions. These jurisdictions include the Counties of Napa and Solano, Cities of American Canyon, Calistoga, Napa, St. Helena, and the Town of Yountville. In addition, the Federal Government owns a substantial portion of unincorporated land in northeast Napa County, including the shoreline of Lake Berryessa. The State of California also owns a substantial portion of unincorporated wetlands in south Napa County. These lands are not subject to local land use policies.

VI. SPHERE OF INFLUENCE RECOMMENDATION

It is recommended that the Commission affirm NCRCD's existing sphere of influence, which includes all incorporated and unincorporated lands in Napa County as well as the Cullinan Ranch area in Solano County. Pursuant to California Government Code Section 56425(e), the following statements have been prepared in support of the recommendation:

Present and Planned Land Use

The present and future land uses in the area are planned for in the general plans prepared by the seven land use authorities whose jurisdictions overlap the jurisdictional boundary of the Napa County Resource Conservation District. The exercise of the District's conservation services, which benefit both urban and non-urban areas, will not affect the level or type of development identified in the general plans of the land use authorities.

Present and Probable Need for Public Facilities and Services

The provision of conservation services helps to ensure the protection and restoration of natural resources, which are essential to the social and economic health of the area.

Present Capacity and Adequacy of Public Services

The Napa County Resource Conservation District has developed policies, service plans, and programs to provide adequate and effective conservation services for the area.

Social and Economic Communities of Interest

The social and economic health of the area is measurably enhanced by the conservation services provided by the Napa County Resource Conservation District.

Present and Probable Need for Public Services for Disadvantaged Unincorporated Communities

No disadvantaged unincorporated communities meeting the definition under State law have been identified anywhere in Napa County. Furthermore, there are no disadvantaged unincorporated communities located within the immediate vicinity of the portion of the Napa County Resource Conservation District that extends into Solano County.

VII. REFERENCES

Principal Agency Contacts

- Leigh Sharp, Executive Director, NCRCD

Additional Contacts

- Korinn Woodard, District Conservationist, United States Department of Agriculture and Natural Resources Conservation Service
- Charlotte Griswold, President, East Lake RCD
- Chris Rose, Executive Director, Solano RCD
- Kara Heckert, Executive Director, Sonoma RCD
- Heather Nichols, Executive Director, Yolo RCD

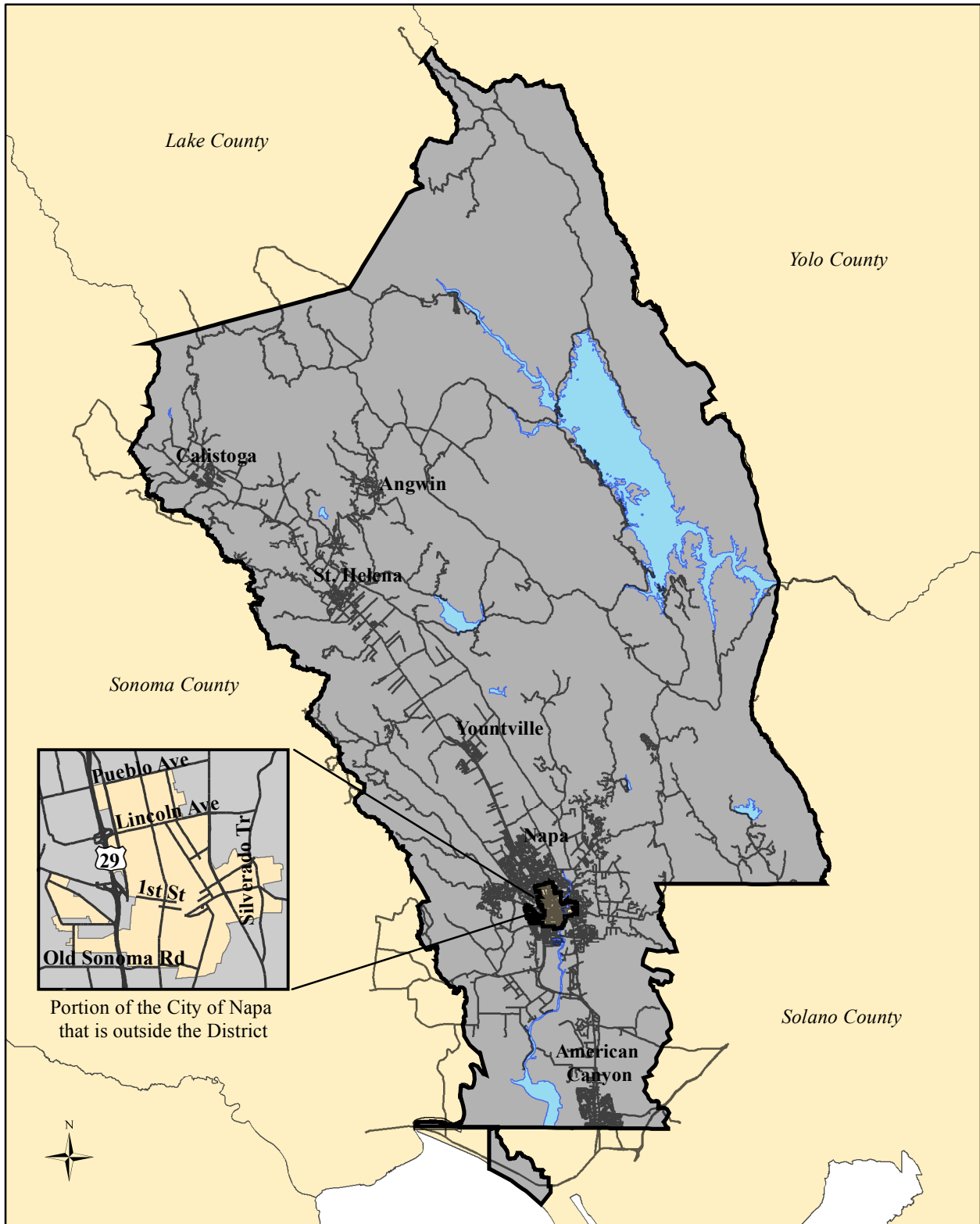
Documents/Materials

- Association of Bay Area Governments, “Projections,” 2013
- NCRCD, “Municipal Service Review,” December 2006 (Napa LAFCO)
- NCRCD, “Sphere of Influence Review,” February 2007 (Napa LAFCO)
- NCRCD, “Audited Financial Statements,” June 2011 (Charles W. Pillon, CPA)
- NCRCD, “Audited Financial Statements,” June 2012 (Charles W. Pillon, CPA)
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- NCRCD, “Audited Financial Statements,” June 2014 (Larry Bain, CPA)
- NCRCD, “Audited Financial Statements,” June 2015 (Larry Bain, CPA)
- NCRCD, “Adopted Budget for Fiscal Year 2011-2012”
- NCRCD, “Adopted Budget for Fiscal Year 2012-2013”
- NCRCD, “Adopted Budget for Fiscal Year 2013-2014”
- NCRCD, “Adopted Budget for Fiscal Year 2014-2015”
- NCRCD, “Adopted Budget for Fiscal Year 2015-2016”
- NCRCD, “Budget Preparation Policy” 2014
- NCRCD, “Fund Balance Policy” 2014
- NCRCD, “Fee for Service Policy” 2015
- NCRCD, “Revenue Recognition Policy” 2015
- NCRCD, “Annual Plan 2015-16”
- NCRCD, “Strategic Plan 2014-2020”



Websites

- Napa County Resource Conservation District, <http://naparc.org/>
- Association of Bay Area Governments, <http://www.abag.org/>
- California Department of Conservation, <http://www.conservation.ca.gov/>
- California Department of Finance, <http://www.dof.ca.gov/>
- California State Controller’s Office, <http://sco.ca.gov/>
- United States Department of Agriculture Natural Resources Conservation Service, <http://www.nrcs.usda.gov/>

Napa County Resource Conservation District



Legend

-  Napa County Resource Conservation District
-  Napa County Resource Conservation District Sphere of Influence

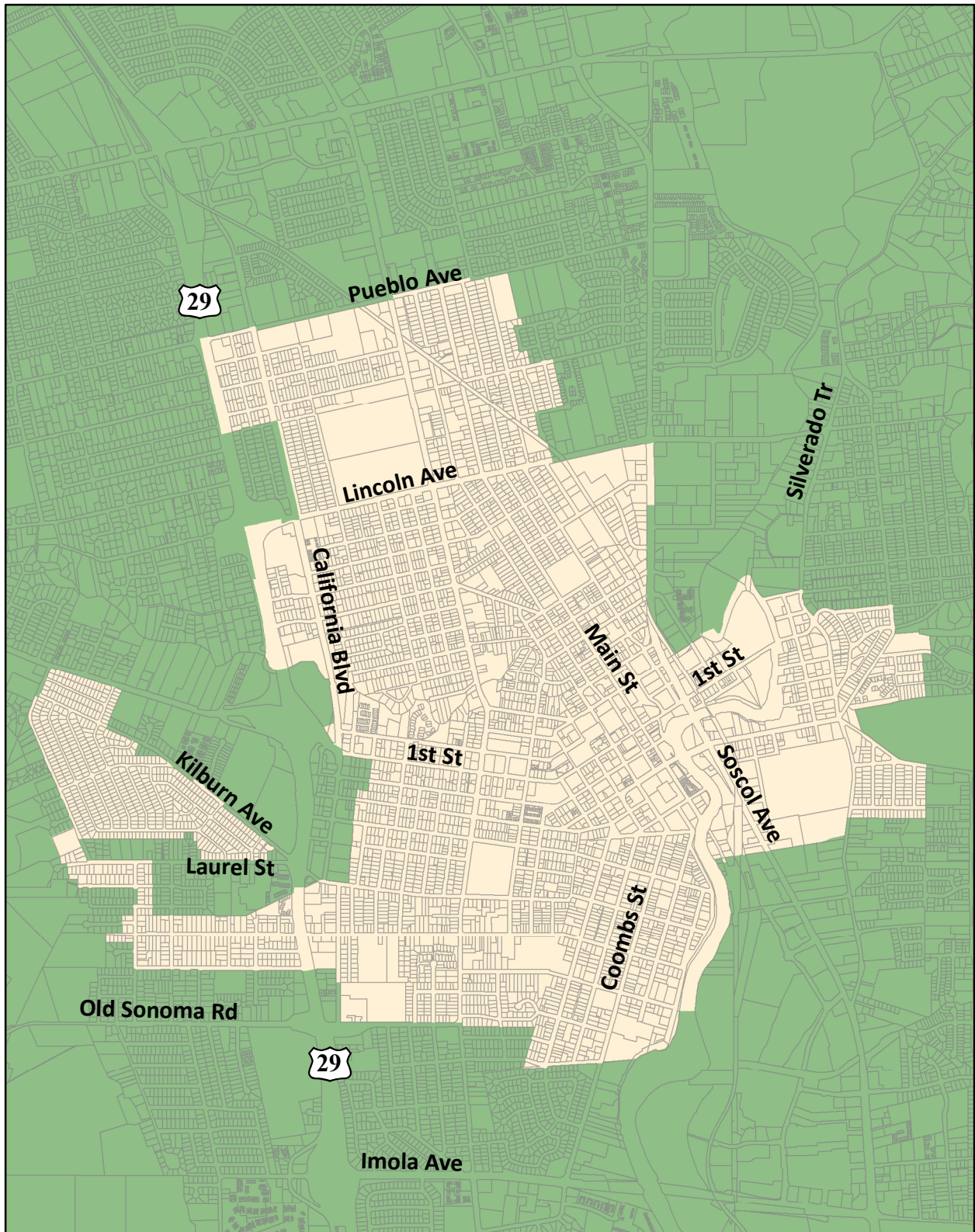


*Not to Scale
February 2016
Prepared by BF*





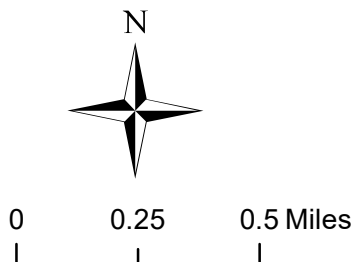
LAFCO of Napa County
1030 Seminary Street, Suite B
Napa, CA 94559
(707) 259-8645

Napa County Resource Conservation District (NCRCD)



Legend

-  NCRCD Jurisdictional Boundary
-  Potential Annexation Area (City of Napa 1945 Boundary)



LAFCO of Napa County
1030 Seminary Street, Suite B
Napa, California 94559
<http://www.napa.lafco.ca.gov>