



Local Agency Formation Commission of Napa County

Subdivision of the State of California

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

Brian J. Kelly, Chair ■ Joan Bennett, Vice Chair ■ Bill Dodd ■ Greg Pitts ■ Brad Wagenknecht
Juliana Inman, Alternate ■ Mark Luce, Alternate ■ Gregory Rodeno, Alternate

Administrative Office

1030 Seminary Street, B
Napa, California 94559
Telephone: 707-259-8645
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REGULAR MEETING AGENDA

Monday, June 2, 2014

4:00 PM

County of Napa Administration Building
1195 Third Street, Board Chambers, 3rd Floor
Napa, California 94559

1. CALL TO ORDER BY CHAIR; ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF AGENDA

The Chair will consider a motion to approve the agenda as prepared by the Executive Officer with any requests to remove or rearrange items by members or staff.

4. PUBLIC COMMENTS

In this time period anyone may comment to the Commission regarding any subject over which the agency has jurisdiction. No comments will be allowed involving any subject matter scheduled for hearing, action, or discussion as part of the current agenda other than to request discussion on a specific consent item. Individuals will be limited to three minutes. No action will be taken by the Commission as a result of any item presented at this time.

5. CONSENT ITEMS

All items calendared as consent are considered ministerial or non-substantive and subject to single motion approval. With the concurrence of the Chair, a Commissioner may request discussion of an item on the consent calendar.

a) Approval of Meeting Minutes (Action)

The Commission will consider approving summary minutes prepared by staff for the April 7th Regular Meeting.

b) Current and Future Proposals (Information)

The Commission will receive a report summarizing current and future proposals.

c) Approval of Meeting Calendar for Second Half of 2014 (Action)

The Commission will consider approving a meeting calendar for the final six months of 2014. It is recommended the Commission schedule three regular meetings for August 4th, October 6th, and December 1st.

6. PUBLIC HEARING ITEMS

Any member of the public may address the Commission with respect to a scheduled public hearing item. Comments will be limited to no more than three minutes per speaker unless additional time is permitted by the Chair.

a) Authorization for the City of Napa to Provide New Water Service to APN 039-320-008 (Multiple addresses including 1019, 1055 & 1075 Atlas Peak Road) and to Certify Review of the City's Determination that the Project is Categorically Exempt Under the California Environmental Quality Act (CEQA)

Recommendation to direct staff to draft amendments to the Commission's Policy on Outside Service Agreements and adopt a resolution authorizing the City of Napa to provide a new permanent public water service to a parcel outside of the City's boundaries and sphere of influence to respond to an impending threat to the health and safety of the public

b) Authorization for the City of Napa to Provide New Water Service to APN 030-160-020 (Multiple addresses including 1165 Rutherford Road and 8574-8576 Highway 29) and to Certify Review of the City's Determination that the Project is Categorically Exempt Under the California Environmental Quality Act (CEQA)

Adopt a resolution authorizing the City of Napa to provide a new permanent public water service to a parcel outside of the City's boundaries and sphere of influence to respond to an impending threat to the health and safety of the public. The Commission's authorization of outside water service is statutorily exempt from CEQA under Public Resources Code Section 21080(b)(4). The recommended action is for the Commission to approve the City of Napa's outside water service request.

c) Consideration of a Final Budget for Fiscal Year 2014-2015

The Commission will consider adopting a final budget setting operational expenses and revenues for 2014-2015. The recommended final budget is nearly identical to the proposed budget adopted in April and subsequently circulated for public review. Operating expenses total \$456,560 and represents a 3.4% decrease over the current fiscal year. Operating revenues total \$444,205 with the majority coming from local funding agencies; the latter of which would increase by 2.9%. The anticipated shortfall – (\$12,355) – would be covered by agency reserves. Adoption of a final budget is not a project under the California Environmental Quality Act (CEQA). The recommended action is for the Commission to adopt a resolution approving the final budget for 2014-2015.

7. ACTION ITEMS

Items calendared for action do not require a public hearing before consideration by the Commission. Any member of the public may receive permission to provide comments on an item at the discretion of the Chair.

a) Orchard Avenue No. 4 Annexation to the Napa Sanitation District

The Commission will consider a proposal to annex approximately 7.0 acres of incorporated territory to the Napa Sanitation District. The proposed annexation encompasses one entire parcel with no situs address and one portion of a parcel located at 1121 Orchard Avenue in the City of Napa. The purpose of the proposed annexation is to facilitate the subdivision of the parcels as contemplated in the applicant’s tentatively approved development project. The City of Napa serves as lead agency under CEQA and has prepared an initial study and mitigated negative declaration for the underlying development project. The recommended action is for the Commission to approve the proposal with one amendment to include an adjacent 0.7 acre incorporated parcel located at 4461 Solano Avenue.

b) Big Ranch Road No. 5 Annexation to the Napa Sanitation District

The Commission will consider a proposal to annex approximately 6.0 acres of incorporated territory to the Napa Sanitation District. The proposed annexation encompasses three entire parcels located near Big Ranch Road in the City of Napa. The purpose of the proposed annexation is to facilitate the subdivision of the two larger parcels as contemplated in the applicant’s tentatively approved development project. The City of Napa serves as lead agency under CEQA and has determined the underlying project could not have a significant effect on the environment because all potential significant effects have been adequately analyzed and addressed in the City General Plan as well as the Big Ranch Specific Plan. The recommended action is for the Commission to approve the proposal with one amendment to include an adjacent 0.5 acre incorporated parcel located at 2123 Big Ranch Road.

c) Airport Road No. 1 Annexation to the Napa Sanitation District

The Commission will consider a proposal to annex approximately 19.7 acres of unincorporated territory to the Napa Sanitation District. The affected territory consists of one entire parcel located at 1225 Airport Road in the Napa County Airport area. The purpose of the proposed annexation is to facilitate the development of the subject lot as contemplated in the applicant’s tentatively approved development project. The County of Napa serves as lead agency under CEQA and has accordingly prepared an initial study and mitigated negative declaration for the underlying project. Staff recommends approval of the proposal with standard conditions.

8. EXECUTIVE OFFICER REPORT

9. COMMISSIONER COMMENTS/REQUESTS FOR FUTURE AGENDA ITEMS

10. ADJOURNMENT TO NEXT REGULAR SCHEDULED MEETING: August 4, 2014

MEETING INFORMATION

The meeting room is wheelchair accessible. Assistive listening devices and interpreters are available through the Clerk of the Commission. Requests for disability related modifications or accommodations, aids or services may be made to the Clerk of the Commission no less than 72 hours prior to the meeting date by contacting (707) 259-8645.

Materials relating to an item on this agenda that have been submitted to the Commission after distribution of the agenda packet are available for public inspection at the LAFCO office during normal business hours. Commissioners are disqualified from voting on any proposals involving entitlements of use if they have received campaign contributions from an interested party. The law prohibits a Commissioner from voting on any entitlement when he/she has received a campaign contribution(s) of more than \$250 within 12 months of the decision, or during the proceedings for the decision, from any interested party involved in the entitlement. An interested party includes an applicant and any person with a financial interest actively supporting or opposing a proposal.



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

June 2, 2014

Agenda Item No. 5a (Consent/Action)

May 22, 2014

TO: Local Agency Formation Commission

FROM: Kathy Mabry, Commission Secretary

SUBJECT: Approval of Meeting Minutes

The Commission will consider approving summary minutes prepared by staff for the April 7, 2014 Regular Meeting.

A. Discussion and Recommendation

Attached are summary minutes prepared for the Commission's April 7, 2014 Regular Meeting. Staff recommends approval.

Respectfully submitted,

Kathy Mabry
Commission Secretary

Attachments: as stated

Joan Bennett, Vice Chair
Councilmember, City of American Canyon

Greg Pitts, Commissioner
Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Commissioner
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, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Laura Snideman
Executive Officer



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

MEETING MINUTES OF APRIL 7, 2014

1. WELCOME AND CALL TO ORDER; ROLL CALL

Chair Kelly called the regular meeting of April 7, 2014 to order at 4:00 pm.
At the time of roll call, the following Commissioners and staff were present:

| <u>Regular Commissioners</u> | <u>Alternate Commissioners</u> | <u>Staff</u> |
|------------------------------|--------------------------------|-----------------------------------|
| Brian Kelly, Chair | Mark Luce | Laura Snideman, Executive Officer |
| Joan Bennett, Vice-Chair | Gregory Rodeno | Jackie Gong, Commission Counsel |
| Bill Dodd | Juliana Inman- <i>absent</i> | Brendon Freeman, Analyst |
| Greg Pitts | | Kathy Mabry, Secretary |
| Brad Wagenknecht | | |

2. PLEDGE OF ALLEGIANCE

Scott Sedgley, City of Napa Councilmember, led the Pledge of Allegiance.

3. APPROVAL OF AGENDA

Chair Kelly asked if there were any requests to rearrange the agenda. There were no requests. Upon motion by Commissioner Bennett and second by Commissioner Dodd, the Commission unanimously adopted the agenda as submitted:

VOTE:

AYES: **BENNETT, DODD, KELLY, PITTS AND WAGENKNECHT**
NOES: **NONE**
ABSENT: **NONE**
ABSTAIN: **NONE**

4. PUBLIC COMMENTS

Chair Kelly invited members of the audience to provide public comment. City of Napa Councilmember, Scott Sedgley, introduced himself to the Commission stating he has been on the Council for approximately one year now. Mr. Sedgley stated that as the economy begins to rebound from the recession, LAFCO comes up a lot in matters as there is more pressure from agencies to grow, and much of that begins with LAFCO so he is attending meetings to learn more about LAFCO and its actions.

Chair Kelly thanked Mr. Sedgley for his interest, and then closed the public comment period.

5. CONSENT ITEMS**a) Current and Future Proposals**

The Commission received a report summarizing current and future proposals.

b) Approval of Meeting Minutes

The Commission considered approving summary minutes prepared by staff for the February 3, 2014 regular meeting and for the special meeting of February 25, 2014.

c) Amendments to Support Services Agreement with the County of Napa

The Commission considered approving amendments to its Support Services Agreement with the County of Napa involving the provision of Information Technology Services. The amendments include the Commission's 2014-2015 charge for information technology services of \$23,663 and represents an approximate 5.8% increase over the current fiscal year.

Upon motion by Commissioner Wagenknecht and second by Commissioner Pitts, the Commission unanimously approved the consent items:

VOTE:

AYES: **WAGENKNECHT, PITTS, BENNETT, DODD AND KELLY**
NOES: **NONE**
ABSENT: **NONE**
ABSTAIN: **NONE**

6. PUBLIC HEARING ITEMS

At this time, Chair Kelly announced the presence of Laura Snideman, LAFCO's new Executive Officer, and the audience welcomed Laura with applause.

a) City of Napa: Proposed Sphere of Influence Amendment

The Commission reviewed a proposal submitted by the County of Napa for amendment of the City of Napa's sphere of influence to include the 82-acre site for a new County Jail. The proposed amendment was previously discussed in reports presented to the Commission in December 2013 and February 2014. Staff recommended the Commission certify that it has read and considered the Final Environmental Impact Report prepared for the project by the County of Napa and adopt a resolution amending the City of Napa's sphere of influence to include the County Jail site.

Staff provided a brief overview of the report.

Chair Kelly opened the public hearing.

Larry Florin, Director of Housing and Intergovernmental Affairs gave a report to the Commission, noting that Lenard Vare, Director of Corrections, and Steve Lederer, Director of Public Works were present should the Commission have any questions for them. Larry said the County is looking forward to working further on the design of the project, and stated that in March the City of Napa agreed to provide water to the site. In addition, the County has received funding for phase one of this project.

Chair Kelly closed the public hearing.

Upon motion by Commissioner Wagenknecht and second by Commissioner Pitts, the Commission unanimously approved to expand to the City of Napa's sphere of influence to include the County Jail site (**Resolution No. 2014-02**):

VOTE:

AYES: **DODD, WAGENKNECHT, PITTS, BENNETT AND KELLY**
NOES: **NONE**
ABSENT: **NONE**
ABSTAIN: **NONE**

b) Central County Region Municipal Service Review: Final Section on NSD, CVWD, and SCSD

The Commission reviewed a final section of its scheduled municipal service review on the Central County region specific to Napa Sanitation District (NSD), Congress Valley Water District (CVWD), and Silverado Community Services District (SCSD). The Commission also considered adopting a resolution confirming the determinative statements in the report.

Staff provided a brief overview of the report.

Chair Kelly opened the public hearing. No public comments were received.

Chair Kelly closed the public hearing.

Upon motion by Commissioner Wagenknecht and second by Commissioner Pitts, the Commission unanimously approved the municipal service review on the Central County region specific to Napa Sanitation District (NSD), Congress Valley Water District (CVWD), and Silverado Community Services District (SCSD), (**Resolution No. 2014-03**):

VOTE:

AYES: **WAGENKNECHT, PITTS, BENNETT, DODD AND KELLY**
NOES: **NONE**
ABSENT: **NONE**
ABSTAIN: **NONE**

c) Appointment of Regular Public Member

The city and county members considered making an appointment for the regular public member position.

Chair Kelly recused himself from this matter, and Vice-Chair Bennett stood in as the Chair.

Staff provided an overview of the report, affirming that Chair Kelly's term is set to expire in May 2014. Staff held an open recruitment for the regular public member position by posting in the newspaper and agency website, which resulted in one applicant, Brian Kelly.

Staff recommended reappointment of the lone candidate to the position for a four-year term commencing on May 5, 2014.

Vice-Chair Bennett closed the public hearing.

Upon motion by Commissioner Dodd and second by Commissioner Wagenknecht, the Commission unanimously approved the reappointment Brian Kelly to the regular public member position for a four-year term commencing on May 5, 2014 and ending May 5, 2018.

VOTE:

AYES: **DODD, WAGENKNECHT, BENNETT AND PITTS**
NOES: **NONE**
ABSENT: **NONE**
ABSTAIN: **KELLY**

d) Proposed Budget for Fiscal Year 2014-2015

The Commission considered adopting a resolution to approve a proposed budget for 2014-2015.

Proposed operating expenses total \$456,560 and represent a 3.4% decrease over the current fiscal year. Proposed operating revenues total \$444,205 with the remaining shortfall (\$12,355) to be covered by drawing down on agency reserves. The proposed budget positions the Commission to finish the fiscal year with an available fund balance of \$152,362; an amount more than sufficient to meet the Commission's policy to retain reserves equal to no less than three months operating expenses.

Staff provided a review of the Budget Committee's report (Commissioners Bennett and Pitts).

Chair Kelly opened the public hearing. No public comments were received.

Chair Kelly closed the public hearing.

Upon motion by Commissioner Pitts and second by Commissioner Wagenknecht, the Commission unanimously approved the budget as follows:

- 1) Adopted the proposed budget for 2014-2015 as submitted (**Resolution No. 2014-04**);
- 2) Directed the Committee to circulate the adopted proposed budget to funding agencies as well as make available to the general public for review and comment; and
- 3) Directed the Committee to return with recommendations for a final budget for adoption at a noticed public hearing on June 2, 2014:

VOTE:

AYES: **PITTS, WAGENKNECHT, BENNETT, DODD AND KELLY**
NOES: **NONE**
ABSENT: **NONE**
ABSTAIN: **NONE**

7. ACTION ITEMS

a) Approval of Amendment No. 2 to Agreement for Interim Executive Officer Services

The Commission appointed Ms. Laura Snideman as its new Executive Officer, commencing March 25, 2014. Pending the recruitment, the Commission retained Peter Banning to perform interim executive officer duties. Under Amendment No. 1 of his Agreement, the term for his services was extended to March 31, 2014 and he was further retained for consultation as needed for a maximum of 30 hours. To ensure a smooth, effective transition of executive duties, staff recommends extending the term of Mr. Banning's agreement to December 31, 2014 and for up to 10 additional hours at a maximum additional cost of \$1,000, so he may be available for further consultation as needed. This brings the total maximum additional hours for consultation and total contract compensation under the agreement respectively capped to 40 hours and \$58,600. Other than these amendments, all other terms and conditions of the Agreement are unchanged.

Jackie Gong, Commission Counsel provided an overview of the report.

Upon motion by Commissioner Pitts and second by Commissioner Wagenknecht, the Commission unanimously approved Amendment No. 2 to the Agreement between the Commission and Peter Banning to extend the term of his services to December 31, 2014 and available consultation hours capped to 40:

VOTE:

AYES: PITTS, WAGENKNECHT, BENNETT, DODD AND KELLY
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

b) Request for Legislative Support

The Commission considered authorizing the Executive Officer to sign letters in support of Assembly Bill 2156 and Assembly Bill 2762, both of which are authored by Assembly Member Katcho Achadjian.

Both assembly bills either have a direct impact on LAFCO law or the laws LAFCO helps to administer under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. There were no Commissioner comments received.

Upon motion by Commissioner Wagenknecht and second by Commissioner Bennett, the Commission unanimously authorized the Executive Officer to sign new letters of support of Assembly Bill 2156 and Assembly Bill 2762:

VOTE:

AYES: WAGENKNECHT, BENNETT, DODD, KELLY AND PITTS
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

8. DISCUSSION ITEMS - There were no discussion items.

9. EXECUTIVE OFFICER REPORT

Laura Snideman thanked staff, Commission and community members for their support during the transition to Executive Officer.

10. **CLOSED SESSION** - There was no closed session.
11. **COMMISSIONER COMMENTS** - There were no Commissioner comments.
12. **ADJOURNMENT TO NEXT REGULAR SCHEDULED MEETING**
The meeting was adjourned at 4:38 p.m. The next regular LAFCO meeting is scheduled for Monday, June 2, 2014 at 4:00 p.m.

Brian Kelly, Chair

Prepared by:

Kathy Mabry
Commission Secretary



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June 2, 2014

Agenda Item No. 5b (Consent/Information)

May 22, 2014

TO: Local Agency Formation Commission

FROM: Brendon Freeman, Analyst

SUBJECT: Current and Future Proposals

The Commission will receive a report summarizing current and future proposals. The report is being presented for information. Four new proposals have been submitted since the April 7, 2014 meeting.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 delegates Local Agency Formation Commissions (LAFCOs) with regulatory and planning duties to coordinate the logical formation and development of local governmental agencies. This includes approving or disapproving proposals involving the formation, expansion, merger, and dissolution of cities and special districts.

A. Information

There are currently five active proposals on file with LAFCO of Napa County (“Commission”). A summary of active proposals follows.

1121 Orchard Avenue Annexation to the Napa Sanitation District

A representative for an interested landowner of two incorporated lots totaling 7.2 acres located at 1121 Orchard Avenue in north Napa has applied for annexation to the Napa Sanitation District. The purpose of annexation would be to allow the landowner to further develop the lots to include up to 18 single-family residences that would be connected to the Napa Sanitation District’s public sewer system. The District has provided assurances it has sufficient capacity to extend public sewer services to the subject lots at buildout without adversely impacting existing ratepayers. The Commission is expected to consider taking action on the proposal as part of agenda item 7a at today’s meeting.



Joan Bennett, Vice Chair
Councilmember, City of American Canyon

Greg Pitts, Commissioner
Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Commissioner
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, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Laura Snideman
Executive Officer

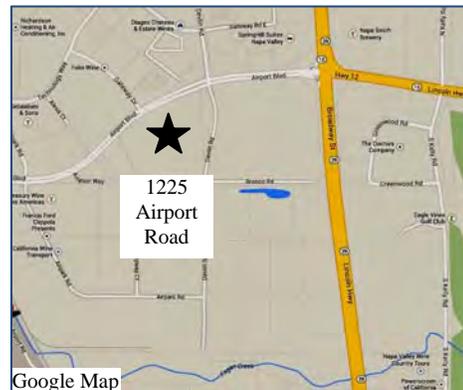
Big Ranch Road No. 5 Annexation to the Napa Sanitation District

A representative for interested landowners of three incorporated parcels located at 2091, 2097, and 2125 Big Ranch Road has applied for annexation to the Napa Sanitation District. The purpose of annexation would be to allow the landowner to further develop the two larger lots to include up to 17 single-family residences that would be connected to the Napa Sanitation District's public sewer system by way of a sewer easement through the third lot. The District has provided assurances it has sufficient capacity to extend public sewer services to the subject lot without adversely impacting existing ratepayers. The Commission is expected to consider taking action on the proposal as part of agenda item 7b at today's meeting.



Airport Road No. 1 Annexation to the Napa Sanitation District

A representative for an interested landowner of one unincorporated parcel located at 1225 Airport Road has applied for annexation to the Napa Sanitation District. The purpose of annexation would be to allow the landowner to develop the lot to include three industrial warehouse facilities that would be connected to the District. The District has provided assurances it has sufficient capacity to extend public sewer services to the subject lot without adversely impacting existing ratepayers. The Commission is expected to consider taking action on the proposal as part of agenda item 7c at today's meeting.



Borrette Lane No. 9 Annexation to the Napa Sanitation District

A representative for an interested landowner of a 0.43 acre incorporated lot located at 1018 Borrette Lane in the City of Napa has applied for annexation to the Napa Sanitation District. The purpose of annexation would be to allow the existing single-family residence to connect to the District's public sewer system. The District has provided assurances it has sufficient capacity to extend public sewer services to the subject lot without adversely impacting existing ratepayers. Staff anticipates presenting the item for the Commission to consider taking action at the next regular meeting in August.



Garfield Lane No. 3 Annexation to the Napa Sanitation District

A representative for an interested landowner of one incorporated parcel located at 47 Garfield Lane has applied for annexation to the Napa Sanitation District. The purpose of annexation would be to allow the landowner to further develop the lot to include up to eight single-family residences that would be connected to the District. The District has provided assurances it has sufficient capacity to extend public sewer services to the subject lot without adversely impacting existing ratepayers. Staff anticipates presenting the item for the Commission to consider taking action at the next regular meeting in August.



There are six potential new proposals that may be submitted to the Commission in the near future based on discussions with proponents as summarized below.

2075 West Pueblo Annexation to the City of Napa

The landowner of two unincorporated lots totaling 2.5 acres located at 2075 West Pueblo Avenue has inquired about annexation to the City of Napa. The purpose of annexation would be to allow the landowner to further develop the lots to include up to 12 single-family residences as contemplated under the City Zoning Ordinance. The City has agreed to serve as Lead Agency under CEQA and will prepare an initial study. Staff anticipates the landowner will submit a formal application in the near future.



Easum Drive Island Annexation to the City of Napa

An interested landowner within a completely surrounded unincorporated island located near Easum Drive in the City of Napa has inquired about annexation. The landowner owns and operates a bed and breakfast and is interested in annexation in response to an informational mailer issued by LAFCO outlining the cost benefits to annexation. Subsequent follow up indicates one of the other two landowners within the island is also agreeable to annexation if there is no financial obligation. Staff is working with the City on its interest/willingness to reduce or waive fees associated with adopting a resolution of application in order to initiate "island proceedings".



2138 Wilkins Avenue Annexation to the City of Napa

A representative for an interested landowner of a 0.77 acre unincorporated property located at 2138 Wilkins Avenue has inquired about re-initiating annexation to the City of Napa. This property was conditionally approved for annexation by the Commission on February 2, 2009. The conditions, however, were never satisfied and annexation proceedings were formally abandoned on April 5, 2010. Staff is working with the landowner's representative and the City to discuss resuming annexation proceedings. This includes preparing a new application in consultation with the City.



Airport Industrial Area Annexation to County Service Area No. 3

LAFCO staff recently completed a sphere of influence review and update for County Service Area (CSA) No. 3. This included amending CSA No. 3's sphere to add approximately 125 acres of unincorporated territory located immediately north of the City of American Canyon in the Airport Industrial Area. The County of Napa is expected to submit an application to annex the 125 acres to CSA No. 3. The subject territory is completely uninhabited and includes seven entire parcels along with a portion of an eighth parcel. This eighth parcel, notably, comprises a railroad track owned and operated by Southern Pacific. The subject territory also includes segments of Airport Drive, Devlin Road, and South Kelly Road. Annexation would help facilitate the orderly extension of street and fire protection services to the subject territory under the land use authority of the County.



3105 Redwood Road Annexation to the Napa Sanitation District

An interested landowner of a 1.9 acre incorporated parcel located at 3105 Redwood Road has inquired about annexation to the Napa Sanitation District. The purpose of annexation would be to allow the landowner to connect an existing single-family residence to District's public sewer system. The District provided assurances it has sufficient capacity to extend public sewer services to the subject lot without adversely impacting existing ratepayers. Staff anticipates an application will be submitted in the near future.



1196 Monticello Road Annexation to the Napa Sanitation District

An interested landowner of a 6.5 acre unincorporated parcel located at 1196 Monticello Road has inquired about annexation to the Napa Sanitation District. The purpose of annexation would be to allow the landowner to connect an existing single-family residence to District's public sewer system. Notably, the subject parcel is located outside the District's sphere of influence. However, the District's existing public sewer infrastructure extends through the subject parcel and has sufficient capacity to extend public sewer services to the subject lot without adversely impacting existing ratepayers. Staff anticipates an application will be submitted in the near future.



B. Commission Review

This item has been agendaized as part of the consent calendar for information only. Accordingly, if interested, the Commission is invited to pull this item for additional discussion with the concurrence of the Chair.

Attachments: none



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June 2, 2014

Agenda Item No. 5c (Consent/Action)

May 22, 2014

TO: Local Agency Formation Commission

FROM: Laura Snideman, Executive Officer

SUBJECT: Approval of Meeting Calendar for Second Half of 2014

The Commission will consider approving a meeting calendar for the final six months of 2014. It is recommended the Commission schedule three regular meetings for August 4th, October 6th, and December 1st.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires Local Agency Formation Commissions (LAFCOs) to adopt policies and procedures with respect to holding meetings. Government Code Section 56375(i) specifies LAFCOs must establish regulations to ensure meetings are conducted on a regular and orderly basis. It is the policy of LAFCO of Napa County (“Commission”) to schedule regular meetings on the first Monday of each month as needed. All regular meetings shall be held in the Board Chambers at the County of Napa Administration Building with a start time of 4:00 P.M. The Commission may also schedule special meetings in conjunction with calendaring regular meetings as necessary. The Commission is directed to review and approve a meeting calendar every six months at the June and December meetings.

A. Recommendation

It is recommended the Commission approve a meeting calendar for the second half of 2014 consisting of the following regular dates: August 4th, October 6th, and December 1st.

B. Discussion

The Commission’s expected workload through the end of the calendar year justifies holding regular meetings in August, October, and December. Markedly, staff anticipates the majority of the Commission’s workload over the next six months will be dedicated to processing boundary change proposals as well as completing the agency’s scheduled individual sphere of influence updates for the Napa Sanitation District, Congress Valley Water District, and Silverado Community Services District.

Attachments: none

Joan Bennett, Vice Chair
Councilmember, City of American Canyon

Greg Pitts, Commissioner
Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

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June 2, 2014

Agenda Item No. 6a (Public Hearing)

May 28, 2014

TO: Local Agency Formation Commission

FROM: Laura Snideman, Executive Officer

SUBJECT: Authorization for the City of Napa to Provide New Water Service to APN 039-320-008 (Multiple addresses including 1019, 1055 & 1075 Atlas Peak Road) and to Certify Review of the City's Determination that the Project is Categorically Exempt Under the California Environmental Quality Act (CEQA)

Authorization for the City of Napa to provide a new permanent public water service to a parcel outside of the City's boundaries and sphere of influence to respond to an impending threat to the health and safety of the public.

A. Recommendation

- a. Direct Staff to draft amendments to the Commission's Policy on Outside Service Agreements
- b. Adopt the resolution (Attachment 1) authorizing the City of Napa to provide new water service to APN 039-320-008

B. Project Origins & Description

LAFCO of Napa County ("Commission") received a written request on May 2, 2014 from the City of Napa to approve an outside service agreement to allow the City to provide new permanent public water service to one unincorporated parcel (Attachment 2). The parcel includes several buildings totaling at least 22,425 sq. ft. of buildings supporting a variety of uses including retail, commercial, and residential spaces. Uses (some of which are not yet approved) include two wineries/wine tasting rooms, an art gallery, and at least two residential units. The affected lot lies outside Napa's sphere of influence.

The City's application is part of a coordinated effort supporting the County of Napa's multi-step effort to bring multiple businesses into compliance with a variety of current regulations including valid use permits. A key component in the County's process is the requirement for the property owner to establish a public water system to ensure the health of all water users, including the public customers who visit the various businesses, as well as to provide adequate flow for fire protection. Safe drinking water and sanitary conditions increase in importance as you increase the number of people using the water system and when food and drinks are being served, especially when those visitors may be traveling from place to place and could potentially spread illnesses far from the original site.

Joan Bennett, Vice Chair
Councilmember, City of American Canyon

Greg Pitts, Commissioner
Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Commissioner
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, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Laura Snideman
Executive Officer

Water Act for providing water to tenants and visitors without a valid water supply permit. As the technical, managerial, and financial capacity to operate such a system is difficult, according to the County Department of Planning, Building, & Environmental Services, “the California Department of Public Health Drinking Water Branch is increasingly asking their agents (in this case, the County) to pursue the consolidation of small water systems rather than permitting new ones”, thereby implying a possible impending threat to public health (Attachment 4).

b. Local Commission-adopted Policy

The Commission has a locally-adopted Policy on Outside Service Agreements, most recently approved in 2011 (Attachment 5). Several components are especially relevant to this application:

- 1) The Policy’s stated objective (Section III) is to ensure that the extension of services outside of jurisdictional boundaries “is logical and consistent with supporting orderly growth and development in Napa County.” It further states that the “Commission recognizes the importance of considering local conditions and circumstances in implementing these policies.”
Staff Analysis: Approval of a new water connection would support the State and County’s goal of consolidating public water systems in support of orderly development. One of the significant local factors in this application is the fact that most of the other development in the area, primarily the Silverado area, is already developed and is also served by the City of Napa for water services. Establishing an additional, new small water system when a clean, reliable source of water is readily available would be illogical.
- 2) In addition to referencing Government Code Section 56133(c), as described above, the Commission’s policy further clarifies in Section IV A 3 that water services “in support of existing and planned residential uses with reasonable access to existing infrastructure” will be subject to all of the following criteria:
 - a) The subject property is zoned for residential type uses by the affected land use authority
Staff Analysis: The General Plan designation is Rural Residential and the zoning is Commercial Limited, which allows accessory dwelling units with a variety of restrictions
 - b) The subject property comprises a legal lot of record as of January 1, 2001
Staff Analysis: This property was defined by the County through approval of a parcel merger application in 1985, which established the subject property as a legal lot of record.
 - c) The subject property is adjacent to a public right-of-way in which the affected service line is located
Staff Analysis: City of Napa staff has confirmed an existing water main is in the public right-of-way in Atlas Peak Road. The greater area, specifically the Silverado resort and

surrounding residential areas, have been historically served with water for over three decades by the City of Napa.

- d) The proposed service extension can be accommodated by an appropriate connection for single-family uses
The City of Napa intends for the connection to be one appropriate for commercial uses.

Staff Analysis: The policy as it currently stands makes many references to residential uses. These references were primarily added in 2011 when the Commission adopted amendments to the policy. According to the April 4, 2011 staff report, the references were in response to the Commission's interest in "establishing inclusive criteria relating to public health and safety threats in order to accommodate otherwise logical extensions of services beyond agency spheres of influence given local conditions" and "intended to address 'low-hanging fruit' in which the extension of services can be readily provided to a subject property while maintaining safeguards against sprawl." As the policy is silent for specific criteria for non-residential uses and, as the current Executive Officer has come to understand, was modified in response to a specific residential project, it is possible commercial uses were inadvertently omitted from the policy. Therefore, for better clarity in the future, Staff recommends the Commission direct Staff to bring modifications to the policy to the Commission at a future date. Recommended modifications may include the various parameters, considerations and constraints under which the Commission may wish to consider service connections outside of existing boundaries for commercial uses.

- 3) The policy requires an evaluation of the following three factors:

1. The ability of the applicant to extend the subject service to the affected land

Staff Analysis: Based on the evaluation and recommendation of City of Napa Staff, the City Council approved this new connection, thereby indirectly affirming there is sufficient water available to serve the property.

2. The applications consistency with the policies and general plans of all affected local agencies

Staff Analysis: Since this property will remain in the County's jurisdiction, it makes the most sense to concentrate policy review on Napa County's policies and general plans. Napa County has over two dozen agricultural preservation goals and policies. Of particular note is Goal CON-11 in the Conservation Element of the County's General Plan which is to "prioritize the use of available groundwater for agricultural and rural residential uses..." The property is in the Milliken-Sarco-Tulocay area that, in 2003, according to the U.S. Geological Survey and Napa County, was found to have significant declines in groundwater and the County continues work with other

agencies to address the water supply issues. Supplying city water for these more urbanized uses including the tasting rooms and art gallery will reduce the draw on groundwater, thereby potentially preserving ground water for other agricultural uses in the area. In addition, approval of this application supports Goal AG/LU-2 to concentrate urban uses in existing urbanized areas (the site is in the existing urbanized Silverado area) and Goal AG/LU-5 which promotes various land uses in locations that are compatible with adjacent uses and agriculture. Tasting rooms are both supportive of and compatible with the dominant agricultural industry in the wider area. Moreover, as the City of Napa has historically provided water service to other urban uses in the area at Silverado, this is a logical and efficient extension of services where annexation is not practical.

3. The application's effect on growth and development within and adjacent to the affected land

Staff Analysis: The action requested today supports existing uses some of which have been in operation for several decades. While provision of public water could potentially support future growth and development, any new or intensification of development requires additional and separate approvals from Napa County subject to all existing policies and limitations. In addition, the City of Napa is requiring recordation of a "Declaration of Covenants" document prior to the initiation of the service (Attachment 6). That document allows for two connections, one for domestic water use and one for fire suppression water use. It includes a restriction that the fire suppression connection "will be used only for existing permitted structures for fire suppression uses, and not for any other current/future development on the property, expansion of the described structures, commercial uses, residential uses, or irrigation uses. The existing permitted buildings and uses include one tasting room..., one winery..., and one gallery...." Therefore, this connection is not growth-inducing.

c. Environmental Review/CEQA

Discretionary actions by public agencies are subject to the California Environmental Quality Act (CEQA) any time an underlying activity will result in a direct or indirect physical change to the environment. A lead agency has the principal responsibility for carrying out or approving the underlying activity consistent with the provisions of CEQA. This includes determining whether the underlying activity qualifies as a "project." If the activity is determined to be a project, the lead agency must determine if an exemption applies or if additional environmental review is needed, such as preparing an initial study. A responsible agency is accountable for approving an associated aspect of the underlying activity and must rely on the lead agency's determination in making its own CEQA finding.

The City of Napa serves as the lead agency given that the City has taken the first discretionary action to approve the project in its resolution of application to LAFCO for extension of water service to the affected territory. Napa has determined this

activity is a project under CEQA, but qualifies for an exemption from further review pursuant to CEQA Guidelines Section 15302(c), Replacement or Reconstruction, which exempts replacement and reconstruction of existing utility systems involving no expansion of capacity. The Commission serves as responsible agency. The determination of the City, as the lead agency, as to whether the project is exempt from CEQA or whether to prepare an environmental review shall be final and conclusive for all persons, including a responsible agency (Public Resources Code Section 21080; CEQA Guidelines Section 15050(c)). The Commission is bound by this determination of exemption.

D. Recommendation & Alternatives

Alternative One (Recommended):

- a. Direct Staff to draft amendments to the Commission's Policy on Outside Service Agreements
- b. Adopt the resolution authorizing the City of Napa to provide new water service to APN 039-320-008

Alternative Two:

Delay a decision and provide staff a series of questions that require additional study. The public hearing will need to be re-noticed. This has impacts on the businesses that have deadlines to meet for various County processes.

Alternative Three:

Interpret the State law and/or local policy more narrowly and deny authorization of the new water service. The affected property owners would need to find alternatives to provide a self-contained public water system. On-site water could be used subject to compliance with various state and requirements which would likely require construction of additional facilities such as a large holding tank to provide sufficient water pressure and volume to comply with fire suppression requirements.

E. Meeting Procedures

This item has been noticed as a public hearing as required under the Commission's adopted policy. The recommended course of action during the meeting is as follows:

- 1) Receive verbal report from staff
- 2) Open the public hearing and invite public testimony
- 3) Close the public hearing
- 4) Facilitate Commission questions and discussion
- 5) Take action

Attachments:

- 1) Resolution Authorizing the City of Napa to Provide New Water Service to APN 039-320-008
- 2) City of Napa Application Materials
- 3) California Government Code Section 56133
- 4) Letter from Napa County Planning, Building, and Environmental Services Director
- 5) LAFCO of Napa County Policy on Outside Service Agreements
- 6) City of Napa Declaration of Covenants

RESOLUTION NO. ____**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY AUTHORIZING THE CITY OF NAPA TO PROVIDE NEW WATER SERVICE TO APN 039-320-008 ON ATLAS PEAK ROAD**

WHEREAS, the Local Agency Formation Commission of Napa County, hereinafter referred to as the “Commission,” administers California Government Code Section 56000 et seq., known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the Commission is responsible for authorizing cities and special districts to enter into outside service agreements in accordance with California Government Code Section 56133; and

WHEREAS, the Commission received an application from the City of Napa requesting the approval of a permanent outside water service agreement involving unincorporated territory identified by the County of Napa Assessor’s Office as 039-320-008 on Atlas Peak Road, hereinafter referred to as the “proposal”; and

WHEREAS, the Commission has reviewed and considered the Executive Officer’s written report and verbal presentation; and

WHEREAS, the Commission heard and fully considered all the evidence presented on the proposal at a public hearing held on June 2, 2014;

NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

1. In accordance with the applicable provisions of the California Environmental Quality Act (CEQA), the City of Napa, lead agency under CEQA, has determined that the proposal is categorically exempt from further environmental review under CEQA Guidelines Section 15302(c), Replacement or Reconstruction, which exempts replacement and reconstruction of existing utility systems involving no expansion of capacity and, therefore, the Commission finds that such determination is final and conclusive for the Commission, as the responsible agency under CEQA. The records upon which these findings are made are located at the Commission’s administrative office located at 1030 Seminary Street, Suite B, Napa, California 94559.
2. The Commission authorizes the City of Napa to provide new water service to APN 039-320-008 subject to the following conditions:

- a. The City and property owner of the affected parcel shall first enter into a recorded Declaration of Covenants and Agreement Regarding Water Service to include a provision that substantially provides that water service will be used only for the existing permitted structures on the affected parcel, and not for any other current/future development on the property nor for the expansion of the property's current structures or uses.
- b. The City and property owner shall each enter into an agreement, in a form satisfactory to Commission Counsel, to indemnify, hold harmless and defend the Commission, its officers, employees and agents from and against any actions, claims, losses, including attorney's fees and liabilities of any nature, that may be asserted against the Commission arising out of this authorization to provide water service to the subject parcel.

The foregoing resolution was duly and regularly adopted by the Commission at a regular meeting held on June 2, 2014, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSENT: Commissioners _____

ABSTAIN: Commissioners _____

ATTEST: _____

 Kathy Mabry
 Commission Secretary



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

**APPLICATION
OUTSIDE SERVICE AGREEMENT**

A. Applicant Information

- 1) Agency Name: City of Napa
- 2) Contact Person and Title: Joy Eldredge, Water General Manager
- 3) Contact Information: (707) 257-9319 Telephone jeldredge@cityofnapa.org E-Mail
- 4) Mailing Address: PO Box 660 Address Napa, CA 94559 City, State, Zip Code

B. Type of Outside Service Agreement

- 1) New Extended
- 2) Water Sewer Other: _____

C. Location of Territory to be Served

(attach additional sheets if necessary)

- 1) Assessor Parcel Number: 039-320-008-000
Size: 22,425 sf bldgs Current Use: retail and commercial spaces
- 2) Assessor Parcel Number: _____
Size: _____ Current Use: _____
- 3) Assessor Parcel Number: _____
Size: _____ Current Use: _____

RECEIVED

MAY 9 2014

**NAPA COUNTY
LAFCO**

D. Service Information

- 1) Describe how the agency would provide the proposed new or extended service to the subject territory. Please identify any necessary infrastructure or facility improvements and associated funding requirements necessary to provide service to the subject territory.

The City of Napa Water System provides both domestic and fire suppression water services in this area. The property fronts an existing main and the system has sufficient fireflow capacity up to 800 gpm. The 2-inch and 6-inch services will be tapped at the end of the main on Atlas Peak Road and not in the middle of the 14-inch steel line.

- 2) If the proposed new or extended service involves water or sewer, identify the anticipated demand in terms of use (i.e., gallons) associated with serving the subject territory. For extended service, please estimate the difference in comparison to existing demand.

The fire flow availability is 800 gpm and shall not be exceeded. The domestic uses are through a 2-inch meter and are to serve one tasting room at 2,925 sf, one winery at 9,500 sf (bottling, no production) and one gallery with retail at 10,000 sf.

- 3) Does the agency have sufficient capacities to provide the proposed new or extended service to the subject territory without adversely effecting existing service levels?

The City of Napa water system has sufficient flow and capacity to provide domestic fire suppression capacity up to 800 gpm to this property without adversely affecting existing customers.

- 4) What services, if any, are currently provided to the subject territory?

Although no services are provided to the subject parcel, fire suppression and domestic water services are served to both commercial and residential services in the surrounding area including all of the surrounding Silverado Area.

E. Additional Information

- 1) Identify the subject territory's land use designation and zoning standard along with the minimum parcel density requirements.

Zone is CL commercial-limited and the General Plan Designation is RR rural residential.

There is no minimum parcel density requirements.

- 2) Are there any proposed or approved, but not yet built, development projects involving the subject territory?

Yes No

If yes, describe the proposed projects or the approved permits/land use entitlements.

The approved uses are for a tasting room, a winery (bottling, no production) and one gallery

with retail sales.

- 3) The Commission's action regarding this request by the agency to provide new or extended services outside its jurisdictional boundary is subject to the requirements of the California Environmental Quality Act (CEQA). Has the agency conducted any CEQA reviews for any projects associated with this application?

Yes No

If yes, please provide copies of the environmental documentation, including the Notice of Exemption or Notice of Determination as well as proof of payment of applicable California Department of Fish & Game fees.

- 4) Is the subject territory located within the agency's sphere of influence?

Yes No

If no, please identify whether there is an existing or future threat to public health and safety or to the residents in support of the application.

The domestic service is to provide safe potable water that meets CA Dept of Public Health

Standards to employees and public visitors. The fire protection service is necessary to provide

a safe work place for employees and visitors to mitigate the threat of fire.

RESOLUTION R2014-44

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NAPA, STATE OF CALIFORNIA, AUTHORIZING THE PUBLIC WORKS DIRECTOR TO EXECUTE A DECLARATION OF COVENANTS AND AGREEMENT REGARDING WATER SERVICE TO 1075 ATLAS PEAK ROAD (APN 039-320-008-000)

WHEREAS, the Public Works Water Division has received an "Application" for water service at 1075 Atlas Peak Road in Napa County (APN 039-320-008-000) to serve the buildings on the property for the purposes of fire suppression (fire service) and domestic service to address an impending threat to the health and safety of the existing residents; and

WHEREAS, City Charter Section 180 prohibits extension of water service outside City limits and the City Rural Urban Limit Line (RUL) unless the extension is approved by a four-fifths (4/5) vote of the City Council (or under limited exceptions not applicable to this Application); and

WHEREAS, the property which is the subject of this Application, at 1075 Atlas Peak Road in Napa County (APN 039-320-008-000), is outside the RUL and requires four-fifths (4/5) vote of approval by City Council to be granted service; and

WHEREAS, under State LAFCO law (the Cortese-Knox-Hertzberg Local Government Reorganization Act), particularly California Government Code Section 56133, the Local Agency Formation Commission of Napa County ("LAFCO") is generally required to review and approve any proposed new or extended water service outside the City limits (subject to exceptions to this general rule that are not applicable to this Application); and

WHEREAS, pursuant to Government Code Section 56133, LAFCO can only approve an extension of City water service to property outside the City limits if the property is within the City's Sphere of Influence (which does not apply to this Application), or the water service is to respond to an existing or impending threat to the public health or safety of the residents of the affected property; and

WHEREAS, the applicant requested the City to allow use of the City water service to protect the health and safety of the residents; and

WHEREAS, City staff has evaluated the Application and concluded that the potential demand of the water service will have no adverse effect on water supply availability; and

WHEREAS, City staff has evaluated the Application and concluded that the City has sufficient treatment, storage, and conveyance capacity to accommodate the requested service; and

WHEREAS, the City Council has considered all information related to this matter, as presented at the public meetings of the City Council identified herein, including any supporting reports by City Staff, and any information provided during public meetings.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Napa, as follows:

1. The City Council hereby finds that the facts set forth in the recitals to this Resolution are true and correct, and establish the factual basis for the City Council's adoption of this Resolution.

2. The City Council hereby determines that the Recommended Action is exempt from CEQA pursuant to CEQA Guidelines Section 15302(c), Replacement or Reconstruction, which exempts replacement and reconstruction of existing utility systems involving no expansion of capacity.

3. The City Council hereby authorizes by at least 4/5 vote of the City Council, extension of outside-City water service to APN (APN 039-320-008-000) at 1075 Atlas Peak Road in Napa County to address an existing or impending threat to public health or safety to the existing residents of the property, subject to: (a) execution of a Declaration of Covenants and Agreement Regarding Water Service in a form satisfactory to the Public Works Director, and approved as to form by the City Attorney; and (b) authorization from LAFCO to extend the water service to respond to an existing or impending threat to public health or safety.

4. The City Council hereby authorizes the Public Works Director to execute a Declaration of Covenants and Agreement Regarding Water Service to 1075 Atlas Peak Road in Napa County (APN 039-320-008-000,) and to submit an application to LAFCO to authorize the extension of water service in accordance with this Resolution.

5. This Resolution shall take effect immediately upon its adoption.

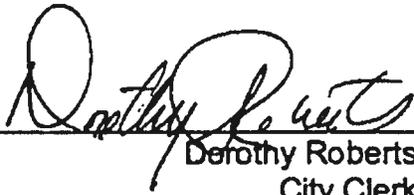
I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the City Council of the City of Napa at a public meeting of said City Council held on the 1st day of April, 2014, by the following vote:

AYES: Inman, Pedroza, Mott, Techel

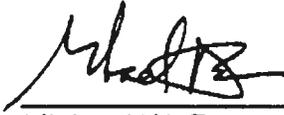
NOES: Sedgley

ABSENT: None

ABSTAIN: None

ATTEST: 
Dorothy Roberts
City Clerk

Approved as to form:


Michael W. Barrett
City Attorney

California Government Code

56133. (a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from the commission in the affected county.

(b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization.

(c) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries and outside its sphere of influence to respond to an existing or impending threat to the public health or safety of the residents of the affected territory if both of the following requirements are met:

(1) The entity applying for the contract approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.

(2) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, or sewer system corporation as defined in Section 230.6 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

(d) The executive officer, within 30 days of receipt of a request for approval by a city or district of a contract to extend services outside its jurisdictional boundary, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request is determined not to be complete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete, unless the commission has delegated approval of those requests to the executive officer. The commission or executive officer shall approve, disapprove, or approve with conditions the contract for extended services. If the contract is disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.

(e) This section does not apply to contracts or agreements solely involving two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider. This section does not apply to contracts for the transfer of nonpotable or nontreated water. This section does not apply to contracts or agreements solely involving the provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county. This section does not apply to an extended service that a city or district was providing on or before January 1, 2001. This section does not apply to a local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundaries.



A Tradition of Stewardship
A Commitment to Service

Planning, Building & Environmental Services

1195 Third Street, Suite 210
Napa, CA 94559
www.countyofnapa.org

Hillary Gitelman
Director

August 8, 2013

Joy Eldredge, P.E.
City of Napa Water Division
1340 Clay Street
Napa, CA 94559

RE: Buller Property, 1019 Atlas Peak Road, Napa APN 039-320-008

Dear Ms. Eldredge,

I am writing to support provision of City Water to the above referenced parcel, which is outside the City's Sphere of Influence. This letter is also intended to document "a threat to the health and safety of the public or the affected residents" pursuant to Government Code Section 56133(c)(1) – a threat that would be resolved by extension of City water service. As you know, Section 56133(c) permits the Local Agency Formation Commission (LAFCO) to approve new or extended services outside the City's Sphere of Influence if it is in response to "an existing or impending threat to the public health or safety" and Section 56133(c)(1) requires documentation of a threat.

The owner of the subject parcel is currently in violation of the Safe Drinking Water Act for providing water to tenants and visitors without a valid water supply permit. The Department of Planning, Building & Environmental Services has received an application from the owner for establishment of a small public water system serving existing uses on the parcel. While the Department may ultimately be able to find the application in conformance with State requirements, we believe the best course of action would be for the City to provide water to the parcel, thereby resolving the existing violation.

In order to permit a small public water system, the County is required to find that the applicant has demonstrated the technical, managerial and financial capacity to operate a public water system so as to avoid violations of the California Safe Drinking Water Act. This is extremely difficult, particularly for an absentee landlord, and the California Department of Public Health Drinking Water Branch is increasingly asking their agents (in this case, the County) to pursue the consolidation of small water systems rather than permitting new ones. Obviously there are many areas of the County where this will be impossible, and small water systems in those areas are faced with increasing scrutiny and costs in order to avoid violations and possible health and safety risks.

Planning Division
(707) 253-4417

Building Division
(707) 253-4417

Engineering & Conservation
(707) 253-4417

Environmental Health
(707) 253-4471

Parks & Open Space
(707) 259-5933

In the case of Ms. Buller's property, there is a clear alternative to permitting a small public water system that would avoid the health and safety risks that are of concern to State regulators and resolve the current violation. It would also address the water needs associated with fire safety, an issue that the County Fire Marshall could speak to more specifically.

We would appreciate your support to help this parcel's tenants obtain City of Napa water, and would be happy to answer any questions you have. Please feel free to call me or Christine Secheli, the County's Environmental Health Officer, at 259-8326.

Regards,

Hillary Gitelman

Hillary Gitelman
Director

cc. Supervisor Bill Dodd
Keene Simonds
Christine Secheli
Ms. Buller
Ms. Whetstone



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

Policy on Outside Service Agreements

Adopted: November 3, 2008

Amended: June 6, 2011

I. Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 includes provisions requiring cities and special districts to request and receive written approval from the Commission before providing new or extended services by agreements outside their jurisdictional boundaries with limited exemptions (Government Code Section 56133). The Commission may authorize a city or special district to provide new or extended service outside their jurisdictional boundary in anticipation of a subsequent change of organization, such as an annexation. The Commission may also authorize a city or special district to provide new or extended service outside their jurisdictional boundary and sphere of influence to address an existing or future threat to the public health or safety.

II. Purpose

The purpose of these policies is to guide the Commission in reviewing city and special district requests to provide new or extended services by agreement outside their jurisdictional boundaries. This includes making policy statements and establishing consistent procedures with respect to the form, review, and consideration of requests.

III. Objective

The objective of the Commission in implementing these policies is to ensure the extension of services by cities and special districts outside their jurisdictional boundaries is logical and consistent with supporting orderly growth and development in Napa County. The Commission recognizes the importance of considering local conditions and circumstances in implementing these policies.

IV. Outside Service Agreement Policies

A. General Statements

- 1) Annexations to cities and special districts involving territory located within the affected agency's sphere of influence is generally preferred to outside service agreements. The Commission recognizes, however, there may be instances when outside service agreements involving territory within the affected agency's sphere of influence is appropriate given local circumstances.
- 2) The Commission shall authorize a city or special district's request to provide new or extended services outside their jurisdictional boundary and sphere of influence only in response to either an (a) existing or (b) impending threat to public health or safety in accordance with Government Code Section 56133(c).

- 3) The Commission recognizes the importance of proactively addressing impending threats to public health and safety in considering requests for outside water and sewer services in support of existing and planned residential uses with reasonable access to existing infrastructure. Accordingly, the Commission will consider outside water and sewer service requests for purposes of addressing an impending public health or safety threat if all of the following criteria is applicable:
 - (a) The subject property is zoned for residential type uses by the affected land use authority.
 - (b) The subject property comprises a legal lot of record as of January 1, 2001.
 - (c) The subject property is adjacent to a public right-of-way in which the affected service line is located.
 - (d) The proposed service extension can be accommodated by an appropriate connection for single-family uses.
- 4) The Commission authorizes the Chair to approve a city or special district's request for an outside service agreement if there is an existing or impending public health or safety emergency. The Commission shall ratify the Chair's determination at the next regular scheduled meeting.
- 5) All requests for outside service agreements are subject to the applicable provisions of the California Environmental Quality Act.
- 6) Commission approval is not required for cities or special districts to provide new or extended services outside their jurisdictional boundaries if any of the following conditions apply in accordance with Government Code Section 56133(e):
 - (a) The agreement involves two or more public agencies where the contracted service is an alternative or substitute for public services already provided.
 - (b) The agreement involves the transfer of non-potable or non-treated water.
 - (c) The agreement involves the provision of surplus water to agricultural lands for conservation projects or to directly support agricultural industries.
 - (d) The agreement involves an extended service that a city or special district was providing on or before January 1, 2001.

The Commission encourages cities and special districts to work with the Executive Office in determining when the above exemptions may apply.

B. Form of Request

Requests to authorize an outside service agreement shall be filed with the Executive Officer by the affected city or special district. Requests shall be made in writing with a cover letter accompanying a completed application using the form provided in Attachment A. Requests shall also include a check in the amount prescribed under the Commission's adopted fee schedule along with a copy of the proposed service agreement. The application shall be signed by an authorized representative of the city or special district.

C. Review of Request

The Executive Officer shall review and determine within 30 days of receipt whether the request to authorize an outside service agreement is complete. If a request is deemed incomplete, the Executive Officer shall immediately notify the applicant and identify the information needed to accept the request for filing.

D. Consideration of Request

Once a request is deemed complete, the Executive Officer will prepare a written report with a recommendation. The Executive Officer will present his or her report and recommendation at a public hearing for Commission consideration. The public hearing will be scheduled for the next regular meeting of the Commission for which adequate notice can be given but no later than 90 days from the date the request is deemed complete. The Executive Officer's written report will be made available to the public for review prior to the scheduled hearing and include an evaluation of the following three factors:

- 1) The ability of the applicant to extend the subject service to the affected land.
- 2) The application's consistency with the policies and general plans of all affected local agencies.
- 3) The application's effect on growth and development within and adjacent to the affected land.

The Commission may approve the request with or without conditions. If denied, the affected city or special district can ask for reconsideration within 30 days.

- D. On March 7, 2014, the Outside Water Service Application was denied; and
- E. Pursuant to City Charter Section 180, a City water service may be allowed outside the RUL by a four-fifths (4/5) vote of the City Council; and
- F. On April 1, 2014, the City Council approved, by ___-___ vote, authorization to submit an application to Local Agency Formation Commission of Napa County (“LAFCO”), and upon LAFCO approval, the installation of a new water service line, 2 inches in size for domestic purposes and 6 inches in size for fire suppression purposes to protect the facilities on the Property, pursuant to the terms and conditions of this 2014 Agreement to serve the commercial uses on the Property.

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

- 1. The recitals set forth above are true and correct.
- 2. “Water Service” under the terms of this Agreement shall mean a piped connection to the City of Napa’s public water system that serves potable water to a property.
- 3. “Domestic Service” under the terms of this Agreement shall mean a water service granted to the Owner for the purposes of domestic use.
- 4. “Fire service” under the terms of this Agreement shall mean a water service granted to the Owner for the sole purpose of supplying water to fire sprinklers and fighting fires, but is not to be used for domestic use.
- 5. **Requirements for Water Service Lines.** Owner shall use a 2-inch water service line for domestic purposes and a 6-inch water service line for fire suppression purposes per current City of Napa Public Works Standards and Specifications, and per the following:
 - a. User shall provide water fixture information to confirm to Water Division staff that the water service line size is appropriately sized to serve the facilities, and must obtain a written approval from the City’s Water Division to proceed with installation. Oversizing the water service line to provide for future uses or under-sizing the water service to minimize cost will not be permitted.
 - b. User shall provide fire sprinkler calculations to confirm to Water Division staff that the water service line size is appropriately sized to serve fire sprinklers at the facilities, and must obtain a written approval from the City’s Water Division to proceed with installation. Oversizing the water service line to provide for future uses or under-sizing the water service to minimize cost will not be permitted.
 - c. Prior to installation of the water service lines, Owner shall pay all fees required for the water service (including hot taps, meter sets, 2-inch connection fees and 6-inch fire service connection fees) to the Water Division office at 1340 Clay Street, Napa, California.
 - d. Prior to installation of water service lines, Owner shall pay system contributions for the water service for cathodic protection testing, water quality sampling

stations, and water supply in the amount of \$61,700 to the Water Division office at 1340 Clay Street, Napa, California.

- e. Owner shall pay for the installation and replacement of the water service line and appurtenances from the existing public water main up to the meter that remains a public facility and will be maintained by the City.
 - f. The water service line shall be installed off the existing tee at the end of the water main on Atlas Peak Road in a location approved by the City of Napa Water Division. The water service line shall not be tapped off of the middle of the City of Napa 14-inch transmission main.
 - g. Owner shall obtain encroachment permits to install the water service line within County right-of-way. Within County right-of-way the Owner shall construct the water service line or pay city forces time and materials to construct the line. The hot tap for the water service shall be performed by City forces at the expense of the Applicant.
 - h. Owner shall install a 2-inch meter, owned by City, complete with an electronic radio transmitter (ERT) as specified by the City Water Division and compatible with the City's ERTs shall be installed on the water system per the City's installation standards.
 - i. Owner shall purchase and install an AWWA approved backflow device for the domestic water service line and install it immediately on the private side of the meters at the edge of Atlas Peak Road right-of-way. Prior to activation of the water service, the Owner shall install the backflow device, have it tested by an AWWA certified tester from a list of testers provided by the City, and submit the test results to the City of Napa Water Division.
 - j. Owner shall install a 6-inch ultrasonic octave meter, owned by City, that is manufactured by Master Meter Inc. with an electronic radio transmitter (ERT) as specified by the City Water Division and compatible with the City's ERTs shall be installed on the water system per the City's installation standards.
 - k. Owner shall purchase and install an AWWA approved backflow device for the fire water service line and install it immediately on the private side of the meter at the edge of Atlas Peak Road right-of-way. The fire service backflow device shall be an above ground reduced pressure backflow device. Prior to activation of the water service, the Owner shall install the backflow device, have it tested by an AWWA certified tester from a list of testers provided by the City, and submit the test results to the City of Napa Water Division.
6. **Conditions of Water Service.** Upon completion of the requirements of Agreement paragraph 5 to the satisfaction of the City Public Works Director, City agrees to serve water to a 6-inch water service line for the Property for the purposes of fire sprinkler protection subject to the following conditions and standards:
- a. The water service may not be used to serve outside sources or properties, and City water may not be sold, given, or traded to outside sources or properties.

- b. Owner shall pay the City the full cost of service rate for outside City commercial water service as calculated by Cost of Service Analysis and approved by resolution of the City Council. The Current Rate is \$7.61 per 1,000 gallons.
 - c. The fire water service shall be limited to a 6-inch water service line to serve fire sprinklers for the existing structure for a maximum flow rate of 800-gpm per the calculated flow rate provided. Due to the limited flow capacity of the existing 14-inch water main on Atlas Peak Road, the addition of hydrants or exceedance of this flow rate will require modification of the water service, including but not limited to a new water service application to the City of Napa Water Division, the installation of a fronting distribution water main within County right-of-way of Atlas Peak Road.
 - d. If the 6" water service line is determined to be used for purposes other than fire sprinklers, fire suppression or testing of fire system, Owner will be charged for the water at the then-current outside water rate. In the event City determines that the water service is being used for purposes not authorized under this Agreement, and Owner fails to pay the Water Division for the water service after 60 days from initial written notice, the water service will be shut off until payment is made.
 - e. The City shall not be liable for damage to facilities caused by fire or any associated reason including but not limited to the service being turned off for failure of payment.
 - f. Owner shall pay the City a bi-monthly (on a schedule set by the City) "Fire Service Rate" as defined by this Agreement at an amount equal to the full cost of fire service rate for "outside City water rates" as calculated by Cost of Service Analysis and approved by resolution of the City Council. The Fire Service Rate is currently \$189.91.
 - g. The 6-inch service line that is for fire suppression purposes will be used only for the existing permitted structures, and not for any other current/future development on the property, expansion of the described structures, commercial uses, residential uses, or irrigation uses. The existing permitted buildings and uses include one tasting room at 2,925 square feet (sf), one winery (bottling, no production) at 9,500 sf, and one gallery with retail uses at 10,000 sf.
 - h. The City does not guarantee pressure or flow through the water service line. Owner shall be responsible for making any improvements necessary to account for insufficiencies in the pressure or flow to the site. Improvements made, if any, shall be installed after the backflow device and may not exceed the flow capacities of the water service line.
7. **City Access to Property.** Owner hereby grants City the right to access the Property to inspect the Property and public water facilities during normal business hours, and the right to access the water service line located on the Property for the purposes of confirming that City water service is not being provided to other properties and is not being used for purposes other than those specified in this agreement after providing 24-hour prior notification to the Owner and allowing the Owner the opportunity to accompany the City representative.

8. **Testing of Backflow Device.** Owner shall test the backflow device once a year for the life of the water service.
9. **Indemnification.** To the full extent permitted by law, Owner shall indemnify, hold harmless, release and defend City, its officers, employees and agents from and against any and all actions, claims, demands, damages, disability, losses, expenses including attorney's fees and other defense costs and liabilities of any nature that may be asserted by any person or entity including Owner, in whole or in part, arising out of the water service provided under this Agreement, excepting liabilities due to the admitted or adjudicated willful misconduct of City. If the adjudicated or admitted willful misconduct of City has contributed to a loss, Owner shall not be obligated to indemnify City for the proportionate share of such loss caused by such willful misconduct.
10. **Future Annexation.** Owner hereby agrees not to file an objection to any future requests to annex the property into the City. The Parties agree that this Agreement shall serve as a petition to annex, which the City may pursue by proposing a boundary change or reorganization to LAFCO by submitting a resolution adopted by the City Council in the event that there is a voter-approved modification of the City's RUL.
11. **Agreement to Run with the Land.** It is the intention of the parties hereto that this Agreement shall run with the land and shall be binding upon all parties having any right, title, and interest in the real Property, or any part thereof, and their heirs, successors, and assigns. This Agreement shall be recorded to provide notice of such intention.
12. **Default.** In the event of Owner's default, City reserves to itself all remedies available to law and equities. Owner agrees that City has full discretion in choosing any remedy or remedies to pursue, and that the waiver of City to take enforcement action shall not be construed as a waiver of that or any subsequent default or breach. In addition to all the remedies available at law and in equity, City may also hold or revoke any and all building, zoning, and occupancy permits issued and may take such actions as are necessary to terminate water service to the Property until such time as the violation has been remedied.
13. **Damages for Breach.** Any material breach of this agreement not explicitly described in this Agreement will result in a time and materials charge for any staff time incurred to address the breach, at the fully encumbered hourly rate for each City employee, and may result in termination of water service.
14. **Notices.** All notices required or contemplated by this Agreement shall be in writing and shall be delivered to the respective party as set forth in this section. Communications shall be deemed to be effective upon the first to occur of: (a) actual receipt by a party's Authorized Representative, or (b) actual receipt at the address designated below, or (c) three working days following deposit in the United States Mail of registered or certified mail sent to the address designated below. The Authorized Representative of either party may modify their respective contact information identified in this section by providing notice to the other party.

To City: City of Napa, Public Works - Water Division
 P.O. Box 660
 Napa, CA 94559-0660

To Owner: Buller Property Trust
Attn: Delores Buller
PO Box 737
Railroad Flat, CA 95248-0737

To User: Whetstone Wine Cellars
1075 Atlas Peak Road
Napa, CA 94558

15. General Provisions.

- a. Headings. The heading titles for each paragraph of this Agreement are included only as a guide to the contents and are not to be considered as controlling, enlarging, or restricting the interpretation of the Agreement.
- b. Severability. If any term of this Agreement (including any phrase, provision, covenant, or condition) is held by a court of competent jurisdiction to be invalid or unenforceable, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in full force and effect; provided, however, this paragraph shall not be applied to the extent that it would result in a frustration of the parties' intent under this Agreement.
- c. Governing Law, Jurisdiction, and Venue. The interpretation, validity, and enforcement of this Agreement shall be governed and interpreted in accordance with the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of Napa.
- d. Assignment and Delegation. This Agreement, and any portion thereof, shall not be assigned or transferred, nor shall any of the Owners' duties be delegated without the written consent of City. Any attempt to assign or delegate this Agreement without the written consent of the City shall be void and of no force or effect. A consent by the City to one assignment shall not be deemed to be a consent to any subsequent assignment.
- e. Modifications. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both parties.
- f. Waivers. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.
- g. Time. Time is of the essence in carrying out the duties hereunder.
- h. Entire Agreement. This Agreement, including all documents incorporated herein by reference, comprises the entire integrated understanding between the parties concerning the services described herein. This Agreement supersedes all prior negotiations, agreements, and understandings regarding this matter, whether written or oral. The documents incorporated by reference into this Agreement are complementary; what is called for in one is binding as if called for in all.

- i. Each Party' Role in Drafting the Agreement. Each party to this Agreement has had an opportunity to review the Agreement, confer with legal counsel regarding the meaning of the Agreement, and negotiate revisions to the Agreement. Accordingly, neither party shall rely upon Civil Code Section 1654 in order to interpret any uncertainty in the meaning of the Agreement.
- j. Signatures. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the Owners and the City.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF NAPA:

OWNER:

(Signature)

By: _____

Jacques R. LaRochelle, Public Works Director

(Signature)
Buller Property Trust, Owner

(Type name and title)

ATTEST:

(Signature)

Dorothy Roberts, City Clerk

(Type name and title)

COUNTERSIGNED:

(Signature)

Desiree Brun, City Auditor

(Type name and title)

APPROVED AS TO FORM:

(Signature)

Michael W. Barrett, City Attorney

(Type name and title)

ATTACH NOTARY ACKNOWLEDGEMENT



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

June 2, 2014
Agenda Item No. 6b (Public Hearing)

May 22, 2014

TO: Local Agency Formation Commission

FROM: Brendon Freeman, Analyst

SUBJECT: Authorization for the City of Napa to Provide New Water Service to APN 030-160-020 (Multiple addresses including 1165 Rutherford Road and 8574-8576 Highway 29)

The Commission will consider authorizing the City of Napa to provide public water service exclusively for fire suppression uses to unincorporated property located near the intersection of Rutherford Road and Highway 29 to address a public health threat.

Local Agency Formation Commissions (LAFCOs) are responsible under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to regulate the formation and development of local governmental agencies and their municipal services. This includes approving or disapproving requests from cities and special districts to provide new or extended municipal services outside their jurisdictions under California Government Code (G.C.) Section 56133. LAFCOs are authorized to condition approval for outside service agreements as long as the terms do not directly regulate land uses.

A. Recommendation

Staff recommends the Commission adopt the attached draft resolution approving the outside water service request involving the City of Napa and Assessor Parcel Number 030-160-020 (1165 Rutherford road and 8574-8576 Highway 29). This authorization is specific to fire suppression use and only for existing structures; any new development or related land use intensification would necessitate a separate LAFCO approval.

B. Discussion

The Commission received a written request on May 9, 2014 from Napa to approve an outside service agreement to allow the extension of public water service to one unincorporated parcel located near the intersection of Rutherford Road and Highway 29 in Rutherford. The parcel is 1.27 acres in size and includes four retail and office buildings. The parcel lies outside Napa's sphere of influence and is depicted as follows.

Joan Bennett, Vice Chair
Councilmember, City of American Canyon

Greg Pitts, Commissioner
Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Commissioner
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, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Laura Snideman
Executive Officer



The purpose of the request before the Commission is to formally authorize the extension of permanent public water service to a commercially zoned parcel in a manner responsive to local conditions and statutory requirements. This includes recognizing Napa's request would serve the purpose of protecting the health and safety of employees and customers by providing adequate fire sprinkler water supplies to four buildings that are in need of structural improvements to provide a safe working environment. The existing structures have been in operation for more than 40 years and the property currently receives municipal water service for commercial use from the City of St. Helena. St. Helena has determined that they do not have adequate capacity to provide sufficient water supplies at the required pressure to meet fire flow requirements. An existing Napa water main fronts the property and is sufficient to serve the projected additional water demand without adversely impacting water supply availability or requiring any expansion or alteration to existing infrastructure. Napa has sufficient treatment, storage, and distribution capacity to appropriately accommodate the requested outside water service.

C. Analysis

G.C. Section 56133 requires cities and special districts to request and receive written approval from LAFCO before entering into agreements to provide new or extended services outside their jurisdictional boundaries. LAFCOs are delegated broad discretion in considering outside service extensions with the caveat of complying with two geographic requirements. First, LAFCO may only approve outside service extensions within the affected agency's sphere of influence in anticipation of a future annexation. Second, LAFCO may only approve outside service extensions beyond an agency's sphere of influence to respond to an existing or impending public health or safety threat.

Required Factors for Review

Commission policy requires it to consider three specific factors in reviewing outside service agreement approval requests. An analysis of all three factors as it relates to the outside service agreement between Napa and the landowner of the affected territory follows.

- **The ability of the applicant to extend the subject service to the affected land.**

Napa has an existing water main on Grape Lane immediately adjacent to the affected territory. If the agreement is approved by the Commission, Napa would allow the landowner to connect a six-inch lateral to the main at their own cost. No other public infrastructure would be needed to serve the affected territory. Napa estimates the annual water demand for the affected territory will be negligible given that the service is only needed for fire sprinklers for fire suppression purposes. Therefore, the affected territory will not generate any new consistent water demands for Napa. Staff's analysis confirms the City has sufficient water supply, treatment, storage, and delivery capacities to serve the affected territory without adversely affecting existing customers.

- **The application's consistency with the policies and general plans of all affected local agencies.**

The extension of public water service to the affected territory is inconsistent with LAFCO's adopted sphere of influence for Napa. However, the request is consistent with LAFCO's adopted policy on outside service agreements, which authorizes the Commission to approve requests for service outside an agency's sphere of influence only to mitigate an existing or impending threat to public health or safety. Napa's request would specifically respond to potential fire threats involving the existing structures within the affected territory.

Further, the request to extend water service appears inconsistent with the County and City General Plans based on their respective land use designations for the affected territory. The County General Plan designates the affected territory as “Agricultural Resource” which prohibits any future subdivision by requiring a minimum parcel size of 160 acres. This designation is supported by a zoning standard of “Commercial Limited” that restricts the future development of the affected territory to include light office and retail buildings. While the application appears inconsistent with the County and City General Plans, it is consistent with the City’s practice to extend water service to unincorporated lands located near its existing mains. This practice was established prior to the enactment of G.C. Section 56133 and is formalized under City Charter Section 180.¹

- **The application’s effect on growth and development within and adjacent to the affected territory.**

The affected territory comprises one entire parcel zoned for limited commercial uses and currently developed with four retail and office buildings totaling approximately 15,700 square feet. Approval of the request would allow Napa to extend permanent public water service to all of these existing units on the property for fire suppression purposes; any new or extended development within the affected territory would require separate approval. This planned use is generally consistent with existing unincorporated development adjacent to the affected territory and therefore is not expected to have an effect on future growth.

Environmental Review

Discretionary actions by public agencies are subject to the California Environmental Quality Act (CEQA) any time an underlying activity will result in a direct or indirect physical change to the environment. A lead agency has the principal responsibility for carrying out or approving the underlying activity consistent with the provisions of CEQA. This includes determining whether the underlying activity qualifies as a “project.” If the activity is determined to be a project, the lead agency must determine if an exemption applies or if additional environmental review is needed, such as preparing an initial study. A responsible agency is accountable for approving an associated aspect of the underlying activity and must rely on the lead agency’s determination in making its own CEQA finding.

Napa serves as the lead agency given it is principally responsible for approving the underlying activity: extending water service to the affected territory. Napa has determined this activity is a project under CEQA, but qualifies for an exemption from further review under Public Resources Code Section 15302(c). The statute provides categorical exemptions for “replacement or reconstruction of existing utility systems involving no expansion of capacity.” The Commission serves as responsible agency. Staff believes Napa has made an adequate determination the underlying activity is categorically exempt from further review given it mitigates a public health threat.

¹ This section specifies the City may provide water service outside its incorporated boundary by four-fifths vote of the Council.

D. Alternatives for Commission Action

Staff has identified the following alternative actions for Commission consideration.

Alternative One (Recommended):

Adopt the draft resolution identified as Attachment One approving the outside service agreement request.

Alternative Two:

Continue consideration of the outside service agreement request to the next regular meeting and provide direction to staff for any additional information.

Alternative Three:

Deny approval of the outside service agreement request.

E. Procedures for Consideration

This item has been agendaized for public hearing as required under adopted policy. The following procedures are recommended with respect to the Commission's consideration of this item:

- 1) Receive verbal report from staff;
- 2) Open the public hearing (mandatory) and invite public testimony;
- 3) Close the public hearing; and
- 4) Discuss item and consider action on recommendation.

Respectfully submitted,

Brendon Freeman
Analyst

Attachments:

- 1) Draft Resolution of Approval
- 2) City of Napa Application Materials

RESOLUTION NO. ____**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY AUTHORIZING THE CITY OF NAPA TO PROVIDE NEW WATER SERVICE TO APN 030-160-020 ON RUTHERFORD ROAD**

WHEREAS, the Local Agency Formation Commission of Napa County, hereinafter referred to as the “Commission,” administers California Government Code Section 56000 et seq., known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the Commission is responsible for authorizing cities and special districts to enter into outside service agreements in accordance with California Government Code Section 56133; and

WHEREAS, the Commission received an application from the City of Napa requesting the approval of a permanent outside water service agreement involving unincorporated territory identified by the County of Napa Assessor’s Office as 030-160-020 on Rutherford Road, hereinafter referred to as the “proposal”; and

WHEREAS, the Commission has reviewed and considered the Executive Officer’s written report and verbal presentation; and

WHEREAS, the Commission heard and fully considered all the evidence presented on the proposal at a public hearing held on June 2, 2014;

NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

1. In accordance with the applicable provisions of the California Environmental Quality Act (CEQA), the City of Napa, lead agency under CEQA, has determined that the proposal is categorically exempt from further environmental review under CEQA Guidelines Section 15302(c), Replacement or Reconstruction, which exempts replacement and reconstruction of existing utility systems involving no expansion of capacity and, therefore, the Commission finds that such determination is final and conclusive for the Commission, as the responsible agency under CEQA. The records upon which these findings are made are located at the Commission’s administrative office located at 1030 Seminary Street, Suite B, Napa, California 94559.
2. The Commission authorizes the City of Napa to provide new water service to APN 030-160-020 subject to the following conditions:
 - a. The City and property owner of the affected parcel shall first enter into a recorded Declaration of Covenants and Agreement Regarding Water Service to include a provision that substantially provides that water service will be used only for the existing permitted structures on the affected parcel, and not for any other current/future development on the property nor for the expansion of the property’s current structures or uses.

- b. The City and property owner shall each enter into an agreement, in a form satisfactory to Commission Counsel, to indemnify, hold harmless and defend the Commission, its officers, employees and agents from and against any actions, claims, losses, including attorney's fees and liabilities of any nature, that may be asserted against the Commission arising out of this authorization to provide water service to the subject parcel.

The foregoing resolution was duly and regularly adopted by the Commission at a regular meeting held on June 2, 2014, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSENT: Commissioners _____

ABSTAIN: Commissioners _____

ATTEST: Laura Snideman
 Executive Officer

Recorded by: _____
 Kathy Mabry
 Commission Secretary

ATTACHMENT TWO



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

APPLICATION OUTSIDE SERVICE AGREEMENT

A. Applicant Information

- 1) Agency Name: City of Napa
- 2) Contact Person and Title: Joy Eldredge, Water General Manager
- 3) Contact Information: (707) 257-9319 Telephone jeldredge@cityofnapa.org E-Mail
- 4) Mailing Address: PO Box 660 Address Napa, CA 94559 City, State, Zip Code

B. Type of Outside Service Agreement

- 1) New Extended
- 2) Water Sewer Other: _____

C. Location of Territory to be Served

(attach additional sheets if necessary)

- 1) Assessor Parcel Number: 030-160-020-000
- Size: 15,698 bldgs Current Use: retail and office spaces
- 2) Assessor Parcel Number: _____
- Size: _____ Current Use: _____
- 3) Assessor Parcel Number: _____
- Size: _____ Current Use: _____

RECEIVED

MAY 9 2014

NAPA COUNTY
LAFCO

D. Service Information

- 1) Describe how the agency would provide the proposed new or extended service to the subject territory. Please identify any necessary infrastructure or facility improvements and associated funding requirements necessary to provide service to the subject territory.

The City of Napa Water System provides both domestic and fire suppression water services

in this area. The property fronts an existing main and the system has sufficient fireflow

capacity. The only infrastructure is installation of a fire service line, meter and backflow

prevention device tapped into the existing system in Grape Lane.

- 2) If the proposed new or extended service involves water or sewer, identify the anticipated demand in terms of use (i.e., gallons) associated with serving the subject territory. For extended service, please estimate the difference in comparison to existing demand.

The water demand for fire suppression purposes only and there is no consistent demand. In

the event of a fire the system would activate the fire service. Fire sprinkler demand is

calculated at 560 gpm.

- 3) Does the agency have sufficient capacities to provide the proposed new or extended service to the subject territory without adversely effecting existing service levels?

The City of Napa water system has sufficient flow and capacity to provide fire suppression

capacity to this property without adversely affecting existing customers.

- 4) What services, if any, are currently provided to the subject territory?

Fire suppression and domestic water services are served to both commercial and residential

services in the Rutherford area.

E. Additional Information

- 1) Identify the subject territory's land use designation and zoning standard along with the minimum parcel density requirements.

Zone is CL commercial-limited and the General Plan Designation is AR agricultural resource.

There is no minimum parcel density requirements.

- 2) Are there any proposed or approved, but not yet built, development projects involving the subject territory?

Yes No

If yes, describe the proposed projects or the approved permits/land use entitlements.

Minor modifications to existing buildings for retail and office space have been approved by

planning under P13-00028-Minor Mod.

- 3) The Commission's action regarding this request by the agency to provide new or extended services outside its jurisdictional boundary is subject to the requirements of the California Environmental Quality Act (CEQA). Has the agency conducted any CEQA reviews for any projects associated with this application?

Yes No

If yes, please provide copies of the environmental documentation, including the Notice of Exemption or Notice of Determination as well as proof of payment of applicable California Department of Fish & Game fees.

- 4) Is the subject territory located within the agency's sphere of influence?

Yes No

If no, please identify whether there is an existing or future threat to public health and safety or to the residents in support of the application.

The fire protection service is necessary to provide a safe work place to mitigate the threat of

fire for the existing employees and visitors.

RESOLUTION R2014-43

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NAPA, STATE OF CALIFORNIA, AUTHORIZING THE PUBLIC WORKS DIRECTOR TO EXECUTE A DECLARATION OF COVENANTS AND AGREEMENT REGARDING WATER SERVICE TO 1165 RUTHERFORD ROAD AND 8574-8576 HIGHWAY 29 IN RUTHERFORD (APN 030-160-020-000)

WHEREAS, the Public Works Water Division has received an "Application" for water service at 1165 Rutherford Road and 8574-8576 Highway 29 in Rutherford (APN 030-160-020-000) to serve the buildings on the property for the purposes of fire suppression (fire service) to address an impending threat to the health and safety of the existing residents; and

WHEREAS, City Charter Section 180 prohibits extension of water service outside City limits and the City Rural Urban Limit Line (RUL) unless the extension is approved by a four-fifths (4/5) vote of the City Council (or under limited exceptions not applicable to this Application); and

WHEREAS, on December 17, 2013, a motion for the City Council to approve the request for outside water service failed on a 3 to 1 vote, since the motion required a 4/5 vote to pass; and

WHEREAS, the property which is the subject of this Application, at 1165 Rutherford Road and 8574-8576 Highway 29 in Rutherford (APN 030-160-020-000), is outside the RUL and requires four-fifths (4/5) vote of approval by City Council to be granted service; and

WHEREAS, under State LAFCO law (the Cortese-Knox-Hertzberg Local Government Reorganization Act), particularly California Government Code Section 56133, the Local Agency Formation Commission of Napa County ("LAFCO") is generally required to review and approve any proposed new or extended water service outside the City limits (subject to exceptions to this general rule that are not applicable to this Application); and

WHEREAS, pursuant to Government Code Section 56133, LAFCO can only approve an extension of City water service to property outside the City limits if the property is within the City's Sphere of Influence (which does not apply to this Application), or the water service is to respond to an existing or impending threat to the public health or safety of the residents of the affected property; and

WHEREAS, the applicant requested the City to allow use of the City water service to protect the health and safety of the residents; and

WHEREAS, City staff has evaluated the Application and concluded that the potential demand of the water service will have no adverse effect on water supply availability; and

WHEREAS, City staff has evaluated the Application and concluded that the City has sufficient treatment, storage, and conveyance capacity to accommodate the requested service; and

WHEREAS, the City Council has considered all information related to this matter, as presented at the public meetings of the City Council identified herein, including any supporting reports by City Staff, and any information provided during public meetings.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Napa, as follows:

1. The City Council hereby finds that the facts set forth in the recitals to this Resolution are true and correct, and establish the factual basis for the City Council's adoption of this Resolution.

2. The City Council hereby determines that the Recommended Action is exempt from CEQA pursuant to CEQA Guidelines Section 15302(c), Replacement or Reconstruction, which exempts replacement and reconstruction of existing utility systems involving no expansion of capacity.

3. The City Council hereby authorizes by at least 4/5 vote of the City Council, extension of outside-City water service to APN (030-160-020-000) at 1165 Rutherford Road and 8574-8576 Highway 29 in Rutherford to address an existing or impending threat to public health or safety to the existing residents of the property, subject to: (a) execution of a Declaration of Covenants and Agreement Regarding Water Service in a form satisfactory to the Public Works Director, and approved as to form by the City Attorney; and (b) authorization from LAFCO to extend the water service to respond to an existing or impending threat to public health or safety.

4. The City Council hereby authorizes the Public Works Director to execute a Declaration of Covenants and Agreement Regarding Water Service to 1165 Rutherford Road and 8574-8576 Highway 29 in Rutherford (APN 030-160-020-000), and to submit an application to LAFCO to authorize the extension of water service in accordance with this Resolution.

5. This Resolution shall take effect immediately upon its adoption.

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the City Council of the City of Napa at a public meeting of said City Council held on the 1st day of April, 2014, by the following vote:

AYES: Inman, Pedroza, Mott, Techel

NOES: Sedgley

ABSENT: None

ABSTAIN: None

ATTEST: 
Dorothy Roberts
City Clerk

Approved as to form:


Michael W. Barrett
City Attorney



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

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Napa, California 94559
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Fax: (707) 251-1053
www.napa.lafco.ca.gov

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

June 2, 2014

Agenda Item No. 6c (Public Hearing)

May 22, 2014

TO: Local Agency Formation Commission

FROM: Budget Committee

SUBJECT: Adopt a Final Budget for Fiscal Year 2014-2015

The Commission will consider adopting a final budget setting operational expenses and revenues for 2014-2015. The recommended final budget is nearly identical to the proposed budget adopted in April and subsequently circulated for public review. Operating expenses total \$456,560 and represents a 3.4% decrease over the current fiscal year. Operating revenues total \$444,205 with the majority coming from local funding agencies; the latter of which would increase by 2.9%. The anticipated shortfall – (\$12,355) – would be covered by agency reserves.

Local Agency Formation Commissions (LAFCOs) are responsible under State law for annually adopting a proposed budget by May 1st and a final budget by June 15th. State law specifies the proposed and final budgets shall – at a minimum – be equal to the budget adopted for the previous fiscal year unless LAFCO finds the reduced costs will nevertheless allow the agency to fulfill its prescribed regulatory and planning duties. LAFCOs must adopt their proposed and final budgets at noticed public hearings.

A. Recommendation

It is recommended the Commission adopt the attached draft resolution with the recommended final budget for reasons provided in this report with any desired changes.

B. Background

Prescriptive Funding Sources

LAFCO of Napa County's ("Commission") annual operating expenses are principally funded by the County of Napa and the Cities of American Canyon, Calistoga, Napa, St. Helena, and Yountville. State law specifies the County is responsible for one half of the Commission's operating expenses while the remaining amount is to be apportioned among the five cities. The current formula for allocating the cities' shares of the Commission's budget was adopted by the municipalities in 2003 as an alternative to the standard method outlined in State law and is based on a weighted calculation of population and general tax revenues. Additional funding – typically representing less than one-fifth of total revenues – is budgeted from application fees and interest earnings.

Joan Bennett, Vice Chair
Councilmember, City of American Canyon

Greg Pitts, Commissioner
Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Commissioner
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, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Laura Snideman
Executive Officer

Adopted Budget Policies

It is the policy of the Commission to utilize a Budget Committee (“Committee”) to inform the agency’s decision-making process in adopting an annual operating budget. The Commission establishes a Committee for each fiscal year to include two appointed Commissioners and the Executive Officer. The Committee’s core responsibilities are divided between three distinct and sequential phases highlighted by preparing draft, proposed, and final budgets for Commission action between February and June.¹

Two pertinent policy determinations underlie the Committee’s work and related recommendations to the Commission. First, it is the policy of the Commission to ensure the agency is appropriately funded to effectively and proactively meet its prescribed duties while controlling operating expenses whenever possible to limit the financial impact on the funding agencies. Markedly, and by practice, this means utilizing reserves when appropriate to minimize increases in agency contributions. Second, it is the policy of the Commission to retain sufficient reserves to equal no less than three months of budgeted operating expenses in the affected fiscal year less any capital depreciation.

2014-2015 Committee / Actions to Date

The 2014-2015 Budget Committee conducted a noticed public meeting on January 23, 2014 to review and develop draft recommendations on the Commission’s operating expenses and revenues for the upcoming fiscal year.² Four specific budget factors permeated the Committee’s review. First, the Committee considered baseline agency costs to maintain the current level of services at next year’s projected price for labor and supplies. Second, the Committee considered whether adjustments – increases or decreases – in baseline agency costs are appropriate to accommodate changes in need or demand. Third, upon a preliminary setting of operating expenses, the Committee considered the need for increases in agency contributions and whether agency reserves should be utilized to lower contribution requirements. Fourth, the Committee compared the preliminary setting of operating expenses and revenues to previous fiscal years and the current consumer price index for the region.

¹ The Committee’s initial responsibility is to present a draft budget for Commission approval in February before it is circulated for comment to each funding agency for no less than 21 days. The draft budget provides the opportunity for the Committee to identify and propose recommendations on changes in baseline expenditures for Commission feedback. It also provides the funding agencies with an opportunity to review and comment on the Commission’s anticipated budget needs relative to their own budgeting processes. The Committee’s second formal action is to incorporate the comments received from the funding agencies during the initial review along with any updated cost and revenue projections into a proposed budget for Commission adoption in April. The adopted proposed budget is subsequently circulated to the funding agencies for review and comment for another 21 day period. The adopted proposed budget is also posted for public review and comment on the Commission’s website. The Committee’s third and final formal action is to incorporate the comments received from the funding agencies and general public on the proposed budget into a final budget for Commission adoption in June. Changes incorporated in the final budget are generally limited to minor updates or to address new information on specific budgetary needs.

² The Commission appointed Commissioners Joan Bennett and Greg Pitts to the 2014-15 Budget Committee at its December 2, 2013 meeting.

The Committee incorporated the four described budget factors – existing baseline costs, warranted changes in baseline costs, revenue needs, and relationship to the price index – in presenting a draft budget at the Commission’s February 3, 2014 meeting. The draft represented a “status-quo” in generally maintaining existing service levels and highlighted by preserving current staff at 2.5 fulltime equivalent employees. The draft budget contemplated a decrease in operating expenses of 1.4% to \$456,525. The draft contemplated an increase in operating revenues of 1.5% to \$442,685 with the remaining shortfall – (\$13,840) – to be covered by drawing down on agency reserves. The Commission approved the draft as submitted and directed the Committee to seek comments from the funding agencies in anticipation of taking action on a proposed budget in April. Electronic copies of the approved draft were sent to all six local agencies with a request to provide written comments by March 7th. No formal comments were received.

The Committee returned with a proposed budget for adoption by the Commission as part of a noticed public hearing on April 7th. The proposed budget was substantively identical to the earlier approved draft given overall expense and revenue projections proved to be holding with their respective totals slightly increasing to \$456,560 and \$444,205. It is important to note that the Commission approved new budget adjustments prior to the April meeting that increased operating expenses for the current fiscal year. This had the effect of widening the gap between current fiscal year expenses and projected expenses for next fiscal year as identified within the proposed budget. Subsequently, operating expenses identified in the proposed budget represent a 3.4% decrease over the current fiscal year. The proposed budget was adopted by the Commission with direction to the Committee to initiate a second review to the funding agencies in anticipation of taking action on a final budget in June. Electronic copies of the approved draft budget were sent to all six local agencies with a request to provide written comments by May 2nd. An electronic copy was also posted to the agency website. Comments were received questioning if sufficient resources are available to complete Municipal Service Reviews and Sphere of Influence updates in accordance with the Commission-adopted schedule and requesting a cost analysis of contracting with a different service provider for independent legal services. The Executive Officer will be considering both of these items and return to the Commission with recommended actions at a later date.

C. Discussion

The Committee returns with a recommended final budget in line-item form for consideration by the Commission as part of a noticed public hearing. The final budget is nearly identical to the proposed version that was adopted in April with changes limited to slight adjustments within the individual agency contribution accounts that have been updated to incorporate new population and general tax revenue data generated by the State of California. A detailed summary and justification of the final budget’s operating expenses and revenues follows with the corresponding line-item general ledger showing all affected accounts provided as an exhibit to the attached draft resolution of approval.

Operating Expenses

The final budget provides for a decrease in operating expenses from \$472,799 to \$456,560; a difference of \$16,239 or (3.4%) over the adjusted budget amount for the current fiscal year and an amount that remains unchanged from the April meeting. Nearly all of the decrease lies within the services/supplies unit with the majority associated with the Commission transitioning from a consulting services agreement for interim Executive Officer services to a full-time Executive Officer with standard salary and benefits. The final budget incorporates a limited number of changes to reflect current fiscal year expense trends with the changes summarized below.

- The Committee proposes increasing the salaries and wages account from \$155,519 to \$212,625. The proposed change represents a \$57,106 or 36.7% increase and accounts for hiring a full-time Executive Officer. The Committee proposes a corresponding decrease of \$61,500 in the consulting services account that is budgeted for the interim Executive Officer during the current fiscal year.
- The Committee proposes decreasing the employee insurance premiums account from \$51,203 to \$44,796. The proposed change represents a \$6,407 or 12.5% decrease and reconciles the previous practice of counting the part-time Commission Secretary as a full-time employee for purposes of budgeting benefits.
- The Committee proposes increasing the legal service account from \$22,540 to \$32,000. The proposed change represents a \$9,460 or 42% increase and reflects a current trend in which Commission Counsel is utilized on an expanded basis to aid in the establishment of and transition to the new Executive Officer.
- The Committee proposes decreasing the special departmental expense account from \$21,500 to \$4,000. The proposed change represents a \$17,500 or 81.4% decrease and eliminates a budgeted expense associated with the County Human Resource Department's efforts to recruit the new Executive Officer.

The following table summarizes recommended operating expenses in the final budget.

| Expense Unit | Adjusted FY13-14 | Final FY14-15 | Change % |
|----------------------|---------------------|------------------|----------|
| 1) Salaries/Benefits | 272,735 | 323,875 | 18.8 |
| 2) Services/Supplies | 200,064 | 132,685 | (33.7) |
| 3) Contingencies | 0 | 0 | 0.0 |
| | \$472,799 | \$456,560 | (3.4) |

Operating Revenues

The final budget provides for an increase in operating revenues from \$432,850 to \$444,205; a difference of \$11,355 or 2.6% over the current fiscal year. It is proposed nearly the entire amount of operating revenues – \$431,705 – would be drawn from agency contributions and reflect an increase over the current fiscal year of \$12,355 or 2.9%. Importantly, while an increase to the funding agencies is recommended, the projected amount has been reduced by the Committee by budgeting the use \$12,355 of reserves in the next fiscal year. Service charges and interest earnings on the fund balance invested by the County Treasurer represent the remaining portion of operating revenues in the proposed budget. No changes in service charges are proposed. A \$1,000 decrease in interest earnings is budgeted based on current fiscal year collections.

The following table summarizes recommended operating revenues in the final budget.

| Revenue Unit | Adjusted FY13-14 | Final FY14-15 | Change \$ | Change % |
|-----------------------------|------------------|---------------|-----------|----------|
| 1) Agency Contributions | 419,350 | 431,705 | 12,355 | 2.9 |
| (a) County of Napa | 209,675 | 215,853 | 6,177 | 2.9 |
| (b) City of Napa | 140,020 | 144,529 | 4,509 | 3.2 |
| (c) City of American Canyon | 33,757 | 34,422 | 665 | 2.0 |
| (d) City of St. Helena | 13,957 | 14,145 | 188 | 1.4 |
| (e) City of Calistoga | 12,389 | 12,907 | 518 | 4.2 |
| (f) Town of Yountville | 9,552 | 9,850 | 298 | 3.1 |
| 2) Service Charges | 10,500 | 10,500 | 0 | 0.0 |
| 3) Interest Earnings | 3,000 | 2,000 | 1,000 | (33.3) |
| Total | \$432,850 | \$444,205 | \$11,355 | 2.6 |

D. Analysis

The recommended final budget for 2014-2015 accomplishes the Committee’s two core objectives to (a) provide sufficient resources to maintain current service levels while (b) minimizing impacts on the six funding agencies by limiting their contribution increases. In particular, the final budget preserves present staff and service levels the Committee believes are merited given the agency’s prescribed and expanding duties. The recommended final budget also provides additional monies to retain an outside consultant to facilitate the next biannual workshop as well as provide per diems for members to represent the Commission at outside events and meetings, such as the CALAFCO annual conferences. Finally, despite allocating \$12,355 as offsetting revenues, the recommended final budget positions the Commission to finish 2014-2015 with an available fund balance of \$152,362; an amount more than sufficient to meet the Commission’s policy to retain a minimum reserve fund balance equal to three months of operating expenses.

E. Procedures for Consideration

This item has been noticed as a public hearing as required under the Commission's adopted policy. The recommended course of action during the meeting is as follows:

- 1) Receive verbal report from staff;
- 2) Open the public hearing (mandatory) and invite public testimony;
- 3) Close the public hearing;
- 4) Facilitate Commission questions and discussion; and
- 5) Take action

Attachments:

- 1) Draft Resolution of Approval (Final Budget Provided as Exhibit "A")
- 2) Local Agency Contributions Worksheet

RESOLUTION NO. ____**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
ADOPTING A FINAL BUDGET FOR THE 2014-2015 FISCAL YEAR**

WHEREAS, the Local Agency Formation Commission of Napa County (hereinafter referred to as “Commission”) is required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) to adopt a proposed budget no later than May 1st and a final budget by June 15th; and

WHEREAS, the Commission appoints and utilizes a Budget Committee to help inform and make decisions regarding the agency’s funding requirements; and

WHEREAS, the Commission adopted a proposed budget prepared by the Budget Committee at a noticed public hearing on April 7, 2014; and

WHEREAS, at the direction of the Commission, the Budget Committee circulated for review and comment the adopted proposed budget to the administrative and financial officers of each of the six local agencies that contribute to the Commission budget; and

WHEREAS, the Commission reviewed all substantive written and verbal comments concerning the adopted proposed budget; and

WHEREAS, the Budget Committee prepared a report with recommendations for a final budget; and

WHEREAS, the Budget Committee’s report on a final budget has been presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at its public hearing on the final budget held on June 2, 2014; and

WHEREAS, the Commission determined the final budget projects the staffing and program costs of the Commission as accurately and appropriately as is possible.

NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

1. The final budget as outlined in Exhibit “A” is approved.
2. The final budget provides the Commission sufficient resources to fulfill its regulatory and planning responsibilities in accordance with Government Code Section 56381(a).

The foregoing resolution was duly and regularly adopted by the Commission at a regular meeting held on June 2, 2014 by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

ABSENT: Commissioners _____

ATTEST: Laura Snideman
Executive Officer

RECORDED: Kathy Mabry
Commission Secretary



Local Agency Formation Commission of Napa County

Subdivision of the State of California

EXHIBIT A

FY2014-2015 OPERATING BUDGET / FINAL

Prepared on May 21, 2014

Expenses

| | | FY2011-12 | | FY2012-13 | | FY2013-14 | | FY2014-15 | Difference | |
|-----------------------------------|-------------------------------------|--------------------|-------------------|--------------------|-------------------|----------------------|---------------------|-------------------|--------------------|---------------|
| | | Adopted FY11-12 | Actual FY11-12 | Adopted FY12-13 | Actual FY12-13 | Adjusted* FY13-14 | Estimate FY13-14 | Final FY14-15 | | |
| Salaries and Benefits | | | | | | | | | | |
| <u>Account</u> | <u>Description</u> | | | | | | | | | |
| 51100 | Salaries and Wages | 202,387.60 | 203,108.73 | 203,183.19 | 212,429.87 | 155,519.15 | 150,400.00 | 212,624.80 | 57,105.65 | 36.7% |
| 51105 | Extended Hours | - | - | - | - | - | 95.00 | - | - | - |
| 51400 | Employee Insurance: Premiums | 45,648.12 | 37,643.35 | 47,646.00 | 39,635.35 | 51,202.80 | 35,600.00 | 44,796.00 | (6,406.80) | -12.5% |
| 51600 | Retirement | 36,701.99 | 36,871.55 | 37,736.30 | 37,730.04 | 39,595.42 | 24,850.00 | 39,853.01 | 257.59 | 0.7% |
| 51605 | Other Post Employment Benefits | 9,341.00 | 9,341.00 | 12,139.00 | 12,139.00 | 12,166.00 | 12,166.00 | 12,321.00 | 155.00 | 1.3% |
| 51210 | Commissioner/Director Pay | 9,600.00 | 5,700.00 | 6,400.00 | 6,000.00 | 10,000.00 | 12,000.00 | 10,000.00 | - | 0.0% |
| 51300 | Medicare | 2,934.62 | 2,790.20 | 2,946.16 | 2,896.38 | 3,012.22 | 2,500.00 | 3,012.22 | (0.00) | 0.0% |
| 51305 | FICA | - | - | - | - | - | 93.00 | - | - | - |
| 51205 | Cell Phone Allowance | 840.00 | 843.50 | 840.00 | 840.00 | 840.00 | 140.00 | 840.00 | - | 0.0% |
| 51405 | Workers Compensation | 327.00 | 327.00 | 396.00 | 396.00 | 400.00 | 427.00 | 428.00 | 28.00 | 7.0% |
| 51110 | Extra Help | - | - | - | - | - | - | - | - | - |
| 51115 | Overtime | - | - | - | - | - | - | - | - | - |
| | | 307,780.33 | 296,625.33 | 311,286.65 | 312,066.64 | 272,735.59 | 238,271.00 | 323,875.02 | 51,139.43 | 18.8% |
| Services and Supplies | | | | | | | | | | |
| <u>Account</u> | <u>Description</u> | | | | | | | | | |
| 52605 | Rents and Leases: Building/Land | 29,280.00 | 29,280.00 | 25,560.00 | 25,560.00 | 25,560.00 | 25,560.00 | 25,560.00 | - | 0.0% |
| 52140 | Legal Services | 22,540.00 | 17,593.30 | 22,540.00 | 10,673.44 | 22,540.00 | 26,000.00 | 32,000.00 | 9,460.00 | 42.0% |
| 52310 | Consulting Services | - | - | - | - | 61,500.00 | 61,500.00 | - | (61,500.00) | -100.0% |
| 52130 | Information Technology Services | 24,630.83 | 23,385.87 | 22,009.00 | 22,149.36 | 22,374.00 | 22,374.00 | 24,000.00 | 1,626.00 | 7.3% |
| 52125 | Accounting/Auditing Services | 8,691.01 | 7,340.78 | 9,125.56 | 8,051.60 | 9,125.56 | 8,200.00 | 10,000.00 | 874.44 | 9.6% |
| 52600 | Rents and Leases: Equipment | - | - | 6,500.00 | 5,739.88 | 6,000.00 | 6,200.00 | 6,000.00 | - | 0.0% |
| 53100 | Office Supplies | 12,000.00 | 14,508.46 | 5,500.00 | 2,375.00 | 5,000.00 | 2,700.00 | 4,000.00 | (1,000.00) | -20.0% |
| 52905 | Business Travel/Mileage | 5,000.00 | 2,253.35 | 5,000.00 | 6,528.78 | 5,000.00 | 4,000.00 | 2,000.00 | (3,000.00) | -60.0% |
| 52900 | Training/Conference | 4,000.00 | 5,141.00 | 4,000.00 | 6,925.77 | 4,000.00 | 7,000.00 | 8,000.00 | 4,000.00 | 100.0% |
| 53600 | Special Departmental Expense | 1,000.00 | 426.64 | 3,500.00 | 3,415.29 | 21,500.00 | 17,500.00 | 4,000.00 | (17,500.00) | -81.4% |
| 53415 | Computer Software/License | - | - | 3,487.13 | - | 3,487.73 | 3,487.00 | 3,500.00 | 12.27 | 0.4% |
| 52800 | Communications/Telephone | 4,470.00 | 2,329.81 | 2,970.00 | 2,486.89 | 2,950.00 | 2,500.00 | 2,950.00 | - | 0.0% |
| 53120 | Memberships/Certifications | 2,275.00 | 2,200.00 | 2,248.00 | 2,248.00 | 2,292.96 | 2,300.00 | 2,335.00 | 42.04 | 1.8% |
| 53205 | Utilities: Electric | - | - | 1,500.00 | 1,029.77 | 1,500.00 | 1,100.00 | 1,500.00 | - | 0.0% |
| 52830 | Publications and Notices | 1,500.00 | 2,255.64 | 1,500.00 | 1,169.59 | 1,500.00 | 1,750.00 | 1,500.00 | - | 0.0% |
| 52830 | Filing Fees | 850.00 | 237.50 | 850.00 | 350.00 | 850.00 | - | 500.00 | (350.00) | -41.2% |
| 53110 | Postage/Freight | - | - | 800.00 | 277.42 | 800.00 | 300.00 | 800.00 | - | 0.0% |
| 52700 | Insurance: Liability | 321.00 | 321.00 | 153.00 | 148.00 | 34.63 | 35.00 | 100.00 | 65.37 | 188.8% |
| 52705 | Insurance: Premiums | - | - | - | - | 118.00 | - | - | (118.00) | -100.0% |
| 52105 | Election Services | - | - | - | 150.00 | - | 150.00 | - | - | - |
| 53105 | Office Supplies: Furniture/Fixtures | - | - | - | 322.38 | - | - | - | - | - |
| 54600 | Capital Replacement/Depreciation | 3,931.40 | 3,931.40 | 3,931.40 | 3,931.40 | 3,931.00 | 3,931.00 | 3,940.00 | 9.00 | 0.2% |
| | | 120,489.24 | 111,204.75 | 121,174.09 | 103,532.57 | 200,063.88 | 196,587.00 | 132,685.00 | (67,378.88) | -33.7% |
| Contingencies and Reserves | | | | | | | | | | |
| <u>Account</u> | <u>Description</u> | | | | | | | | | |
| 58100 | Appropriation for Contingencies | - | - | - | - | - | - | - | - | - |
| | | - | - | - | - | - | - | - | - | - |
| | EXPENSE TOTALS | 428,269.57 | 407,830.08 | 432,460.74 | 415,599.21 | 472,799.47 | 434,858.00 | 456,560.02 | (16,239.45) | -3.4% |

* Adjusted Budget for 2013-14 reflects (1) decrease in salary and benefits tied to departure of prior Executive Officer, (2) consulting services for interim Executive Officer, and (3) County Human Resources' recruitment to hire a permanent Executive Officer.

Revenues

| | | FY2011-12 | | FY2012-13 | | FY2013-14 | | FY2014-15 | | | |
|-----------------------------|-----------------------------|-------------|------------|------------|------------|-------------|------------|-------------------|-------------------|--------|--|
| | | Adopted | Actual | Adopted | Actual | Adjusted | Estimate | Final | | | |
| | | FY11-12 | FY11-12 | FY12-13 | FY12-13 | FY13-14 | FY13-14 | FY14-15 | | | |
| <u>Account</u> | <u>Description</u> | | | | | | | | <u>Difference</u> | | |
| Intergovernmental | | | | | | | | | | | |
| 43910 | County of Napa | 191,550.50 | 191,550.50 | 204,787.17 | 204,787.17 | 209,675.02 | 209,675.02 | 215,852.51 | 6,177.49 | 2.9% | |
| 43950 | Other Governmental Agencies | 191,550.50 | 191,550.50 | 204,787.17 | 204,787.17 | 209,675.01 | 209,675.01 | 215,852.51 | 6,177.50 | 2.9% | |
| ---- | City of Napa | 126,330.38 | 126,330.38 | 136,583.40 | 136,583.40 | 140,020.50 | 140,020.50 | 144,529.41 | 4,508.91 | 3.2% | |
| ---- | City of American Canyon | 32,912.04 | 32,912.04 | 33,320.64 | 33,320.64 | 33,757.20 | 33,757.20 | 34,421.92 | 664.72 | 2.0% | |
| ---- | City of St. Helena | 12,997.37 | 12,997.37 | 14,152.67 | 14,152.67 | 13,956.84 | 13,956.84 | 14,145.09 | 188.25 | 1.3% | |
| ---- | City of Calistoga | 11,393.34 | 11,393.34 | 12,095.39 | 12,095.39 | 12,388.75 | 12,388.75 | 12,906.58 | 517.83 | 4.2% | |
| ---- | Town of Yountville | 7,917.37 | 7,917.37 | 8,635.00 | 8,635.00 | 9,551.72 | 9,551.72 | 9,849.52 | 297.80 | 3.1% | |
| | | 383,101.00 | 383,101.00 | 409,574.34 | 409,574.34 | 419,350.03 | 419,350.03 | 431,705.02 | 12,354.99 | 2.9% | |
| Service Charges | | | | | | | | | | | |
| 42690 | Application/Permit Fees | 10,000.00 | 8,562.00 | 10,000.00 | 23,078.00 | 10,000.00 | 13,750.00 | 10,000.00 | - | | |
| 46800 | Charges for Services | - | 475.00 | - | 500.00 | 500.00 | 250.00 | 500.00 | - | | |
| 47900 | Miscellaneous | - | 50.00 | - | 180.70 | - | - | - | - | | |
| | | 10,000.00 | 9,087.00 | 10,000.00 | 23,758.70 | 10,500.00 | 14,000.00 | 10,500.00 | - | 0.0% | |
| Investments | | | | | | | | | | | |
| 45100 | Interest | 2,340.00 | 2,472.66 | 4,076.00 | 1,985.03 | 3,000.00 | 1,800.00 | 2,000.00 | (1,000.00) | -33.3% | |
| | | 2,340.00 | 2,472.66 | 4,076.00 | 1,985.03 | 3,000.00 | 1,800.00 | 2,000.00 | (1,000.00) | -33.3% | |
| | REVENUE TOTALS | 395,441.00 | 394,660.66 | 423,650.34 | 435,318.07 | 432,850.03 | 435,150.03 | 444,205.02 | 11,354.99 | 2.6% | |
| OPERATING DIFFERENCE | | (32,828.57) | (13,169) | (8,810.40) | 19,718.86 | (39,949.44) | 292.03 | (12,355.00) | | | |

Negative Balance Indicates Use of Reserves

| | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 |
|---|-----------|-----------|-----------|--------------|
| | Actual | Actual | Estimate | Final Budget |
| PERCENTAGE OF OPERATING EXPENSES | | | | |
| Salaries/Benefits | 72.7% | 75.1% | 54.8% | 70.9% |
| Services/Supplies | 27.3% | 24.9% | 45.2% | 29.1% |

| UNRESERVED/UNRESTRICTED FUND BALANCE | | | | |
|---|------------|------------|------------|------------|
| Beginning: | 157,875.26 | 144,706.26 | 164,425.12 | 164,717.15 |
| Ending: | 144,706.26 | 164,425.12 | 164,717.15 | 152,362.15 |

| MINIMUM THREE MONTH RESERVE GOAL | 106,084.54 | 107,132.34 | 117,217.12 | 113,155.01 |
|---|------------|------------|------------|------------|
|---|------------|------------|------------|------------|



Local Agency Formation Commission of Napa County

Subdivision of the State of California

ATTACHMENT TWO

2014-2015 Agency Contributions Calculation

| Step 1 Total Agency Contributions | | FY13-14 | FY14-15 | FY14-15 | Difference | Difference | | |
|--|----|-----------------------|------------------------|------------------|---------------|-------------------|-------------------|---------------------|
| | | | | <u>Adjusted</u> | <u>Dollar</u> | <u>Percentage</u> | | |
| Total | | 419,350.03 | 456,560.02 | 431,705.02 | \$ 12,354.99 | 2.9% | | |
| Step 2 Allocation Between County and Cities | | FY13-14 | FY14-15 | | Difference | Difference | | |
| | | | | | <u>Dollar</u> | <u>Percentage</u> | | |
| 50% to the County of Napa | \$ | 209,675.02 | \$ 215,852.51 | \$ | 6,177.50 | 2.9% | | |
| 50% to the 5 Cities | \$ | 209,675.02 | \$ 215,852.51 | \$ | 6,177.50 | 2.9% | | |
| Step 3a Cities' Share Based on Total General Tax Revenues (FY2011-2012) | | | <u>American Canyon</u> | <u>Calistoga</u> | <u>Napa</u> | <u>St. Helena</u> | <u>Yountville</u> | <u>All Cities</u> |
| <u>General Tax Revenues</u> | | | | | | | | |
| Secured & Unsecured Property Tax | | | 5,926,892.00 | 1,199,821.00 | 15,373,925.00 | 2,671,753.00 | 528,809.00 | 25,701,200.00 |
| Voter Approved Indebtedness Property Tax | | | - | - | - | - | - | - |
| Other Property Tax | | | 1,260,017.00 | 435,604.00 | 8,539,986.00 | 496,144.00 | 381,274.00 | 11,113,025.00 |
| Sales and Use Taxes | | | 1,533,614.00 | 703,402.00 | 9,295,426.00 | 1,457,199.00 | 596,133.00 | 13,585,774.00 |
| Transportation Tax | | | - | - | - | - | - | - |
| Transient Lodging Tax | | | 934,679.00 | 3,768,443.00 | 11,504,810.00 | 1,521,007.00 | 4,291,778.00 | 22,020,717.00 |
| Franchises | | | 585,412.00 | 159,607.00 | 1,747,943.00 | 178,383.00 | 110,616.00 | 2,781,961.00 |
| Business License Taxes | | | 149,667.00 | 140,882.00 | 2,660,959.00 | 160,982.00 | 11,350.00 | 3,123,840.00 |
| Real Property Transfer Taxes | | | 87,161.00 | 23,384.00 | 335,029.00 | 77,881.00 | 7,617.00 | 531,072.00 |
| Utility Users Tax | | | - | - | - | - | - | - |
| Other Non-Property Taxes | | | 490,881.00 | 199,625.00 | 2,816,404.00 | 462,770.00 | 205,710.00 | 4,175,390.00 |
| Total | | | \$ 10,968,323 | \$ 6,630,768 | \$ 52,274,482 | \$ 7,026,119 | \$ 6,133,287 | \$ 83,032,979 |
| Percentage of Total Taxes to all Cities | | | 13.2% | 8.0% | 63.0% | 8.5% | 7.4% | 100% |
| Step 3b Cities' Share Based on Total Population (1/1/14) | | | <u>American Canyon</u> | <u>Calistoga</u> | <u>Napa</u> | <u>St. Helena</u> | <u>Yountville</u> | <u>All Cities</u> |
| Population | | | 20,001 | 5,224 | 78,358 | 5,943 | 3,017 | 112,543 |
| Population Percentage | | | 17.77% | 4.64% | 69.62% | 5.28% | 2.68% | 100% |
| Step 4 Cities Allocation Formula | | | <u>American Canyon</u> | <u>Calistoga</u> | <u>Napa</u> | <u>St. Helena</u> | <u>Yountville</u> | <u>All Cities</u> |
| Cities' Share Based on Total General Taxes | | | 13.2% | 8.0% | 63.0% | 8.5% | 7.4% | 100% |
| Portion of LAFCO Budget | | | 11,405.30 | 6,894.94 | 54,357.09 | 7,306.04 | 6,377.64 | 40% |
| Cities' Share Based on Total Population | | | 17.77% | 4.64% | 69.62% | 5.28% | 2.68% | 100% |
| Portion of LAFCO Budget | | | 23,016.62 | 6,011.64 | 90,172.31 | 6,839.05 | 3,471.88 | 60% |
| Total Agency Allocation | | | \$ 34,421.92 | \$ 12,906.58 | \$ 144,529.41 | \$ 14,145.09 | \$ 9,849.52 | \$ 215,852.51 |
| Allocation Share | | | 15.9470% | 5.9794% | 66.9575% | 6.5531% | 4.5631% | 100% |
| Step 5 FY14-15 Invoices | | <u>County of Napa</u> | <u>American Canyon</u> | <u>Calistoga</u> | <u>Napa</u> | <u>St. Helena</u> | <u>Yountville</u> | <u>All Agencies</u> |
| | \$ | 215,852.51 | \$ 34,421.92 | \$ 12,906.58 | \$ 144,529.41 | \$ 14,145.09 | \$ 9,849.52 | \$ 431,705.02 |
| <i>Difference From FY13-14:</i> | \$ | 6,177.49 | \$ 664.72 | \$ 517.83 | \$ 4,508.91 | \$ 188.25 | \$ 297.80 | \$ 12,354.99 |
| | | 2.95% | 1.97% | 4.18% | 3.22% | 1.35% | 3.12% | 2.95% |



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

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

June 2, 2014

Agenda Item No. 7a (Action)

May 22, 2014

TO: Local Agency Formation Commission

FROM: Brendon Freeman, Analyst

SUBJECT: Orchard Avenue No. 4 Annexation to the Napa Sanitation District

The Commission will consider a proposal to annex approximately 7.0 acres of incorporated territory to the Napa Sanitation District. The proposed annexation encompasses one entire parcel with no situs address and one portion of a parcel located at 1121 Orchard Avenue in the City of Napa. The purpose of the proposed annexation is to facilitate the subdivision of the parcels as contemplated in the applicant's tentatively approved development project. The City of Napa serves as lead agency under CEQA and has prepared an initial study and mitigated negative declaration for the underlying development project. The recommended action is for the Commission to approve the proposal with one amendment to include an adjacent 0.7 acre incorporated parcel located at 4461 Solano Avenue.

Local Agency Formation Commissions (LAFCOs) are responsible under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH") to regulate the formation and development of local governmental agencies and their municipal services. This includes approving or disapproving proposed changes of organization, such as boundary changes, consistent with adopted policies and procedures pursuant to California Government Code (G.C.) Section 56375. LAFCOs are authorized to exercise broad discretion in establishing conditions in approving changes of organization as long as they do not directly regulate land use, property development, or subdivision requirements.

A. Recommendation

Staff recommends approving the proposed annexation of a 6.5 acre portion of 1121 Orchard Avenue (035-042-045) along with an entire adjacent parcel with no situs address (035-042-020) to the Napa Sanitation District (NSD) with one amendment to include an entire adjacent parcel located at 4461 Solano Avenue (035-042-017) for purposes of providing for a more logical and orderly District boundary. Standard approval conditions are also recommended and are outlined in the draft resolution included as Attachment One to this staff report.

Joan Bennett, Vice Chair
Councilmember, City of American Canyon

Greg Pitts, Commissioner
Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Commissioner
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, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Laura Snideman
Executive Officer

B. Background

LAFCO of Napa County (“Commission”) has received a proposal from Mayacamas Estates requesting the annexation of approximately 7.0 acres of incorporated territory in the City of Napa (“City”) to NSD. The proposed annexation territory comprises one entire 0.45 acre parcel with no situs address and one 6.5 acre portion of a parcel located at 1121 Orchard Avenue near the intersection of Autumn Run Way and Luke Drive. Existing development is limited to 1121 Orchard Avenue and includes a 2,338 square foot single-family residence with three bedrooms built in 1977. 1121 Orchard Avenue does include a segment dedicated to a private road that extends beyond both the City’s and NSD’s respective spheres of influence and thus the proposal only contemplates the territory within each agency’s sphere. The County Assessor’s Office identifies the parcels as 035-042-020 (entire parcel) and 035-042-045 (portion). An aerial map of the proposed annexation territory follows.



C. Discussion

Agency Profile

NSD was formed in 1945 as a dependent enterprise district to provide public sewer service for the City and the surrounding unincorporated area. NSD provides sewer service to most of Napa along with several surrounding unincorporated areas, including Silverado, Napa State Hospital, and the Napa County Airport. NSD currently serves 31,830 residential customers with an estimated resident service population of 86,896.¹

Proposal Purpose

The underlying purpose of the proposal before the Commission is to facilitate the subdivision of the subject parcels to include up to a total of 18 single-family residential lots as contemplated under the City Zoning Ordinance and the applicant's tentatively approved development project. The proposed annexation would also help facilitate the extension of a public right-of-way portion of Luke Drive to improve access to the territory and improve overall traffic circulation for the surrounding area. Consideration of the service needs and related impacts associated with the future potential development of the subject parcels are incorporated into the following analysis section.

D. Analysis

The analysis of the proposal is organized into three sections. The first section considers the proposal relative to the factors prescribed for consideration under local policy with specific focus on whether amendments are merited to comply with the established preferences in implementing LAFCO law in Napa County. The second section considers the proposal relative to the factors mandated for review by the Legislature anytime LAFCOs review boundary changes. The third section considers issues required by other applicable State statutes in processing boundary changes including making a determination on environmental impacts.

Local Policies / Discretionary Amendments

A review of the submitted application materials relative to the Commission's adopted policies indicates that the Commission should consider one discretionary amendment that would expand the boundary of the proposed annexation. The proposed annexation is for two of three parcels comprising a "special district pocket" surrounded on all sides either by NSD's sphere of influence or jurisdictional boundary.² The remaining parcel is located at 4461 Solano Avenue and would represent a completely surrounded "special district pocket" if the Commission were to approve the proposal without amendment.

¹ The resident service projection based on the 2014 California Department of Finance population per household estimate (2.73) assigned to Napa County and multiplied by the number of residential sewer connections within NSD (31,830). NSD also serves 4,409 non-residential customers, including industrial and commercial users.

² "Special district pocket" is not defined under CKH.

This third parcel is 0.68 acres in size and identified by the County Assessor's Office as 035-042-017. Current land uses at 4461 Solano Avenue include one single-family residence that receives sewer service through a private onsite septic system. Although public sewer service is not needed immediately, staff recommends amending the proposal to include 4461 Solano Avenue to eliminate the pocket. This recommended amendment is not required by statute or policy as it is for eliminating islands within cities, but would provide a more orderly boundary for the District.³ There are currently no known plans to further develop 4461 Solano Avenue. However, and subject to separate approval from the City, 4461 Solano Avenue could potentially be further developed in the future to include up to three total residential lots as contemplated in the City Zoning Ordinance.⁴ NSD and the landowner of the remaining parcel have provided their consent to staff's recommended amendment following the official filing of the proposal.

Legislative Policies / Mandated Factors for Consideration

G.C. Sections 56668 and 56668.3 require the Commission to consider 16 specific factors anytime it reviews proposals for change of organization or reorganization involving special districts. No single factor is determinative and the intent is to provide a uniform baseline for LAFCOs in considering boundary changes in context to locally adopted policies and practices. Staff has incorporated into the review the recommended amendment as detailed in the preceding section. Consequently, references to the "affected territory" hereafter include the entire parcel with no situs address, a 6.5 acre portion of 1121 Orchard Avenue, and all of 4461 Solano Avenue.

(1) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent areas, during the next 10 years.

The affected territory lies within a rural residential area predominately consisting of low to moderate density housing and part of a neighborhood designation under the City General Plan known as "Linda Vista." The affected territory is partially developed with two single-family residences. The current assessment value of the affected territory totals \$835,076.⁵

The affected territory is legally uninhabited given there are under 12 registered voters based on the most recent list provided by County Elections. Topography within the affected territory slopes upward to the northwest with a peak elevation of 108 feet above sea-level. There are no natural drainage basins near the affected territory.

³ G.C. Section 56375.3 outlines streamlined procedures for cities to propose annexations for purposes of eliminating entirely or substantially surrounded islands. Commission policies also include directives to modify city annexation proposals for eliminating islands when possible. These statutes and policies do not apply for special districts.

⁴ The City has assigned a zoning standard of *Residential Single – 10* to 4461 Solano Avenue which specifies a minimum lot size of 0.23 acres. Therefore, 4461 Solano Avenue could potentially be further developed in the future to include up to a maximum of three total residential lots.

⁵ Individual property assessed values are as follows: 1121 Orchard Avenue (APNs 035-042-020 and 035-042-045) at \$422,888 and 4461 Solano Avenue (APN 035-042-017) at \$412,188.

Proposal approval is expected to facilitate the future development of 1121 Orchard Avenue to include 18 residential lots based on the applicant's tentatively approved development project. While there are currently no development plans associated with 4461 Solano Avenue, the parcel could potentially be further developed – subject to separate approval from the City – to include up to three lots based on the City Zoning Ordinance. The affected territory therefore has the potential to be further developed to include a maximum of 21 lots and produce an estimated buildout population of 57.⁶

(2) The need for municipal services; the present cost and adequacy of municipal services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

The present need for municipal services within the affected territory is limited given that the two existing single-family residences currently receive sewer service through private onsite septic systems. Annexation to NSD would provide permanent public sewer service to the affected territory going forward. Core municipal services already provided or available to the affected territory directly or indirectly by the City include water, fire, emergency medical, police, roads, and garbage collection; all at levels deemed adequate given current and planned uses.

There is expected to be additional demand for municipal services in the future as a result of the buildout of the affected territory to include a total of 21 lots as contemplated in the applicant's tentatively approved development project and City zoning. Most notably, and in addition to sewer, this includes elevated water, fire protection/emergency medical, and law enforcement services. An analysis of the availability and adequacy of these core municipal services needed to accommodate and support current and probable future needs within the affected territory follows.

- *Sewer Service*

The affected territory currently receives sewer service through private onsite septic systems. It is estimated the current daily sewer flow generated from the affected territory is 420 gallons on average and increases by two and one-half to 1,050 gallons during peak periods. These current flow estimates represent less than one one-hundredth of a percent of NSD's current system demand. Furthermore, if developed as contemplated in the applicant's tentatively approved development project and City zoning to include 21 total lots, the estimated daily sewer flows would only increase to 4,410 gallons on average and 11,025 gallons during peak periods. These buildout estimates would have negligible impacts on NSD's sewer system as depicted in the following table.

⁶ The estimated buildout population for the affected territory assumes a per unit factor of 2.72 based on calculations performed by the California Department of Finance specific to the City.

| NSD Baseline Without Annexation of the Affected Territory (Amounts in Gallons) | | | |
|--|-------------------------------|----------------------------|-------------------------------------|
| System Avg. Day Capacity | Average Day Demand | Peak Day Demand | System Peak Day Capacity |
| 15,400,000 | 6,705,130 | 33,712,825 | 126,200,000 |

| NSD Adjusted With Annexation/Buildout of the Affected Territory (Amounts in Gallons) | | | |
|--|-------------------------------|----------------------------|-------------------------------------|
| System Avg. Day Capacity | Average Day Demand | Peak Day Demand | System Peak Day Capacity |
| 15,400,000 | 6,709,540 | 33,723,850 | 126,200,000 |

- * Assumes the buildout of the affected territory will result in 21 total single-family residences with combined average and peak day demands at 4,410 and 11,025 gallons, respectively.
- * Capacity during peak-day incorporates 340 acre-feet (110,806,000 gallons) of adjacent pond storage.

- **Water Service**

The affected territory currently receives water service from two onsite wells. However, the affected territory is eligible to receive water service from the City. If developed to its maximum allowance under the City Zoning Ordinance, the estimated daily average water demand at buildout – and assuming current usage patterns – would total 5,250 gallons.⁷ These buildout estimates would have negligible impacts to Napa’s existing water system infrastructure as measured by supply, storage, and treatment capacities as discussed in the following subsections.

Water Supply and Demand

Napa’s water supplies are derived from three distinct sources: Lake Hennessey, Milliken Reservoir, and the State Water Project. These three sources collectively provide Napa with 31,340 acre-feet of raw water for treatment during normal year conditions based on historical patterns. These historical patterns also indicate Napa’s annual water supply decreases during multiple and single dry year conditions to 19,896 and 13,533 acre-feet, respectively. Conversely, Napa’s most recently recorded annual water demand totals 13,877 acre-feet; an amount representing an average daily use of 38 acre-feet. These current demands result in an available supply surplus during normal and multiple dry year conditions. Further, the existing shortfall projected during single dry years is relatively minimal and would be likely offset by voluntary and mandatory water conservation measures that could be adopted by the City Council consistent with their Urban Water Management Plan (UWMP).

⁷ This projected daily water demand would be the equivalent of 5.9 acre-feet per year.

| Baseline Conditions <u>Without</u> Annexation of the Affected Territory (Amounts in Acre-Feet) | | | |
|---|--------|-------------------|-----------------|
| Category | Normal | Multiple Dry Year | Single Dry Year |
| Annual Supply | 31,340 | 19,896 | 13,533 |
| Annual Demand | 13,877 | 13,877 | 13,877 |
| Difference | 17,463 | 6,019 | (344) |

| Adjusted Conditions <u>With</u> Annexation/Buildout of the Affected Territory (Amounts in Acre-Feet) | | | |
|---|--------|-----------------|-------------------|
| Category | Normal | Single Dry Year | Multiple Dry Year |
| Annual Supply | 31,340 | 19,896 | 13,533 |
| Annual Demand | 13,883 | 13,883 | 13,883 |
| Difference | 17,457 | 6,013 | (350) |

Water Treatment and Storage

Napa operates treatment facilities for each of its three water sources. These three facilities provide a combined daily treatment capacity of 135 acre-feet.⁸ This combined treatment amount is more than three times greater than the current average day water demand (38 acre-feet) and nearly two times greater than the current estimated peak day water demand (76 acre-feet).⁹ Furthermore, Napa’s combined treated water storage capacity overlaying its five pressure zones – including clearwell tanks – is 86 acre-feet. This combined storage amount accommodates current estimated peak day water demands in Napa.

| Baseline Conditions <u>Without</u> Annexation of the Affected Territory (Amounts in Acre-Feet) | | | |
|---|--------------------|-----------------|------------------|
| Treatment Capacity | Average Day Demand | Peak Day Demand | Storage Capacity |
| 135.0 | 38.0 | 76.0 | 86.2 |

| Adjusted Conditions <u>With</u> Annexation/Buildout of the Affected Territory (Amounts in Acre-Feet) | | | |
|---|--------------------|-----------------|------------------|
| Treatment Capacity | Average Day Demand | Peak Day Demand | Storage Capacity |
| 135.0 | 38.0 | 76.0 | 86.2 |

⁸ The combined daily treatment capacity for Napa is divided between the Milliken facility at 4.0, Jamieson facility at 20.0, and Hennessey facility at 20.0 million gallons, respectively.

⁹ Based on recent usage records, the estimated peak day demand factor for Napa is 2.0.

- ***Fire Protection and Emergency Medical Services***
The affected territory receives fire protection and emergency medical services from the City. Annexation and buildout of the affected territory to include up to a total of 21 units would increase the need for these services moving forward. Information generated from the Commission's recent municipal service review on the Central County region noted that the City has generally developed sufficient capacities and controls to serve existing and anticipated demands for these services. The municipal service review also notes no service deficiencies within the area surrounding the affected territory.
- ***Law Enforcement Services***
The affected territory receives law enforcement services from the City. Annexation and buildout of the affected territory to include up to a total of 21 units would increase demand for these services moving forward. The Commission's recent municipal service review on the Central County region notes that the City has developed sufficient capacities and controls to serve existing and anticipated demands. The municipal service review also notes no service deficiencies within the area surrounding the affected territory.

(3) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on local governmental structure.

The proposal would recognize and strengthen existing social and economic ties between NSD and the affected territory. These ties were initially established in 1975 when the Commission included the affected territory in NSD's sphere of influence, marking an expectation the site would eventually develop for urban type uses and require public sewer from the region's sole service provider, the District. The recommended amendment to expand the affected territory to include an adjacent parcel would further strengthen these ties by avoiding the creation of a new "special district pocket" that is completely surrounded by NSD's jurisdictional boundary.

(4) The conformity of the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in G.C. Section 56377.

The proposal is consistent with the Commission's policies as codified under its General Policy Determinations. This includes consistency with urban land use designations for the affected territory under the County and City General Plans, avoidance of premature conversion of agricultural uses, and consistency with NSD's adopted sphere of influence. The affected territory does not qualify as "open-space" under LAFCO law and therefore does not conflict with G.C. Section 56377. Specifically, the affected territory is not substantially unimproved and devoted to an open-space use under the County or City General Plan.

(5) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by G.C. Section 56016.

The affected territory does not qualify as “agricultural land” under LAFCO law. Specifically, the affected territory is not used for any of the following purposes: producing an agricultural commodity for commercial purposes; left fallow under a crop rotational program; or enrolled in an agricultural subsidy program.

(6) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

The proposal as amended by staff is parcel-specific and includes all of the property identified by the County of Napa Assessor’s Office as 035-042-017 and 035-042-020 as well as a 6.5 acre portion of 035-042-045. Commission approval would include a condition requiring the applicant to submit a map and geographic description of the approved action in conformance with the requirements of the State Board of Equalization. The submitted map and geographic description would be subject to review and possible edits by the Executive Officer before filing.

(7) Consistency with the city or county general plans, specific plans, and adopted regional transportation plan.

The proposal would provide permanent public sewer service to the affected territory. The availability of this municipal service is consistent with Napa’s General Plan, which designates the entire affected territory for moderately dense single-family residential uses (*Single-Family Residential – 2*), as well as Napa’s Zoning Ordinance, which designates the affected territory for similar residential uses (*Residential Single – 10*). The Metropolitan Transportation Commission’s regional transportation plan (RTP) was updated in April 2009 and outlines specific goals and objectives to direct public transportation infrastructure in the Bay Area through 2035. No specific projects are included in the RTP involving the affected territory. Accordingly, the proposal impact is neutral with respect to the RTP.

(8) The sphere of influence of any local agency affected by the proposal.

The affected territory is located entirely within NSD’s sphere of influence, which was comprehensively updated by the Commission in August 2006.

(9) The comments of any affected local agency or other public agency.

Staff provided notice of the proposal to all subject agencies and interested parties as required under LAFCO law on February 21, 2014. No comments were received.

(10) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

Information collected and analyzed in the Commission's recent municipal service review on NSD concluded the District has established adequate administrative controls and capacities in maintaining appropriate service levels. This includes regularly reviewing and amending – as needed – NSD's two principal user fees to ensure the sewer system remains solvent and sufficiently capitalized to accommodate future demands: (a) connection fees and (b) user fees. The connection fee is currently \$8,300 and serves as NSD's buy-in charge for new customers to contribute their fair share for existing and future facilities necessary to receive sewer service. The annual user fee for a single-family unit is currently \$458 and is intended to proportionally recover NSD's ongoing maintenance and operation expenses.

Additional analysis performed subsequent to the filing of the proposal provides reasonable assurances NSD's fiscal resources and controls would enable the agency to provide an appropriate level of services to the affected territory relative to anticipated land uses. NSD's current operating budget includes \$13.6 million in approved expenses. NSD anticipates collecting \$19.2 million in general revenues resulting in an operating surplus of \$5.6 million. NSD's fund balance as of the beginning of the fiscal year totaled \$9.5 million.¹⁰ Markedly, this unrestricted fund balance is sufficient to cover over eight months of operating expenses.

(11) Timely availability of water supplies adequate for projected needs as specified in G.C. Section 65352.5.

Proposal approval and the probable development of the affected territory to include a maximum total of 21 single-family residences would generate new water demand for Napa. As previously referenced, Napa's available water supplies are drawn from three separate sources: 1) Lake Hennessey; 2) Milliken Reservoir; and 3) the State Water Project. Napa's most recent Urban Water Management Plan (UWMP) was adopted in 2011 and estimates the total annual water supply generated from these three sources during normal conditions and based on historical patterns is 31,340 acre-feet. These historical patterns also indicate the total annual water supply decreases to 19,896 and 13,533 acre-feet during multiple and single dry year conditions, respectively.

¹⁰ NSD expects its operating fund balance to increase at the end of the fiscal year from \$9.5 million to \$15.1 million following all budgeted transfers.

Information provided in the UWMP identifies Napa's available water supplies are more than sufficient in accommodating both current annual demands – 13,877 acre-feet – and the projected buildout demands within the affected territory – 5.9 acre-feet – during normal and multiple dry year conditions. Napa's available water supplies, however, are deficient under current estimated single dry years; a deficit that would be slightly increased with approval of the proposal along with the potential development of up to 21 total lots as contemplated in the applicant's tentatively approved development project and City Zoning Ordinance. Napa, accordingly, has established conservation efforts within its UWMP to address the projected deficiency during single dry years. These factors provide reasonable assurances of Napa's ability to effectively accommodate water demands with the minimal increases tied to the affected territory in accordance with G.C. Section 65352.5.

(12) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments.

The proposal would not impact any local agencies in accommodating their regional housing needs. The affected territory is already located entirely within Napa's jurisdictional boundary, and as a result, all potential units tied to the land are assigned to the City by the Association of Bay Area Governments.

The proposal could potentially result in a benefit to Napa with respect to achieving the City's fair share of the regional housing need as a result of the eventual buildout of the affected territory to include a total of 21 lots as contemplated in the applicant's tentatively approved development project and City Zoning Ordinance.

(13) Any information or comments from the landowner or owners, voters, or residents of the affected territory.

The landowner of 1121 Orchard Avenue is the petitioner seeking the annexation to NSD. The landowner of 4461 Solano Avenue has provided their written consent in support of their inclusion within the affected territory.

(14) Any information relating to existing land use designations.

See analysis on pages four and nine of this report.

(15) The extent to which the proposal will promote environmental justice.

There is no documentation or evidence suggesting the proposed annexation will have any implication for environmental justice in Napa County.

(16) For annexations involving special districts, whether the proposed action will be for the interest of the landowners or present or future inhabitants within the district and within the territory proposed to be annexed to the district.

Proposal approval would benefit current and future landowners as well as residents by providing permanent access to public sewer service. Establishing permanent public sewer service helps facilitate the development of up to 21 single-family residences. Public sewer service also eliminates the need for septic systems in an urbanizing area in which any failings would create a public health and safety threat for immediate and adjacent residents. Finally, establishing permanent public sewer service eliminates set-aside land requirements previously dedicated to the septic system, which will assist in intensifying future residential development opportunities within the site.

Other Considerations

- ***Property Tax Agreement***

Revenue and Taxation Code Section 99(b)(6) requires adoption of a property tax exchange agreement by affected local agencies before the Commission can consider a proposed boundary change.¹¹ With this in mind, staff provided notice to NSD and the County of the proposed jurisdictional change affecting both agencies and the need to apply a property tax exchange to the proceedings. Both agencies confirmed a master property tax agreement adopted in 1980 shall apply to the proposal if approved by the Commission. This master property tax agreement specifies no exchange or redistribution of property tax revenues will occur as a result of annexations to NSD.

- ***Environmental Review***

The City serves as lead agency for the proposal under the California Environmental Quality Act (CEQA) given it is responsible for approving the underlying activity: subdividing 1121 Orchard Avenue and the parcel with no situs address to include up to 18 total single-family residential lots.¹² Accordingly, the City prepared an initial study to assess the environmental impacts associated with the project. The initial study identifies the project may generate future environmental impacts, but there will not be a significant effect in this case because revisions in the project have been made or agreed to by the project proponent and therefore a mitigated negative declaration has been prepared. Copies of the initial study and mitigated negative declaration are attached for Commission review.

¹¹ Revenue and Taxation Code 99(b)(5) states property tax exchanges for jurisdictional changes affecting the service areas or service responsibilities of districts shall be negotiated by the affected county on behalf of the districts.

¹² It is important to note that the City serving as lead agency is not in compliance with the Commission's adopted CEQA Policy Section 4.1(1). This local policy states the Commission shall assume the lead agency role when a petitioner submits an application to LAFCO.

The recommended amendment to the proposal to annex the 4461 Solano Avenue parcel necessitates the Commission serve as lead agency for this component of the boundary change. The maximum allowable build out of this parcel is three single-family residences as contemplated in the City Zoning Ordinance. Based upon this maximum allowable construction in an urbanized area, this annexation to NSD is categorically exempt from CEQA review pursuant to 14 California Code of Regulations Section 15319(b) and 15303(a).

- ***Conducting Authority Proceedings***

The affected territory is uninhabited under LAFCO law and all landowners have consented to the proposal. NSD has also consented to the annexation. Conducting authority proceedings, accordingly, may be waived under G.C. Section 56663.

E. Alternatives for Commission Action

Staff has identified three options for Commission consideration with respect to the proposal. These options are summarized below.

Alternative Action One (Recommended):

Adopt the draft resolution identified as Attachment One approving the proposal with the recommended amendment along with standard terms and conditions.

Alternative Action Two:

Adopt the draft resolution identified as Attachment One with any desired amendments or modifications as identified by members.

Alternative Action Three:

Disapprove the proposal. Disapproval would statutorily prohibit the initiation of a similar proposal for one year.

F. Procedures for Consideration

This item has been agenzized for action. The following procedures are recommended with respect to the Commission's continued consideration of this item:

- 1) Receive verbal report from staff;
- 2) Invite comments from any interested audience members (voluntary); and
- 3) Discuss item and consider action on recommendation.

Respectfully submitted,

Brendon Freeman
Analyst

Attachments:

- 1) Draft Resolution Approving the Proposal
- ~~2) Application Materials~~
- 3) Landowner Consent Form:
4461 Solano Avenue (Timothy Greathouse)
- ~~4) Initial Study and Mitigated Negative Declaration:
Mayacamas Vista Estates Subdivision~~

(All attachments for this item are available under the "Staff Reports" page)

RESOLUTION NO. ____

**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
MAKING DETERMINATIONS**

**ORCHARD AVENUE NO. 4 ANNEXATION TO
THE NAPA SANITATION DISTRICT**

WHEREAS, the Local Agency Formation Commission of Napa County, hereinafter referred to as the “Commission,” is responsible for regulating boundary changes affecting cities and special districts under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, an application by Mayacamas Estates, landowner, proposing the annexation of territory to the Napa Sanitation District has been filed with the Commission’s Executive Officer, hereinafter referred to as “Executive Officer,” in a manner provided by law; and

WHEREAS, the proposal seeks Commission approval to annex approximately 7.0 acres of incorporated land within the City of Napa (“City”) to the Napa Sanitation District (NSD) and represents a 6.5 acre portion of a parcel located at 1121 Orchard Avenue along with one entire 0.45 acre parcel with no situs address and identified by the County of Napa Assessor’s Office as 035-042-020 and 035-042-045; and

WHEREAS, the Executive Officer reviewed said proposal and prepared a written report, including her recommendations thereon; and

WHEREAS, the Executive Officer modified said proposal to expand the affected territory to include one additional 0.68 acre parcel located at 4461 Solano Avenue and identified by the County of Napa Assessor’s Office as 035-042-017; and

WHEREAS, said proposal and the Executive Officer’s report have been presented to the Commission in a manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public meeting held on said proposal on June 2, 2014; and

WHEREAS, the Commission considered all the factors required by law under Sections 56668 and 56668.3 of the California Government Code; and

WHEREAS, the Commission found the proposal consistent with the sphere of influence established for the Napa Sanitation District; and

WHEREAS, the Commission determined to its satisfaction that all owners of land included in said proposal consent to the subject annexation; and

WHEREAS, in accordance with applicable provisions of the California Environmental Quality Act (hereinafter “CEQA”), the Commission considered the determinations of the City of Napa, Lead Agency under CEQA, in its Mitigated Negative Declaration based on its initial study of environmental significance for the Mayacamas Vista Estates Project and related mitigation measures and further evaluated the environmental impact of the proposal as modified in accordance with Section 15164 of Title 14 of the California Code of Regulations (hereinafter “CEQA Guidelines”); and

NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

1. The Commission’s determinations on the proposal incorporate the information and analysis provided in the Executive Officer’s written report.
2. The Commission makes the following findings pursuant to the California Environmental Quality Act (CEQA):
 - (a) The Commission – as responsible agency – has considered the City’s initial study assessing the environmental impacts associated with the project, including the development of 18 residential lots and this annexation. The initial study provides that Napa Sanitation District, as the wastewater treatment provider for the project, has adequate capacity to serve the project in addition to the provider’s existing commitments and thus results in no environmental impact. Based on the initial study, the City adopted a mitigated negative declaration finding that the development with identified mitigation measures will not result in significant impacts on the environment. The Commission certifies it has reviewed and considered these environmental documents for the underlying development project.
 - (b) The Commission – as lead agency – has considered the environmental impacts associated with the Executive Officer’s recommendation to expand the annexation to include 4461 Solano Avenue (035-042-017). The Commission finds the maximum allowable build out of 4461 Solano Avenue is three single-family residences as contemplated in the City of Napa’s Zoning Ordinance. The Commission determines this expansion is categorically exempt from CEQA review pursuant to 14 California Code of Regulations Section 15319(b) and 15303(a), which exempt annexations of areas with a maximum allowable construction of three single family residences in an urbanized area.
 - (c) These environmental findings are based on its independent judgment and analysis. The Executive Officer is the custodian of the records upon which these determinations are based; these records are located at the Commission office - 1030 Seminary Street, Suite B, Napa, California.
3. The proposal is **APPROVED** with the following modification:
 - a) The affected territory is expanded to include one adjacent 0.68 acre parcel located at 4461 Solano Avenue and identified by the County Assessor as 035-042-017.

4. This proposal is assigned the following distinctive short-term designation:

**ORCHARD AVENUE NO. 4 ANNEXATION TO
THE NAPA SANITATION DISTRICT**

5. The affected territory is shown on the attached map and is more precisely described in the attached Exhibit "A".
6. The affected territory so described is uninhabited as defined in California Government Code Section 56046.
7. The Napa Sanitation District utilizes the regular assessment roll of the County of Napa.
8. The affected territory will be taxed for existing general bonded indebtedness of the Napa Sanitation District.
9. The proposal shall be subject to the terms and conditions specified in the attached Exhibit "B."
10. The Commission authorizes conducting authority proceedings to be waived in accordance with California Government Code Section 56663.
11. Recordation is contingent upon receipt by the Executive Officer of the following:
 - (a) A final map and geographic description of the affected territory determined by the County Surveyor to conform to the requirements of the State Board of Equalization.
 - (b) Payment of any and all outstanding fees owed to the Commission and/or other agencies involved in the processing of this proposal.
 - (c) Written confirmation by Napa Sanitation District that its terms and conditions outlined in Exhibit "B" have been satisfied.
12. The effective date shall be the date of recordation of the Certificate of Completion. The Certificate of Completion must be recorded within one calendar year unless an extension is requested and approved by the Commission.

The foregoing resolution was duly and regularly adopted by the Commission at a regular meeting held on the June 2, 2014, by the following vote:

AYES: Commissioners

NOES: Commissioners

ABSTAIN: Commissioners

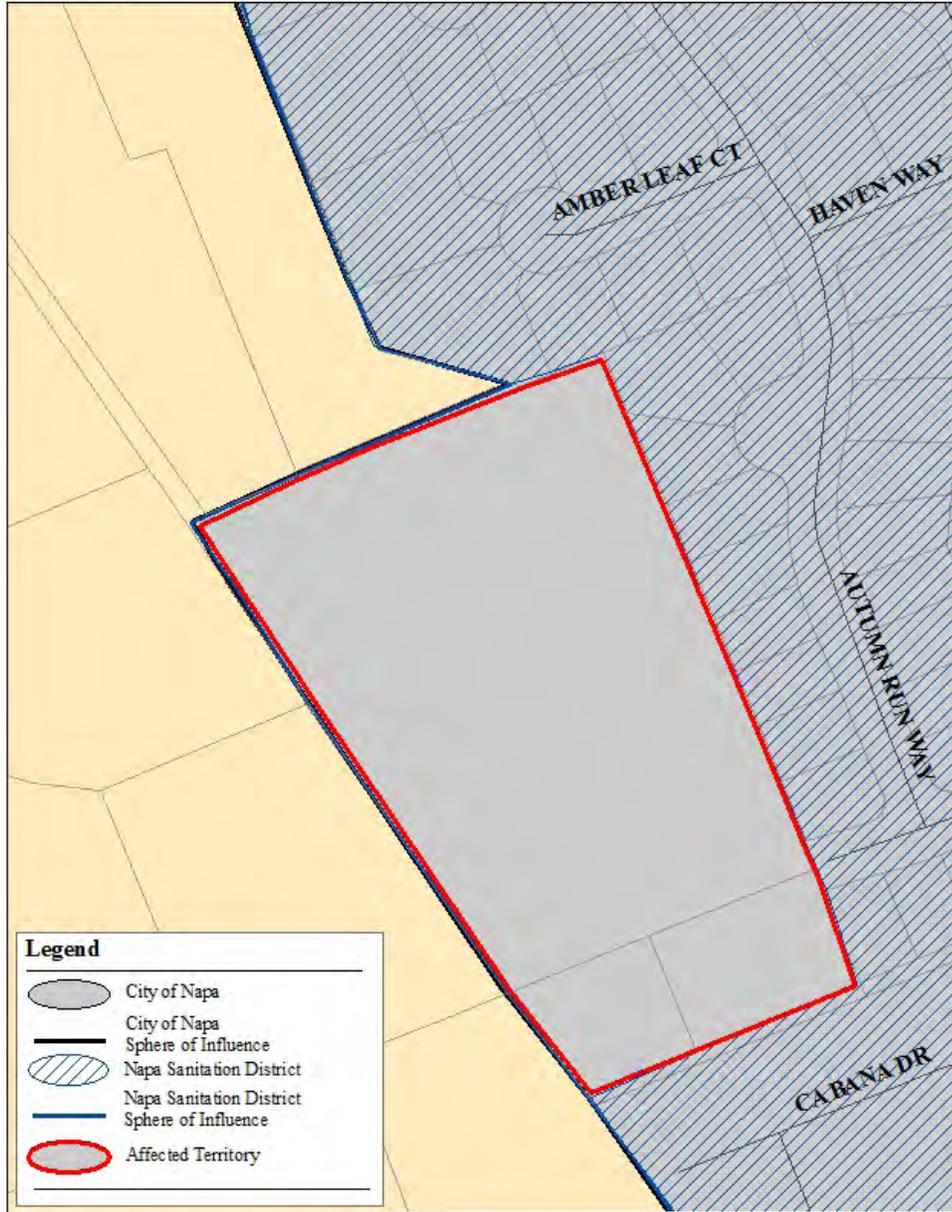
ABSENT: Commissioners

ATTEST: Laura Snideman
Executive Officer

Recorded by: _____
Kathy Mabry
Commission Secretary

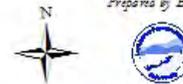
EXHIBIT A

Proposed Orchard Avenue No. 4 Annexation to NSD



Miles
0 0.01 0.02 0.04

April 15, 2014
Prepared by BF



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

EXHIBIT "B"

TERMS AND CONDITIONS

1121 ORCHARD AVENUE - DISTRICT ANNEXATION 000008

1. Upon and after the effective date of said annexation, the Territory, all inhabitants within such Territory, and all persons entitled to vote by reason of residing or owning land with the Territory, shall be subject to the jurisdiction of the Napa Sanitation District, hereinafter referred to as "the District"; shall have the same rights and duties as if the Territory had been a part of the District upon its original formation; shall be liable for the payment of principal, interest, and any other amounts which shall become due on account of any outstanding or then authorized by thereafter issued bonds, including revenue bonds, or other contracts or obligations of the District; shall be subject to the levying or fixing and collection of any and all taxes, assessments, service charges, rentals or rates as may be necessary to provide for such payment; and shall be subject to all of the rates, rules, regulations and ordinances of the District, as now or hereafter amended.
2. The property owner hereby agrees to abide by all ordinances, rules and regulations of District governing the manner in which sewers shall be used, the manner of connecting thereto, and the plumbing and drainage in connection therewith.
3. In the event that pursuant to rules, regulations or ordinances of the District, as now or hereafter amended, the District shall require any payment of a fixed or determinable amount of money, either as a lump sum or in installments, for the acquisition, transfer, use or right of use of all or any part of the existing property, real or personal, of the District, such payment will be made to the District in the manner and at the time as provided by the rules, regulations or ordinances of the District, as now or hereafter amended.
4. The property owner agrees that prior to connection to the facilities of the District; property owner will pay all applicable fees and charges to District associated with connection of the property in accordance with the computation of regular connection fees and charges in effect at the time paid. The property owner further agrees to pay the regular permit and inspection charges in effect at the time paid for the connection to be made to the District's system.
5. The property owner shall deposit with the District an annexation fee of \$250.00 to reimburse the District engineering, legal, and all other costs incurred by the District in preparing and examining maps and plans, legal descriptions, agreements and other documents associated with processing subject annexation
6. The property owner shall file with LAFCO a check in the amount of \$350 made payable to the State Board of Equalization.
7. The property owner shall pay to the County of Napa Assessor's Office a Mapping Services Fee of \$125.
8. The property owner shall pay to LAFCO of Napa County an amount of \$125 for updating the County's GIS database.

9. The property owner further agrees to pay such annual sewer service fees to the District as may be established, from time to time, by the rules and regulations of the District which are of universal application within the District. Property owner hereby authorizes the District to collect such charges on the tax roll pursuant to California Health and Safety Code section 5473 and specifically waives any right to challenge the District's ability to do so because the Property is outside of the District Boundaries.

10. No change in the facilities to be connected to the District's system shall be made without first having given written notice to the District that such change is to be made. No additional connections shall be connected to the facilities of the Napa Sanitation District without having first given written notice to the District that such additional facilities are to be connected to the system. Prior to making any such change in facilities or to the addition of any units to the District's system, the Owner shall pay to the District such additional inspection, connection and annual fees which may then be established by the Board of Directors of the District.

11. The property owner shall eliminate any privately owned sewage disposal system(s) located on the subject property to the Napa County Division of Environmental Health requirements.

12. The property owner shall enter into an Improvement Agreement with the District for construction of public sanitary sewer facilities.

13. The property owner shall install approximately 635 linear feet of 8-inch sanitary sewer main from the existing manhole at the existing terminus of Luke Drive to the north terminus of the proposed Luke Drive extension.

14. The property owner shall submit a Plan and Profile of the aforesaid sanitary sewer improvements prepared by a registered civil engineer, conforming with District standards, and post the appropriate Labor and Materials and Faithful Performance Bonds guaranteeing said installations.

15. All sanitary sewer mains installed outside of the public right of way shall be located within 20 foot wide sanitary sewer easement centered on the mains and dedicated to the District.

16. All work sewer work performed in the public right of way shall be performed by a Class A licensed contractor who bonds the public work with the District. The contractor shall pay to the District public lateral inspection fees and sanitary sewer main inspection fees based on the inspection rates in effect at the time construction permits are issued.

17. The property owner shall pay to the District the private lateral inspection fee in effect at the time at the time of construction for each dwelling unit located on the property.

18. The property owner shall agree to conditions 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16 and 17, and fulfill conditions 5, 6, 7 and 8 prior to the District's issuance of a letter to LAFCO authorizing recordation of subject annexation, and in no case more than 1 year after LAFCO's adoption of a resolution approving subject annexation, unless extended by LAFCO. Any extensions granted shall in total not exceed 1 year.

Standard Indemnification Agreement

Name of Proposal: Mayacamas Estates, LLC

Should the Local Agency Formation Commission of Napa County ("Napa LAFCO") be named as a party in any litigation (including a "validation" action under California Civil Code of Procedure 860 et seq.) or administrative proceeding in connection with a proposal, the applicant Mayacamas Estates, LLC or and/or Matt Follett (real party in interest: the landowner/registered voter) agree to indemnify, hold harmless, and promptly reimburse Napa LAFCO for:

1. Any damages, penalties, fines or other costs imposed upon or incurred by Napa LAFCO, its agents, officers, attorneys, and employees from any claim, action, or proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it. The Napa LAFCO Executive Officer may require a deposit of funds to cover estimated expenses of the litigation. Applicant and/or real party in interest agree that Napa LAFCO shall have the right to appoint its own counsel to defend it and conduct its own defense in the manner it deems in its best interest, and that such actions shall not relieve or limit Applicant's and/or real party in interest's obligations to indemnify and reimburse defense cost; and
2. All reasonable expenses and attorney's fees in connection with the defense of Napa LAFCO.

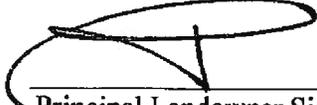
This indemnification obligation shall include, but is not limited to, expert witness fees or attorney fees that may be asserted by any person or entity, including the applicant, arising out of, or in connection with, the approval of this application. This indemnification is intended to be as broad as permitted by law.

Applicant and/or real party in interest may be required by Napa LAFCO to execute an additional indemnity agreement as a condition of approval for this application. Such an agreement in no way limits the effect of obligations provided under this legal indemnity.

City/District Representative

Print Name

Date



Principal Landowner Signature

MATTHEW N. FOLLETT
Print Name

20 FEB 2014
Date



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

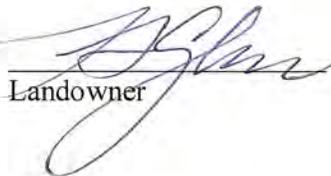
LANDOWNER CONSENT FORM

I am the legal owner of property as described below and hereby voluntarily consent to the annexation of my land to the Napa Sanitation District as part of the proposal proceedings undertaken by Mayacamas Estates LLC. In providing consent, and with the qualification that all related annexation costs be the responsibility of Mayacamas Estates LLC, I acknowledge the Commission may proceed with considering the proposal without notice, hearing, or protest proceedings under Government Code Section 56663.

Landowner Name: Timothy Greathouse & Sara Cox

Property Address: 4461 Solano Avenue, Napa, CA 94558

Property APN: 035-042-017


Landowner

3-5-14
Date

Joan Bennett, Vice Chair
Councilmember, City of American Canyon

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

Brian J. Kelly, Chair
Representative of the General Public

Greg Pitts, Commissioner
Councilmember, City of St. Helena

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

Peter Banning
Acting Executive Officer



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

June 2, 2014

Agenda Item No. 7b (Action)

May 22, 2014

TO: Local Agency Formation Commission

FROM: Brendon Freeman, Analyst

SUBJECT: Big Ranch Road No. 5 Annexation to the Napa Sanitation District

The Commission will consider a proposal to annex approximately 6.0 acres of incorporated territory to the Napa Sanitation District. The proposed annexation encompasses three entire parcels located near Big Ranch Road in the City of Napa. The purpose of the proposed annexation is to facilitate the subdivision of the two larger parcels as contemplated in the applicant's tentatively approved development project. The City of Napa serves as lead agency under CEQA and has determined the underlying project could not have a significant effect on the environment because all potential significant effects have been adequately analyzed and addressed in the City General Plan as well as the Big Ranch Specific Plan. The recommended action is for the Commission to approve the proposal with one amendment to include an adjacent 0.5 acre incorporated parcel located at 2123 Big Ranch Road.

Local Agency Formation Commissions (LAFCOs) are responsible under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH") to regulate the formation and development of local governmental agencies and their municipal services. This includes approving or disapproving proposed changes of organization, such as boundary changes, consistent with adopted policies and procedures pursuant to California Government Code (G.C.) Section 56375. LAFCOs are authorized to exercise broad discretion in establishing conditions in approving changes of organization as long as they do not directly regulate land use, property development, or subdivision requirements.

A. Recommendation

Staff recommends approving the proposed annexation of 2091, 2097, and 2125 Big Ranch Road to the Napa Sanitation District (NSD) with one amendment to include an additional parcel located at 2123 Big Ranch Road for purposes of providing for a more logical and orderly District boundary. Standard approval conditions are also recommended and are outlined in the draft resolution included as Attachment One to this staff report.

Joan Bennett, Vice Chair
Councilmember, City of American Canyon

Greg Pitts, Commissioner
Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Commissioner
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

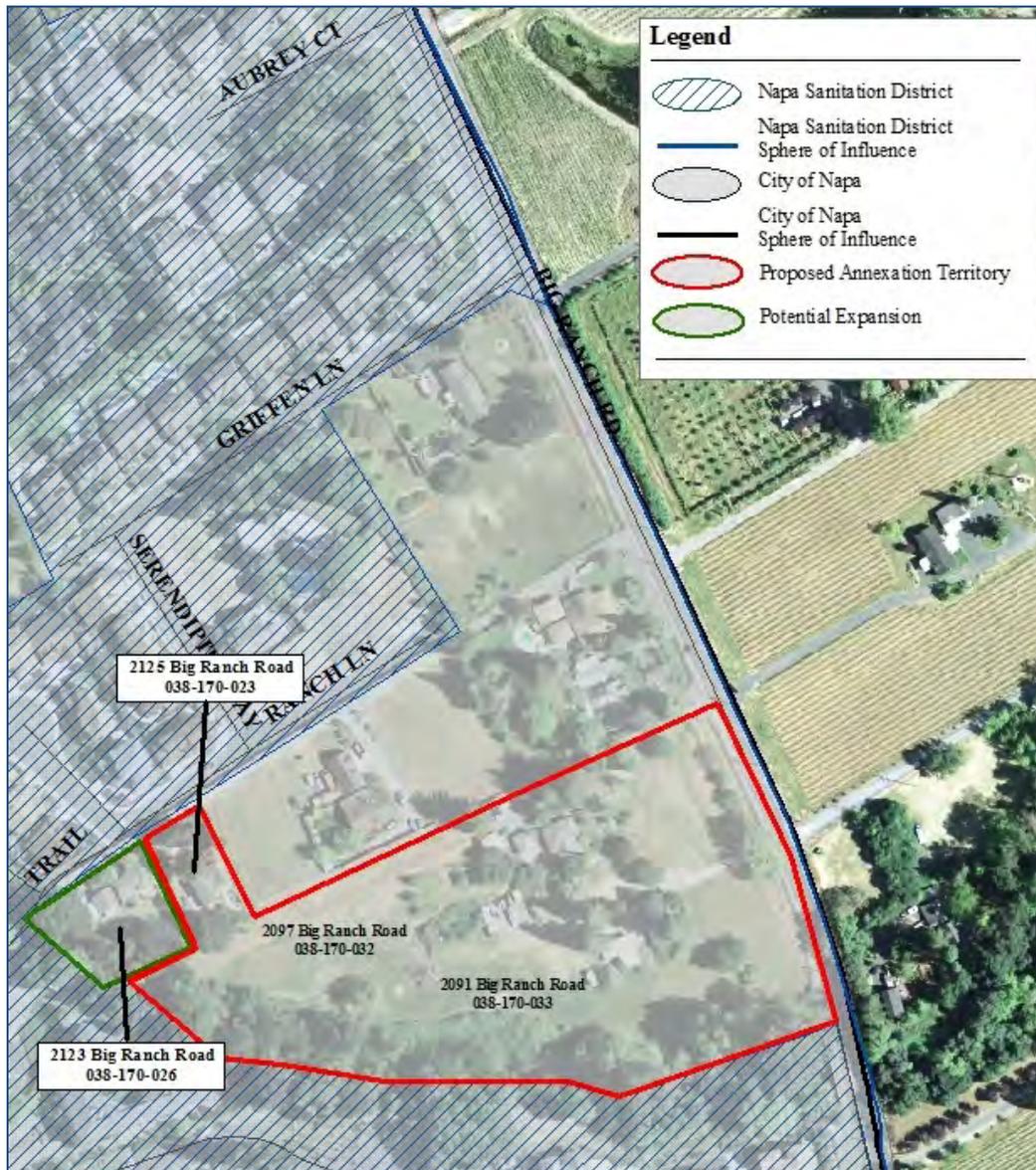
Brian J. Kelly, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Laura Snideman
Executive Officer

B. Background

LAFCO of Napa County (“Commission”) has received a proposal from Lafferty Communities requesting the annexation of approximately 6.0 acres of incorporated territory within the City of Napa (“City”) to NSD. The subject territory comprises three entire residential parcels located at 2091 Ranch Road (2.7 acres), 2097 Ranch Road (3.0 acres), and 2125 Big Ranch Road (0.3 acres) and identified by the County Assessor’s Office as 038-170-033, 038-170-032, and 038-170-023, respectively. The proposed annexation territory is currently partially developed with three total single-family residences. An aerial map of the proposed annexation territory follows.



C. Discussion

Agency Profile

NSD was formed in 1945 as a dependent enterprise district to provide public sewer service for the City and the surrounding unincorporated area. NSD provides sewer service to most of Napa along with several surrounding unincorporated areas, including Silverado, Napa State Hospital, and the Napa County Airport. NSD currently serves 31,830 residential customers with an estimated resident service population of 86,896.¹

Proposal Purpose

The underlying purpose of the proposal before the Commission is to facilitate the subdivision of 2091 and 2097 Big Ranch Road to include 17 single-family residential lots as contemplated under the City Zoning Ordinance and the applicant's tentatively approved development project. Existing NSD sewer infrastructure is located in close proximity to the two larger parcels along Ranch Lane. A lateral connection through 2125 Big Ranch Road is required for the larger parcels to access the existing sewer line. The landowner of 2125 Big Ranch Road has provided a public sewer easement and consented to the annexation to allow NSD to extend its infrastructure to the two larger parcels. Consideration of the service needs and related impacts associated with the future development of the subject parcels are incorporated into the following analysis section.

D. Analysis

The analysis of the proposal is organized into three sections. The first section considers the proposal relative to the factors prescribed for consideration under local policy with specific focus on whether amendments are merited to comply with the established preferences in implementing LAFCO law in Napa County. The second section considers the proposal relative to the factors mandated for review by the Legislature anytime LAFCOs review boundary changes. The third section considers issues required by other applicable State statutes in processing boundary changes including making a determination on environmental impacts.

Local Policies / Discretionary Amendments

A review of the submitted application materials relative to the Commission's adopted policies indicates that the Commission should consider one discretionary amendment that would expand the boundary of the proposed annexation. Approval of the proposal without amendment would create a "special district pocket" comprising a single 0.5 acre parcel to the immediate west of the proposed annexation territory that would be surrounded on all sides by NSD's jurisdictional boundary.²

¹ The resident service projection based on the 2014 California Department of Finance population per household estimate (2.73) assigned to Napa County and multiplied by the number of residential sewer connections within NSD (31,830). NSD also serves 4,409 non-residential customers, including industrial and commercial users.

² "Special district pocket" is not defined under CKH.

This remaining parcel is located at 2123 Big Ranch Road and is identified by the County Assessor's Office as 038-170-026. Although public sewer service is not needed at this time, staff recommends amending the proposal to include 2123 Big Ranch Road to eliminate the pocket. This recommended amendment is not required by statute or policy as it is for eliminating islands within cities, but would provide a more orderly boundary for the District.³ There are currently no known plans to further develop 2123 Big Ranch Road. However, and subject to separate approval from the City, this parcel could potentially be further developed in the future to include up to three total residential lots as contemplated in the City Zoning Ordinance. NSD and the landowner of the remaining parcel have provided their consent to staff's recommended amendment following the official filing of the proposal.

Legislative Policies / Mandated Factors for Consideration

G.C. Sections 56668 and 56668.3 require the Commission to consider 16 specific factors anytime it reviews proposals for change of organization or reorganization involving special districts. No single factor is determinative and the intent is to provide a uniform baseline for LAFCOs in considering boundary changes in context to locally adopted policies and practices. Staff has incorporated into the review the recommended amendment as detailed in the preceding section. Consequently, references to the "affected territory" hereafter include 2091, 2097, 2123, and 2125 Big Ranch Road.

(1) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent areas, during the next 10 years.

The affected territory lies within a residential area consisting of low to moderate density housing and part of the "Vintage" neighborhood designation under the City General Plan. The affected territory is partially developed with four single-family residences. The current assessment value of the affected territory totals \$1,967,057.⁴

The affected territory is legally uninhabited given there are under 12 registered voters based on the most recent list provided by County Elections. Topography within the affected territory slopes slightly upward to the west with a peak elevation of 14 feet above sea-level. Salvador Creek runs along the west and south properties of the affected territory.

³ G.C. Section 56375.3 outlines procedures for cities to propose annexations for purposes of eliminating entirely or substantially surrounded islands. Commission policies also include directives to modify city annexation proposals for eliminating islands whenever possible. These statutes and policies do not apply to special district annexations.

⁴ Individual property assessed values are as follows: 2091 Big Ranch Road at \$690,000; 2097 Big Ranch Road at \$745,000; 2123 Big Ranch Road at \$286,436; and 2125 Big Ranch Road at \$245,621.

Proposal approval is expected to facilitate the future development of 2091 and 2097 Big Ranch Road to include 17 residential lots based on the applicant's tentatively approved development project. 2123 Big Ranch Road is already developed to its maximum buildout potential. While there are currently no development plans associated with 2125 Big Ranch Road, the parcel could potentially be further developed – subject to separate approval from the City – to include up to three lots based on the City Zoning Ordinance. The affected territory therefore has the potential to be further developed to include a maximum of 21 total residential lots and produce an estimated buildout population of 57.⁵

(2) The need for municipal services; the present cost and adequacy of municipal services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

The present need for municipal services within the affected territory is limited to public sewer for the existing single-family residences within the affected territory; residences that currently rely on onsite septic systems. Annexation to NSD would provide permanent public sewer service to the affected territory going forward. Core municipal services already provided or available to the affected territory directly or indirectly by the City include water, fire, emergency medical, police, roads, and garbage collection; all at levels deemed adequate given current and planned uses.

There is expected to be additional demand for municipal services in the future as a result of the buildout of the affected territory to include up to 21 total lots as contemplated in the applicant's tentatively approved development project and City Zoning Ordinance. Most notably, and in addition to sewer, this includes elevated water, fire protection/emergency medical, and law enforcement. An analysis of the availability and adequacy of these core municipal services needed to accommodate and support current and probable future needs within the affected territory follows.

- *Sewer Service*

The affected territory currently receives sewer service through onsite septic systems. It is estimated the current daily sewer flow generated from the affected territory is 820 gallons on average and increases by two and one-half to 2,050 gallons during peak periods. These current flow estimates represent less than one one-hundredth of a percent of NSD's current system demand. Furthermore, if developed as contemplated in the applicant's tentatively approved development project and City zoning to include 21 total lots, the estimated daily sewer flows would only increase to 4,410 gallons on average and 11,025 gallons during peak periods. These buildout estimates would have negligible impacts on NSD's sewer system as depicted in the following table.

⁵ The estimated buildout population for the affected territory assumes a per unit factor of 2.72 based on calculations performed by the California Department of Finance specific to the City.

NSD Baseline Without Annexation of the Affected Territory
 (Amounts in Gallons)

| System Avg. Day Capacity | Average Day Demand | Peak Day Demand | System Peak Day Capacity |
|---------------------------------|---------------------------|------------------------|---------------------------------|
| 15,400,000 | 6,705,130 | 33,712,825 | 126,200,000 |

NSD Adjusted With Annexation/Buildout of the Affected Territory
 (Amounts in Gallons)

| System Avg. Day Capacity | Average Day Demand | Peak Day Demand | System Peak Day Capacity |
|---------------------------------|---------------------------|------------------------|---------------------------------|
| 15,400,000 | 6,709,540 | 33,723,850 | 126,200,000 |

- * Assumes the buildout of the affected territory will result in 21 total single-family residences with combined average and peak day demands at 4,410 and 11,025 gallons, respectively.
- * Capacity during peak-day incorporates 340 acre-feet (110,806,000 gallons) of adjacent pond storage.

- **Water Service**

The affected territory currently receives water service through onsite wells. However, the affected territory is eligible to receive water service from the City. If developed to its maximum allowance under the City Zoning Ordinance, the estimated daily average water demand at buildout – and assuming current usage patterns – would total 5,250 gallons.⁶ These buildout estimates would have negligible impacts to Napa’s existing water system infrastructure as measured by supply, storage, and treatment capacities as discussed in the following subsections.

Water Supply and Demand

Napa’s water supplies are derived from three distinct sources: Lake Hennessey, Milliken Reservoir, and the State Water Project. These three sources collectively provide Napa with 31,340 acre-feet of raw water for treatment during normal year conditions based on historical patterns. These historical patterns also indicate Napa’s annual water supply decreases during multiple and single dry year conditions to 19,896 and 13,533 acre-feet, respectively. Conversely, Napa’s most recently recorded annual water demand totals 13,877 acre-feet; an amount representing an average daily use of 38 acre-feet. These current demands result in an available supply surplus during normal and multiple dry year conditions. Further, the existing shortfall projected during single dry years is relatively minimal and would be likely offset by voluntary and mandatory water conservation measures that could be adopted by the City Council consistent with their Urban Water Management Plan (UWMP).

⁶ This projected daily water demand would be the equivalent of 5.9 acre-feet per year.

| Baseline Conditions <u>Without</u> Annexation of the Affected Territory (Amounts in Acre-Feet) | | | |
|---|--------|-------------------|-----------------|
| Category | Normal | Multiple Dry Year | Single Dry Year |
| Annual Supply | 31,340 | 19,896 | 13,533 |
| Annual Demand | 13,877 | 13,877 | 13,877 |
| Difference | 17,463 | 6,019 | (344) |

| Adjusted Conditions <u>With</u> Annexation/Buildout of the Affected Territory (Amounts in Acre-Feet) | | | |
|---|--------|-----------------|-------------------|
| Category | Normal | Single Dry Year | Multiple Dry Year |
| Annual Supply | 31,340 | 19,896 | 13,533 |
| Annual Demand | 13,883 | 13,883 | 13,883 |
| Difference | 17,457 | 6,013 | (350) |

Water Treatment and Storage

Napa operates treatment facilities for each of its three water sources. These three facilities provide a combined daily treatment capacity of 135 acre-feet.⁷ This combined treatment amount is more than three times greater than the current average day water demand (38 acre-feet) and nearly two times greater than the current estimated peak day water demand (76 acre-feet).⁸ Furthermore, Napa’s combined treated water storage capacity overlaying its five pressure zones – including clearwell tanks – is 86 acre-feet. This combined storage amount accommodates current estimated peak day water demands in Napa.

| Baseline Conditions <u>Without</u> Annexation of the Affected Territory (Amounts in Acre-Feet) | | | |
|---|--------------------|-----------------|------------------|
| Treatment Capacity | Average Day Demand | Peak Day Demand | Storage Capacity |
| 135.0 | 38.0 | 76.0 | 86.2 |

| Adjusted Conditions <u>With</u> Annexation/Buildout of the Affected Territory (Amounts in Acre-Feet) | | | |
|---|--------------------|-----------------|------------------|
| Treatment Capacity | Average Day Demand | Peak Day Demand | Storage Capacity |
| 135.0 | 38.0 | 76.0 | 86.2 |

⁷ The combined daily treatment capacity for Napa is divided between the Milliken facility at 4.0, Jamieson facility at 20.0, and Hennessey facility at 20.0 million gallons, respectively.

⁸ Based on recent usage records, the estimated peak day demand factor for Napa is 2.0.

- ***Fire Protection and Emergency Medical Services***
The affected territory receives fire protection and emergency medical services from the City. Annexation and buildout of the affected territory to include up to a total of 21 units would increase the need for these services moving forward. Information generated from the Commission's recent municipal service review on the Central County region noted that the City has generally developed sufficient capacities and controls to serve existing and anticipated demands for these services. The municipal service review also notes no service deficiencies within the area surrounding the affected territory.
- ***Law Enforcement Services***
The affected territory receives law enforcement services from the City. Annexation and buildout of the affected territory to include up to a total of 21 units would increase demand for these services moving forward. The Commission's recent municipal service review on the Central County region notes that the City has developed sufficient capacities and controls to serve existing and anticipated demands. The municipal service review also notes no service deficiencies within the area surrounding the affected territory.

(3) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on local governmental structure.

The proposal would recognize and strengthen existing social and economic ties between NSD and the affected territory. These ties were initially established in 1975 when the Commission included the affected territory in NSD's sphere of influence, marking an expectation the site would eventually develop for urban type uses and require public sewer from the region's sole service provider, the District. The recommended amendment to expand the affected territory to include an adjacent parcel would further strengthen these ties by avoiding the creation of a new "special district pocket" that is completely surrounded by NSD's jurisdictional boundary.

(4) The conformity of the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in G.C. Section 56377.

The proposal is consistent with the Commission's policies as codified under its General Policy Determinations. This includes consistency with urban land use designations for the affected territory under the County and City General Plans, avoidance of premature conversion of agricultural uses, and consistency with NSD's adopted sphere of influence. The affected territory does not qualify as "open-space" under LAFCO law and therefore does not conflict with G.C. Section 56377. Specifically, the affected territory is not substantially unimproved and devoted to an open-space use under the County or City General Plan.

(5) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by G.C. Section 56016.

The affected territory does not qualify as “agricultural land” under LAFCO law. Specifically, the affected territory is not used for any of the following purposes: producing an agricultural commodity for commercial purposes; left fallow under a crop rotational program; or enrolled in an agricultural subsidy program.

(6) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

The proposal as amended by staff is parcel-specific and includes all of the property identified by the County of Napa Assessor’s Office as 038-170-023, 038-170-026, 038-170-032, and 038-170-033. Commission approval would include a condition requiring the applicant to submit a map and geographic description of the approved action in conformance with the requirements of the State Board of Equalization. The submitted map and geographic description would be subject to review and possible edits by the Executive Officer before filing.

(7) Consistency with the city or county general plans, specific plans, and adopted regional transportation plan.

The proposal would provide permanent public sewer service to the affected territory. The availability of this municipal service is consistent with Napa’s General Plan, which designates the entire affected territory for single-family residential uses (*Single-Family Residential – 33*), as well as Napa’s Zoning Ordinance, which designates the affected territory for similar residential uses (*Residential Single – 7*). The Metropolitan Transportation Commission’s regional transportation plan (RTP) was updated in April 2009 and outlines specific goals and objectives to direct public transportation infrastructure in the Bay Area through 2035. No specific projects are included in the RTP involving the affected territory. Accordingly, the proposal impact is neutral with respect to the RTP.

(8) The sphere of influence of any local agency affected by the proposal.

The affected territory is located entirely within NSD’s sphere of influence, which was comprehensively updated by the Commission in August 2006.

(9) The comments of any affected local agency or other public agency.

Staff provided notice of the proposal to all subject agencies and interested parties as required under LAFCO law on April 8, 2014. No comments were received.

(10) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

Information collected and analyzed in the Commission's recent municipal service review on NSD concluded the District has established adequate administrative controls and capacities in maintaining appropriate service levels. This includes regularly reviewing and amending – as needed – NSD's two principal user fees to ensure the sewer system remains solvent and sufficiently capitalized to accommodate future demands: (a) connection fees and (b) user fees. The connection fee is currently \$8,300 and serves as NSD's buy-in charge for new customers to contribute their fair share for existing and future facilities necessary to receive sewer service. The annual user fee for a single-family unit is currently \$458 and is intended to proportionally recover NSD's ongoing maintenance and operation expenses.

Additional analysis performed subsequent to the filing of the proposal provides reasonable assurances NSD's fiscal resources and controls would enable the agency to provide an appropriate level of services to the affected territory relative to anticipated land uses. NSD's current operating budget includes \$13.6 million in approved expenses. NSD anticipates collecting \$19.2 million in general revenues resulting in an operating surplus of \$5.6 million. NSD's fund balance as of the beginning of the fiscal year totaled \$9.5 million.⁹ Markedly, this unrestricted fund balance is sufficient to cover over eight months of operating expenses.

(11) Timely availability of water supplies adequate for projected needs as specified in G.C. Section 65352.5.

Proposal approval and the probable development of the affected territory to include up to 21 single-family residences would generate new water demand for Napa. As previously referenced, Napa's available water supplies are drawn from three separate sources: 1) Lake Hennessey; 2) Milliken Reservoir; and 3) the State Water Project. Napa's most recent Urban Water Management Plan (UWMP) was adopted in 2011 and estimates the total annual water supply generated from these three sources during normal conditions and based on historical patterns is 31,340 acre-feet. These historical patterns also indicate the total annual water supply decreases to 19,896 and 13,533 acre-feet during multiple and single dry year conditions, respectively.

⁹ NSD expects its operating fund balance to increase at the end of the fiscal year from \$9.5 million to \$15.1 million following all budgeted transfers.

Information provided in the UWMP identifies Napa's available water supplies are more than sufficient in accommodating both current annual demands – 13,877 acre-feet – and the projected buildout demands within the affected territory – 5.9 acre-feet – during normal and multiple dry year conditions. Napa's available water supplies, however, are deficient under current estimated single dry years; a deficit that would be slightly increased with approval of the proposal along with the potential development of up to 21 total lots as contemplated in the applicant's tentatively approved development project and City Zoning Ordinance. Napa, accordingly, has established conservation efforts within its UWMP to address the projected deficiency during single dry years. These factors provide reasonable assurances of Napa's ability to effectively accommodate water demands with the minimal increases tied to the affected territory in accordance with G.C. Section 65352.5.

(12) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments.

The proposal would not impact any local agencies in accommodating their regional housing needs. The affected territory is already located entirely within Napa's jurisdictional boundary, and as a result, all potential units tied to the land are assigned to the City by the Association of Bay Area Governments.

The proposal could potentially result in a benefit to Napa with respect to achieving the City's fair share of the regional housing need as a result of the eventual buildout of the affected territory to include a total of 21 lots as contemplated in the applicant's tentatively approved development project and City Zoning Ordinance.

(13) Any information or comments from the landowner or owners, voters, or residents of the affected territory.

The landowner of 2091 and 2097 Big Ranch Road is the petitioner seeking the annexation to NSD. The landowners of 2123 and 2125 Big Ranch Road have provided their written consent supporting their inclusion within the affected territory.

(14) Any information relating to existing land use designations.

See analysis on pages four and nine of this report.

(15) The extent to which the proposal will promote environmental justice.

There is no documentation or evidence suggesting the proposed annexation will have any implication for environmental justice in Napa County.

(16) For annexations involving special districts, whether the proposed action will be for the interest of the landowners or present or future inhabitants within the district and within the territory proposed to be annexed to the district.

Proposal approval would benefit current and future landowners as well as residents by providing permanent access to public sewer service. Establishing permanent public sewer service helps facilitate the development of up to 21 single-family residences. Public sewer service also eliminates the need for septic systems in an urbanizing area in which any failings would create a public health and safety threat for immediate and adjacent residents. Finally, establishing permanent public sewer service eliminates set-aside land requirements previously dedicated to the septic system, which will assist in intensifying future residential development opportunities within the site.

Other Considerations

- ***Property Tax Agreement***

Revenue and Taxation Code Section 99(b)(6) requires adoption of a property tax exchange agreement by affected local agencies before the Commission can consider a proposed boundary change.¹⁰ With this in mind, staff provided notice to NSD and the County of the proposed jurisdictional change affecting both agencies and the need to apply a property tax exchange to the proceedings. Both agencies confirmed a master property tax agreement adopted in 1980 shall apply to the proposal if approved by the Commission. This master property tax agreement specifies no exchange or redistribution of property tax revenues will occur as a result of annexations to NSD.

- ***Environmental Review***

The City serves as lead agency for the proposal under the California Environmental Quality Act (CEQA) given it is responsible for approving the underlying activity: subdividing 2091 and 2097 Big Ranch Road to include up to 17 total single-family residential lots.¹¹ The City determined the potential development of the affected territory could not have a significant effect on the environment because all potential significant effects have been adequately analyzed and addressed in the Final Environmental Impact Report (FEIR) prepared for the City General Plan as well as the Big Ranch Specific Plan FEIR. The FEIRS also adequately analyze and address potential environmental impacts associated with the future development of 2123 Big Ranch Road. There is no potential for any further development associated with 2125 Big Ranch Road. As responsible agency, LAFCO has reviewed the referenced documents and believes the City has made an adequate determination the annexation will not introduce any new considerations with respect to the FEIRs.

¹⁰ Revenue and Taxation Code 99(b)(5) states property tax exchanges for jurisdictional changes affecting the service areas or service responsibilities of districts shall be negotiated by the affected county on behalf of the districts.

¹¹ It is important to note that the City serving as lead agency is not in compliance with the Commission's adopted CEQA Policy Section 4.1(1). This local policy states the Commission shall assume the lead agency role when a petitioner submits an application to LAFCO.

- **Conducting Authority Proceedings**

The affected territory is uninhabited under LAFCO law and all landowners have consented to the proposal. NSD has also consented to the annexation. Conducting authority proceedings, accordingly, may be waived under G.C. Section 56663.

E. Alternatives for Commission Action

Staff has identified three options for Commission consideration with respect to the proposal. These options are summarized below.

Alternative Action One (Recommended):

Adopt the draft resolution identified as Attachment One approving the proposal with the recommended amendment along with standard terms and conditions.

Alternative Action Two:

Adopt the draft resolution identified as Attachment One with any desired amendments or modifications as identified by members.

Alternative Action Three:

Disapprove the proposal. Disapproval would statutorily prohibit the initiation of a similar proposal for one year.

F. Procedures for Consideration

This item has been agenzied for action. The following procedures are recommended with respect to the Commission's continued consideration of this item:

- 1) Receive verbal report from staff;
- 2) Invite comments from any interested audience members (voluntary); and
- 3) Discuss item and consider action on recommendation.

Respectfully submitted,

Brendon Freeman
Analyst

Attachments:

- 1) Draft Resolution Approving the Proposal
- 2) Application Materials
- 3) Landowner Consent Form: 2123 Big Ranch Road (Paula Duncan)
- ~~4) City of Napa Resolution Approving a Use Permit, Design Review Permit, and Tentative Subdivision Map~~

(All attachments for this item are available
under the "Staff Reports" page)

RESOLUTION NO. ____

**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
MAKING DETERMINATIONS**

**BIG RANCH ROAD NO. 5 ANNEXATION TO
THE NAPA SANITATION DISTRICT**

WHEREAS, the Local Agency Formation Commission of Napa County, hereinafter referred to as the "Commission," is responsible for regulating boundary changes affecting cities and special districts under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, an application by Lafferty Communities, landowner, proposing the annexation of territory to the Napa Sanitation District has been filed with the Commission's Executive Officer, hereinafter referred to as "Executive Officer," in a manner provided by law; and

WHEREAS, the proposal seeks Commission approval to annex approximately 6.0 acres of incorporated land within the City of Napa to the Napa Sanitation District and represents three entire parcels located at 2091, 2097, and 2125 Big Ranch Road and identified by the County of Napa Assessor's Office as 038-170-033, 038-170-032, and 038-170-023, respectively; and

WHEREAS, the Executive Officer reviewed said proposal and prepared a written report, including her recommendations thereon; and

WHEREAS, the Executive Officer modified said proposal to expand the affected territory to include one additional 0.5 acre parcel located at 2123 Big Ranch Road and identified by the County of Napa Assessor's Office as 038-170-026; and

WHEREAS, said proposal and the Executive Officer's report have been presented to the Commission in a manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public meeting held on said proposal on June 2, 2014; and

WHEREAS, the Commission considered all the factors required by law under Sections 56668 and 56668.3 of the California Government Code; and

WHEREAS, the Commission found the proposal consistent with the sphere of influence established for the Napa Sanitation District; and

WHEREAS, the Commission determined to its satisfaction that all owners of land included in said proposal consent to the subject annexation; and

 **DRAFT**

WHEREAS, in accordance with applicable provisions of the California Environmental Quality Act (hereinafter “CEQA”), the Commission considered the determinations of the City of Napa, Lead Agency under CEQA, based on its City General Plan Final Environmental Impact Report (FEIR) and Big Ranch Specific Plan FEIR to provide further evaluation of the environmental impact of the proposal before the Commission in accordance with Section 15164 of Title 14 of the California Code of Regulations (hereinafter “CEQA Guidelines”); and

NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

1. The Commission’s determinations on the proposal incorporate the information and analysis provided in the Executive Officer’s written report.
2. The City of Napa serves as lead agency under the California Environmental Quality Act (CEQA) for the proposal given it has principal authority in approving the underlying activity: subdividing 2091 Big Ranch Road and 2097 Big Ranch Road to include 17 single-family residential lots as contemplated in the applicant’s tentative development plan approval. The City has determined the development is a project under CEQA but is exempt from further review pursuant to California Government Code Section 65457, which provides that any residential development project, including any subdivision, that is undertaken to implement and is consistent with an adopted Specific Plan for which an Environmental Impact Report has been certified (Big Ranch Specific Plan FEIR dated August 1996). The Commission hereby certifies its review, consideration and concurrence with the City’s determination that the project is exempt from further CEQA review and that the Big Ranch Specific Plan FEIR adequately assesses and mitigates impacts to the environment associated with the underlying activity, including the modification to expand the affected territory to also include 2123 Big Ranch Road. The Commission’s findings are based on its independent judgment and analysis. The records upon which these findings are made are located at the Commission office at 1030 Seminary Street, Suite B, Napa, California 94559.
3. The proposal is APPROVED with the following modification:
 - a) The affected territory is expanded to include one adjacent 0.5 acre parcel located at 2123 Big Ranch Road and identified by the County Assessor as 038-170-026.
4. This proposal is assigned the following distinctive short-term designation:

**BIG RANCH ROAD NO. 5 ANNEXATION TO
THE NAPA SANITATION DISTRICT**

5. The affected territory is shown on the attached map and is more precisely described in the attached Exhibit “A”.
6. The affected territory so described is uninhabited as defined in California Government Code Section 56046.

7. The Napa Sanitation District utilizes the regular assessment roll of the County of Napa.
8. The affected territory will be taxed for existing general bonded indebtedness of the Napa Sanitation District.
9. The proposal shall be subject to the terms and conditions specified in the attached Exhibit "B."
10. The Commission authorizes conducting authority proceedings to be waived in accordance with California Government Code Section 56663(c).
11. Recordation is contingent upon receipt by the Executive Officer of the following:
 - (a) A final map and geographic description of the affected territory determined by the County Surveyor to conform to the requirements of the State Board of Equalization.
 - (b) Payment of any and all outstanding fees owed to the Commission and/or other agencies involved in the processing of this proposal.
 - (c) Written confirmation by Napa Sanitation District that its terms and conditions outlined in Exhibit "B" have been satisfied.
12. The effective date shall be the date of recordation of the Certificate of Completion. The Certificate of Completion must be recorded within one calendar year unless an extension is requested and approved by the Commission.

The foregoing resolution was duly and regularly adopted by the Commission at a regular meeting held on the June 2, 2014, by the following vote:

AYES: Commissioners

NOES: Commissioners

ABSTAIN: Commissioners

ABSENT: Commissioners

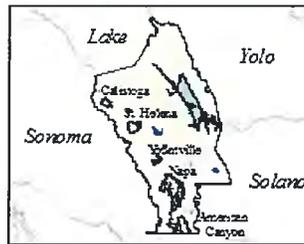
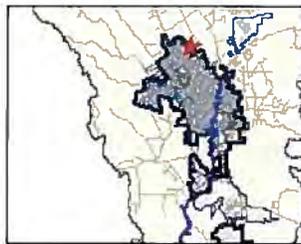
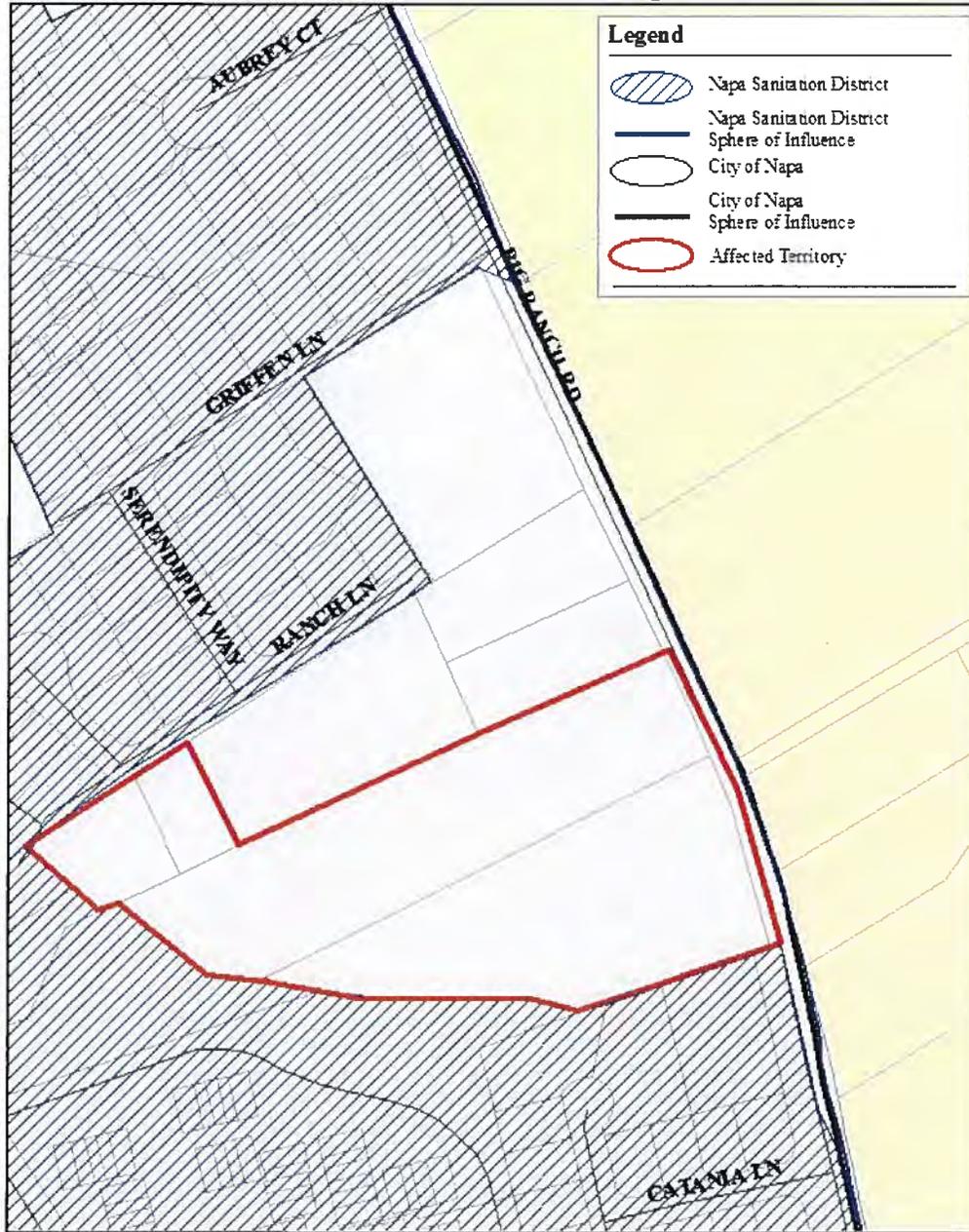
ATTEST: Laura Snideman
Executive Officer

Recorded by: _____
Kathy Mabry
Commission Secretary

 **DRAFT**

EXHIBIT A

Big Ranch Road No. 5 Annexation to Napa Sanitation District



0 0.0125 0.025 0.05 Miles
May 15, 2014
Prepared by: BF

LAFCO of Napa County
1020 Seminary Street, Suite B
Napa, California 94919
www.napa.lafco.ca.gov

EXHIBIT "B"

TERMS AND CONDITIONS

BIG RANCH ROAD NO. 5 - DISTRICT ANNEXATION 000010

APN NO'S: 038-170-023, 038-170-026, 038-170-032 AND 038-170-033

DESCRIPTION: 2125, 2123, 2097 AND 2091 BIG RANCH ROAD

1. Upon and after the effective date of said annexation, the Territory, all inhabitants within such Territory, and all persons entitled to vote by reason of residing or owning land with the Territory, shall be subject to the jurisdiction of the Napa Sanitation District, hereinafter referred to as "the District"; shall have the same rights and duties as if the Territory had been a part of the District upon its original formation; shall be liable for the payment of principal, interest, and any other amounts which shall become due on account of any outstanding or then authorized by thereafter issued bonds, including revenue bonds, or other contracts or obligations of the District, shall be subject to the levying or fixing and collection of any and all taxes, assessments, service charges, rentals or rates as may be necessary to provide for such payment; and shall be subject to all of the rates, rules, regulations and codes of the District, as now or hereafter amended.
2. The property owners hereby agree to abide by all codes, rules and regulations of District governing the manner in which sewers shall be used, the manner of connecting thereto, and the plumbing and drainage in connection therewith.
3. In the event that pursuant to rules, regulations or codes of the District, as now or hereafter amended, the District shall require any payment of a fixed or determinable amount of money, either as a lump sum or in installments, for the acquisition, transfer, use or right of use of all or any part of the existing property, real or personal, of the District, such payment will be made to the District in the manner and at the time as provided by the rules, regulations or codes of the District, as now or hereafter amended.
4. The property owners agree that prior to connection to the facilities of the District; property owners shall pay all applicable fees and charges to District associated with connection of the property in accordance with the computation of regular capacity charges and charges in effect at the time paid. The property owners further agree to pay the regular permit and inspection charges in effect at the time paid for the connection to be made to the District's system.
5. The property owners shall deposit with the District an annexation fee of \$850.00 to reimburse the District engineering, legal, and all other costs incurred by the District in preparing and examining maps and plans, legal descriptions, agreements and other documents associated with processing subject annexation

6. The property owners shall file with LAFCO a check in the amount of \$500 made payable to the State Board of Equalization.
7. The property owners shall pay to the County of Napa Assessor's Office a Mapping Services Fee of \$125.
8. The property owners shall pay to LAFCO of Napa County an amount of \$125 for updating the County's GIS database.
9. The property owners further agree to pay such annual sewer service fees to the District as may be established, from time to time, by the rules and regulations of the District which are of universal application within the District. Property owners hereby authorize the District to collect such charges on the tax roll pursuant to California Health and Safety Code section 5473 and specifically waive any right to challenge the District's ability to do so because the Property is outside of the District Boundaries.
10. No change in the facilities to be connected to the District's system shall be made without first having given written notice to the District that such change is to be made. No additional connections shall be connected to the facilities of the Napa Sanitation District without having first given written notice to the District that such additional facilities are to be connected to the system. Prior to making any such change in facilities or to the addition of any units to the District's system, the property owners shall pay to the District such additional inspection, connection and annual fees which may then be established by the Board of Directors of the District.
11. The property owners shall eliminate any privately owned sewage disposal system(s) located on the subject property to the Napa County Division of Environmental Health requirements.
12. The property owners shall enter into an Improvement Agreement with the District for construction of public sanitary sewer facilities.
13. The property owners shall install approximately 363 linear feet of 8-inch sanitary sewer main from the existing manhole at the existing terminus of Ranch Court to the north terminus of the proposed Serendipity Way extension.
14. The property owners shall submit a Plan and Profile of the aforesaid sanitary sewer improvements prepared by a registered civil engineer, conforming to District standards, and post the appropriate Labor and Materials and Faithful Performance Bonds guaranteeing said installations.
15. All sanitary sewer mains installed outside of the public right of way shall be located within 20 foot wide sanitary sewer easement centered on the mains and dedicated to the District.
16. All sewer work performed in the public right of way shall be performed by a Class A licensed contractor who bonds the public work with the District. The contractor shall pay to the District

public lateral inspection fees and sanitary sewer main inspection fees based on the inspection rates in effect at the time construction permits are issued.

17. The property owners shall pay to the District the private lateral inspection fee in effect at the time at the time of construction for each dwelling unit located on the property.

18. The property owners shall agree to conditions 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16 and 17, and fulfill conditions 5, 6, 7 and 8 prior to the District's issuance of a letter to LAFCO authorizing recordation of subject annexation, and in no case more than 1 year after LAFCO's adoption of a resolution approving subject annexation, unless extended by LAFCO. Any extensions granted shall in total not exceed 1 year.

FORM B

| | |
|--------------|--------|
| Date Filed: | 4/2/14 |
| Received By: | BF |

PETITION FOR PROPOSAL

For Filing with the Local Agency Formation Commission of Napa County

A proposal for a change of organization made by a landowner or registered voter shall be initiated by petition. The petition shall state the nature of the proposal and all associated proposed changes of organization. It shall also state the reason for the proposal and enumerate and include supporting information as required under Government Code Section 56700. The petition must be submitted to the Executive Officer for filing within 60 days after the last signature is affixed. Applicants are encouraged to use this form.

Nature of Proposal and All Associated Changes of Organization:

ANNEXATION OF 3 PARCELS INTO NAPA SANITATION DISTRICT.

Description of Boundaries of Affected Territory Accompanied by Map:

THE 3 PARCELS ARE BOUNDED BY EXISTING RESIDENCE TO THE NORTH, WEST & SOUTH & BIG RANCH ROAD TO THE EAST. SALVADOR CHANNEL ALSO RUNS ALONG THE WEST & SOUTH PROPERTY LINES.

Reason for Proposal and Any Proposed Conditions:

DEVELOPMENT OF THE TWO LARGE PARCELS INTO 17 SINGLE FAMILY HOMES REQUIRES MSD ANNEXATION.

Type of Petition:

Landowner

Registered Voter

Sphere of Influence Consistency:

Yes

No

If Landowner Petition, Complete the Following:

- 1) Name: LAFFERTY COMMUNITIES
Mailing Address: 5000 EXECUTIVE PARKWAY, No. 530, SAN RAMON, CA
Assessor Parcel: 038-170-032, 038-170-033 94583
Signature: _____ Date: _____
- 2) Name: _____
Mailing Address: _____
Assessor Parcel: _____
Signature: _____ Date: _____
- 3) Name: _____
Mailing Address: _____
Assessor Parcel: _____
Signature: _____ Date: _____

If Registered Voter Petition, Complete the Following:

- 1) Name: _____
Mailing Address: _____
Resident Address: _____
Signature: _____ Date: _____
- 2) Name: _____
Mailing Address: _____
Resident Address: _____
Signature: _____ Date: _____
- 3) Name: _____
Mailing Address: _____
Resident Address: _____
Signature: _____ Date: _____

Date Filed:

4/2/14

Received By:

BF

JUSTIFICATION OF PROPOSAL
Change of Organization/Reorganization

I. APPLICANT INFORMATION

A. Name: MARK FORSTER LAFFERTY COMMUNITIES
 Contact Person Agency/Business (If Applicable)

Address: 5000 EXECUTIVE PKWY, #530 SAN RAMON 94583
 Street Number Street Name City Zip Code

Contact: (925) 838-2603 (925) 275-1238 MFORSTER@LAFFERTYCOMMUNITIES.COM
 Phone Number Facsimile Number E-Mail Address

B. Applicant Type (Check One)

Local Agency Registered Voter Landowner

II. PROPOSAL DESCRIPTION

A. Affected Agencies: NAPA SANITATION DISTRICT 1515 SUSCOL FERRY RD., NAPA
 Name Address

Name Address

Name Address

Use Additional Sheets as Needed

B. Proposal Type (Check as Needed)

Annexation Detachment City Incorporation District Formation

City/District Dissolution City/District Merger Service Activation (District Only) Service Divestiture (District Only)

C. Purpose Statement: (Specific) ANNEXATION OF 3 PARCELS INTO
THE NAPA SANITATION DISTRICT FOR
DEVELOPMENT OF 17 LOTS ON
BIG CANCH ROAD

III. GENERAL INFORMATION

| A. Location: | Street Address | Assessor Parcel Number | Acres |
|--------------|-------------------|------------------------|-------|
| | 2097 BIG RANCH RD | 038-170-032 | 2.99 |
| | 2091 BIG RANCH RD | 038-170-033 | 2.80 |
| | 2125 BIG RANCH RD | 038-170-023 | 0.27 |
| | Street Address | Assessor Parcel Number | Acres |

Total Location Size
(Including Right-of-Ways) _____

B. Landowners:

- (1) Assessor Parcel Number : 038-170-032 Name: NIKKANY, LLC
 Mailing Address: 5000 EXECUTIVE PARKWAY, #530, SAN RAMON, CA 94583
 Phone Number: (925) 830-2603 E-mail: MFORSTER@LAFFERTYCOMMUNITIES.COM
- (2) Assessor Parcel Number : 038-170-033 Name: NIKKANY, LLC
 Mailing Address: 5000 EXECUTIVE PARKWAY, #530, SAN RAMON, CA 94583
 Phone Number: (925) 830-2603 E-mail: MFORSTER@LAFFERTYCOMMUNITIES.COM
- (3) Assessor Parcel Number : 038-170-023 Name: ROBERT MCGAHEY
 Mailing Address: 2125 BIG RANCH RD, NAPA CA 94558
 Phone Number: — E-mail: —
- (4) Assessor Parcel Number : _____ Name: _____
 Mailing Address: _____
 Phone Number: _____ E-mail: _____

Use Additional Sheets As Needed

C. Population:

- (1) Total Number of Residents 1 or 2. Two VACANT HOMES EXIST, ONE HOME OWN PARCEL 023 IS OCCUPIED BY 1 or 2 PEOPLE (UNKNOWN)
- (2) Total Number of Registered Voters 1 or 2

D. Land Use Factors:

- (1a) County General Plan Designation: _____
- (1b) County Zoning Standard: _____
- (2a) Applicable City General Plan Designation: SFR 33I, SFR 33J, SFR 33K
- (2b) Applicable City Prezoning Standard: RS 7, RS 10, RS 20

E. Existing Land Uses:
(Specific)

THE TWO LARGER PARCELS ARE MAINLY
VACANT WITH THE EXCEPTION OF 2 VACANT HOUSES
AND A FEW DILAPIDATED SHEDS. THE SMALLER PARCEL
HAS AN OCCUPIED SINGLE FAMILY RESIDENCE.

F. Development Plans:

- (1a) Territory Subject to a Development Project? Yes No

(1b) If Yes, Describe Project: THE TWO LARGER PARCELS ARE PROPOSING
TO SUBDIVIDE INTO 17 UNITS. ANNEXATION OF THE SMALLER PARCEL IS

(1c) If No, When Is Development Anticipated? _____

*NEEDED FOR
A SEWER
CONNECTION*

G. Physical Characteristics:

(1) Describe Topography: THE SITE IS MAINLY FLAT WITH SLOPES DIRECTED
GENTLY TO THE CREEK TO THE SOUTH.

(2) Describe Any Natural Boundaries: SALVADOR CHANNEL BOUNDS THE SITE TO THE SOUTH
& WEST

(3) Describe Soil Composition and Any Drainage Basins: SOILS ON-SITE ARE CLAY (QUATERNARY-AGED ALLUVIUM).
DRAINAGE FLOWS OVERLAND TOWARDS SALVADOR CHANNEL.

(4) Describe Vegetation: BUSHES & SMALL TREES ALONG SALVADOR CHANNEL. VARIOUS
SPECIES OF VARIOUS AGES LITTERED THROUGHOUT THE SITE.
SITE IS MAINLY OPEN GRASSY AREA.

H. Williamson Act Contracts
(Check One)

- Yes
- No

IV. GOVERNMENTAL SERVICES AND CONTROLS

A. Plan For Providing Services:

- (1) Enumerate and Describe Services to Be Provided to the Affected Territory:

A NEW 8" SEWER MAIN WILL BE EXTENDED FROM THE
EXISTING SERVICE ^{ON} RANCH LANE. THE NEW MAIN WILL
RUN DOWN THE NEW ROAD IN THE 17 LOT SUBDIVISION
& WILL PROVIDE 17 NEW SEWER LATERALS, PLUS AN 18TH SERVICE

- (2) Level and Range of Services to Be Provided to the Affected Territory: ^{TO THE SMALLER} PARCEL 038-170-023.

NEW SEWER MAIN & SEWER LATERALS WITH
ABILITY TO CONNECT AND DRAW TO NSD FACILITIES.

- (3) Indication of When Services Can Feasibly Be Extended to the Affected Territory:

PROJECT WILL START CONSTRUCTION IN SPRING/SUMMER 2014.
SEWER WILL BE INSTALLED MOST LIKELY IN
EARLY/MID SUMMER 2014

- (4) Indication of Any Infrastructure Improvements Necessary to Extend Services to the Affected Territory:

A NEW SEWER MAIN WILL BE INSTALLED.
ADDITIONALLY A NEW ROAD WILL BE CONSTRUCTED
AS WELL.

- (5) Information On How Services to the Affected Territory Will Be Financed:

PRIVATELY FINANCED BY DEVELOPER OF 17-LOT
SUBDIVISION

V. ENVIRONMENTAL INFORMATION

A. Environmental Analysis

(1) Lead Agency for Proposal: CITY OF NADA
Name

(2) Type of Environmental Document Previously Prepared for Proposal:

- Environmental Impact Report
- Negative Declaration/Mitigated Negative Declaration
- Categorical/Statutory Exemption: _____
Type
- None

Provide Copies of Associated Environmental Documents

VI. ADDITIONAL INFORMATION

A. Approval Terms and Conditions Requested For Commission Consideration:

APPROVE ANNEXATION OF 3 PARCELS AT 2091, 2097 & 2125
BIG RANCH ROAD INTO THE BOUNDARY OF THE NADA
SANITATION DISTRICT

Use Additional Sheets As Needed

B. Identify Up to Three Agencies or Persons to Receive Proposal Correspondence:

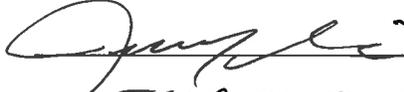
(Does not include affected landowners or residents)

- (1) Recipient Name: MARK FORSTER - LAFFERTY COMMUNITIES
Mailing Address: 5000 EXECUTIVE PARKWAY, # 530, SAN RAMON, CA 94583
E-Mail: MFORSTER@LAFFERTYCOMMUNITIES.COM
- (2) Recipient Name: JEREMY SILL - RIECHELS SPENCE & ASSOC.
Mailing Address: 1515 4th ST. NADA CA 94559
E-Mail: JSILL@RSACIVIL.COM
- (3) Recipient Name: _____
Mailing Address: _____
E-Mail: _____

VII. CERTIFICATION

I certify the information contained in this application is correct. I acknowledge and agree the Local Agency Formation Commission of Napa County is relying on the accuracy of the information provided in my representations in order to process this application proposal.

Signature:



Printed Name:

JEREMY SILL

Title:

PROJECT MANAGER

Date:

3/22/14

EXHIBIT "A"
Big Ranch Road Reorganization

Annexation to Napa Sanitation District

Beginning at a point on the southern boundary of "Big Ranch Road No. 1 Reorganization Area B" annexation to the City of Napa, recorded March 16, 2009 in Series Document Number 2009-0006022 Napa County Records, said point being South 76° 45' West 60.00 feet from the southeast corner of said existing district boundary and also being on the west right of way line of Big Ranch Road 60 feet wide;

Thence, (1) South 70° 15' West 247.36 feet along said existing City boundary;

Thence, (2) North 73° 52' West 81.22 feet along said existing City boundary;

Thence, (3) North 89° 56' West 227.26 feet along said existing City boundary;

Thence, (4) North 80° 44' West 239.92 feet along said existing City boundary;

Thence, (5) North 50° 47' West 151.74 feet along said existing district boundary;

Thence leaving said existing district boundary, (6) North 64° 20' East 92.98 feet;

Thence, (7) North 26° 12' West 154.38 feet to said existing district boundary;

Thence, (8) North 57° 18' East 79.87 feet along said existing district boundary;

Thence leaving said existing district boundary, (9) South 22° 54' East 164.35 feet;

Thence, (10) North 64° 20' East 638.31 feet to said west right of way line of Big Ranch Road;

Thence, (11) South 25° 00' East 302.47 feet along said west right of way line of Big Ranch Road;

Thence (12) South 13° 06' 30" East 149.44 feet along said west right of way line of Big Ranch Road to the Point of Beginning.

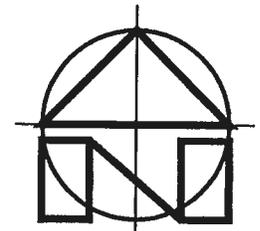
Containing 6.06 acres of land.

For assessment purposes only. This description of land is not a legal property description as defined in the Subdivision Map Act and may not be used as the basis for an offer for sale of the land described.

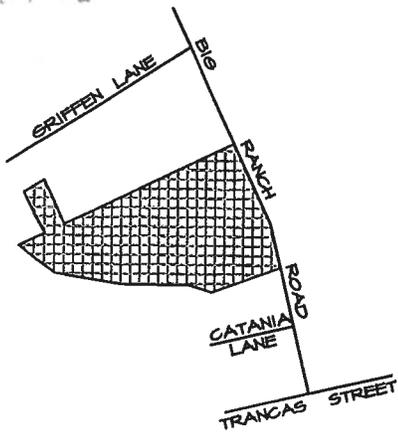
LEGEND

- APN ASSESSOR'S PARCEL NUMBER
- P.O.B. POINT OF BEGINNING
-  EXISTING CITY ANNEXATION
-  PROPOSED ANNEXATION TO NAPA SANITATION DISTRICT

DISCLAIMER:
 "FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED."



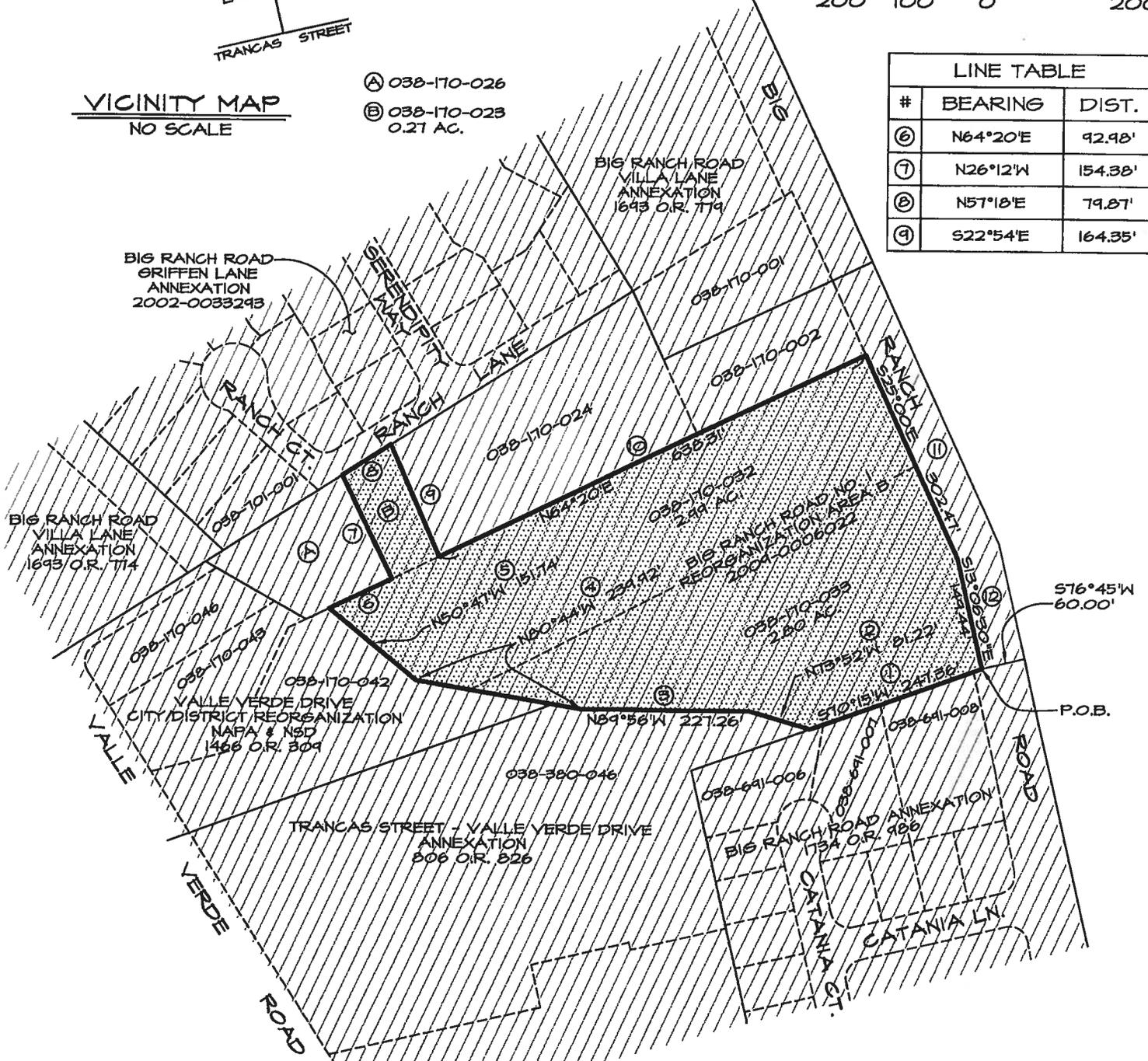
SCALE: 1" = 200'



VICINITY MAP
NO SCALE

- Ⓐ 038-170-026
- Ⓑ 038-170-023
0.27 AC.

| LINE TABLE | | |
|------------|----------|---------|
| # | BEARING | DIST. |
| Ⓒ | N64°20'E | 42.98' |
| Ⓓ | N26°12'W | 154.38' |
| Ⓔ | N57°18'E | 79.87' |
| Ⓕ | S22°54'E | 164.35' |



ZONING: R57, R510, R520
 TOTAL AREA: 6.06 AC.

EXHIBIT "B"
MAP DELINEATING
THE BOUNDARY OF
BIG RANCH ROAD NO. 179
ANNEXATION TO NAPA SANITATION DISTRICT
BEING A PORTION OF NAPA RANCHO



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

RECEIVED

APR 30 2014

NAPA COUNTY
LAFCO

LANDOWNER CONSENT FORM

I am the legal owner of property as described below and hereby voluntarily consent to the annexation of my land to the Napa Sanitation District as part of the proposal proceedings undertaken by Lafferty Communities. In providing consent, and with the qualification that all related annexation costs be the responsibility of Lafferty Communities, I acknowledge the Commission may proceed with considering the proposal without notice, hearing, or protest proceedings under Government Code Section 56663.

Landowner Name: Paula Duncan

Property Address: 2123 Big Ranch Road, Napa, CA 94558

Property APN: 038-170-026

Paula Duncan
Landowner

4/26/14
Date

Joan Bennett, Vice Chair
Councilmember, City of American Canyon

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

Brian J. Kelly, Chair
Representative of the General Public

Greg Pitts, Commissioner
Councilmember, City of St. Helena

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

Laura Snideman
Executive Officer



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

June 2, 2014

Agenda Item No. 7c (Action)

May 22, 2014

TO: Local Agency Formation Commission

FROM: Brendon Freeman, Analyst

SUBJECT: Airport Road No. 1 Annexation to the Napa Sanitation District

The Commission will consider a proposal to annex approximately 19.7 acres of unincorporated territory to the Napa Sanitation District. The affected territory encompasses one entire parcel located at 1225 Airport Road in the Napa County Airport Industrial area. The purpose of the proposed annexation is to facilitate the development of the parcel to provide for up to three industrial warehouses as contemplated in the applicant's tentatively approved "Greenwood Commerce Center" development project. The County of Napa serves as lead agency under CEQA and has accordingly prepared an initial study and mitigated negative declaration for the underlying development project. An addendum to the mitigated negative declaration was also prepared. The recommended action is for the Commission to adopt a resolution of approval for the proposal with standard conditions.

Local Agency Formation Commissions (LAFCOs) are responsible under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH") to regulate the formation and development of local governmental agencies and their municipal services. This includes approving or disapproving proposed changes of organization, such as boundary changes, consistent with adopted policies and procedures pursuant to California Government Code (G.C.) Section 56375. LAFCOs are authorized to exercise broad discretion in establishing conditions in approving changes of organization as long as they do not directly regulate land use, property development, or subdivision requirements.

A. Recommendation

Staff recommends the Commission adopt the attached draft resolution included as Attachment One to this staff report approving the proposed annexation of 1225 Airport Road (APN 057-210-065) to the Napa Sanitation District (NSD). Standard approval conditions are also recommended and are outlined in the draft resolution.

Joan Bennett, Vice Chair
Councilmember, City of American Canyon

Greg Pitts, Commissioner
Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Commissioner
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, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Laura Snideman
Executive Officer

B. Background

LAFCO of Napa County (“Commission”) has received a proposal from a representative of a landowner requesting the annexation of one entire parcel totaling approximately 19.7 acres of unincorporated territory to the Napa Sanitation District (NSD). The subject parcel is currently undeveloped and located at 1225 Airport Road in the Napa County Airport Industrial area. The County Assessor identifies the parcel as 057-210-065. An aerial map of the proposed annexation territory follows.



On October 15, 2008, the County approved the issuance of a use permit for the construction of three concrete industrial buildings, totaling 374,926 square feet for warehousing and light industrial uses with ancillary office areas. As part of its approval and environmental review, the County determined that NSD had provided a will serve letter and that the project would be in compliance with District master plans and all water quality discharge requirements, including Regional Water Quality Control Board standards. In its will serve letter, dated May 21, 2008, NSD indicated it would be able to provide sanitary sewer service upon completion of annexation proceedings and other specified conditions and that the letter was valid until May 21, 2013. The County's use permit expired on October 15, 2010. Subsequently, a modification of the use permit was issued by the County in December 2013. The modified use permit identifies an amended site plan and building floor area for the construction of three industrial/warehouse buildings totaling 334,672 square feet. The County found there were no substantial changes to the project or circumstances under which the project is being undertaken. As part of its approval of this modified use permit, the County received a new will serve letter from NSD, dated May 20, 2013, which indicated the District would be able to provide sanitary sewer service to the project as modified upon completion of annexation proceedings into NSD, valid until May 20, 2018.

C. Discussion

Agency Profile

NSD was formed in 1945 as a dependent enterprise district to provide public sewer service for the City and the surrounding unincorporated area. NSD provides sewer service to most of Napa along with several surrounding unincorporated areas, including Silverado, Napa State Hospital, and the Napa County Airport. NSD currently serves 31,830 residential customers with an estimated resident service population of 86,896.¹

Proposal Purpose

The underlying purpose of the proposal before the Commission is to facilitate the development of the subject parcel to include up to three industrial warehouses as contemplated under the County Zoning Ordinance and the applicant's tentatively approved development project. The applicant's project is commonly known as the "Greenwood Commerce Center" and is subject to a Modified Use Permit, which was approved on December 23, 2013 (File No. P13-00353). The Greenwood Commerce Center project contemplates the subdivision of the subject parcel into four new parcels along with the construction of three industrial warehouse buildings totaling a maximum of 334,672 square feet. The subject parcel is located within NSD's sphere of influence and is surrounded on three sides by the District's existing jurisdictional boundary. Consideration of the service needs and related impacts associated with the future development of the subject lots are incorporated into the following analysis section.

¹ The resident service projection based on the 2014 California Department of Finance population per household estimate (2.73) assigned to Napa County and multiplied by the number of residential sewer connections within NSD (31,830). NSD also serves 4,409 non-residential customers, including industrial and commercial users.

D. Analysis

The analysis of the proposal is organized into three sections. The first section considers the proposal relative to the factors prescribed for consideration under local policy with specific focus on whether amendments are merited to comply with the established preferences in implementing LAFCO law in Napa County. The second section considers the proposal relative to the factors mandated for review by the Legislature anytime LAFCOs review boundary changes. The third section considers issues required by other applicable State statutes in processing boundary changes including making a determination on environmental impacts.

Local Policies / Discretionary Amendments

A review of the submitted application materials relative to the Commission's adopted policies does not indicate that the Commission should consider any amendments given the subject lot already lies within NSD's sphere of influence.

Legislative Policies / Mandated Factors for Consideration

G.C. Sections 56668 and 56668.3 require the Commission to consider 16 specific factors anytime it reviews proposals for change of organization or reorganization involving special districts. The majority of the prescribed factors focus on the impacts of the proposed boundary changes on the service and financial capacities of the affected agencies. No single factor is determinative and the intent is to provide a uniform baseline for LAFCOs in considering boundary changes in context to locally adopted policies and practices. 1225 Airport Road shall be identified as the "affected territory" hereafter. Towards this end, consideration of these factors relative to the proposal follows.

(1) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent areas, during the next 10 years.

The affected territory lies within the industrial area anchored by the Napa County Airport and is accordingly assigned a zoning standard of *Industrial Park: Airport Compatibility*. The affected territory is 19.7 acres in total size and currently undeveloped. The affected territory is legally uninhabited given there are no registered voters based on the most recent list provided by County Elections. Topography is relatively flat with a peak elevation of 53 feet above sea-level. There are no natural drainage basins within proximity of the affected territory. The current assessment value of the affected territory totals \$877,540. Neighboring uses include the County of Napa Sheriff's Main Office to the immediate west, a vacant industrial property to the east, various administrative, commercial, and industrial offices the north, and an industrial warehouse to the south.

Proposal approval is expected to facilitate the future development of the affected territory to include – based on the applicant’s tentatively approved development project – three industrial warehouses totaling approximately 335,000 square feet along with up to 280 parking spaces. Development opportunities for adjacent areas are limited to one undeveloped parcel to the immediate east of the affected territory given all other neighboring lots are already developed to their maximum allowance under the County’s land use policies. There are currently no known development plans for the adjacent parcel to the east of the affected territory.

(2) The need for municipal services; the present cost and adequacy of municipal services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

The affected territory is currently undeveloped. Core municipal services needed within the affected territory based on its anticipated industrial land uses include sewer, water, fire protection/emergency medical, and law enforcement. An analysis of the availability and adequacy of these core municipal services relative to projected needs if the proposal is approved follows.

- **Sewer Service**

NSD has provided a will serve letter for the applicant’s tentatively approved development project. The Commission’s recent municipal service review on the central county region noted NSD has generally developed adequate sewer infrastructure and facility capacities in addressing current and future needs. If developed as contemplated in the applicant’s tentatively approved project, the affected territory is expected to generate estimated daily sewer flows of 1,800 gallons. This daily sewer flow amount would increase to 4,500 gallons during peak periods. These buildout estimates would have negligible impacts on NSD’s sewer system as depicted in the following table.

| NSD Baseline <u>Without</u> Annexation of the Affected Territory (Amounts in Gallons) | | | |
|---|---------------------------|------------------------|---------------------------------|
| System Avg. Day Capacity | Average Day Demand | Peak Day Demand | System Peak Day Capacity |
| 15,400,000 | 6,705,130 | 33,712,825 | 126,200,000 |

| NSD Adjusted <u>With</u> Annexation/Buildout of the Affected Territory (Amounts in Gallons) | | | |
|---|---------------------------|------------------------|---------------------------------|
| System Avg. Day Capacity | Average Day Demand | Peak Day Demand | System Peak Day Capacity |
| 15,400,000 | 6,706,930 | 33,717,325 | 126,200,000 |

* Assumes the buildout of the affected territory will result in three industrial warehouses with combined average and peak day demands at 1,800 and 4,500 gallons, respectively.

* Capacity during peak-day incorporates 340 acre-feet (110,806,000 gallons) of adjacent pond storage.

- ***Water Service***

The City of American Canyon has been identified in the applicant's tentatively approved development project as the water service provider for the project. Given its inclusion within American Canyon's extraterritorial water service area, Commission approval is not required to extend water service to the affected territory under G.C. Section 56133. American Canyon issued a will serve letter in July 2013. If demand is not established pursuant to the terms and conditions set forth therein, the letter expires two years thereafter.

If developed to its maximum allowance, the estimated daily average water demand at build-out is limited to potable consumption by warehouse employees and it will not exceed 1,100 gallons. Water used for landscaping and temporary dust control during construction will be recycled water provided by Napa Sanitation District.

Supply and Demand

American Canyon's water supplies include raw water provided by the Department of Water Resources' State Water Project, raw and treated water provided by the City of Vallejo, and recycled water provided by American Canyon and Napa Sanitation District. The maximum contracted total of these supplies is 8,052 acre-feet.² The actual amount available for delivery each year varies depending upon weather conditions state-wide.

In 2013, demand within American Canyon's Water Service Area totaled 3,612 acre-feet. The build-out of the affected territory is projected to generate an additional annual water demand of 1.2 acre-feet. In accordance with American Canyon's 2011 Zero Water Footprint Policy, all new development is required to offset new demands to ensure there are no adverse impacts to existing customers or supplies.

Treatment and Storage

American Canyon is responsible for treating its contracted raw water supplies at its treatment facility located off of Jamieson Canyon Road. The treatment facility is capable of treating up to 4.5 million gallons per day. Treated water enters and pressurizes American Canyon's distribution system by collecting within one of two reservoir tanks with a combined storage capacity of 4.5 million gallons.

² Table 4.1a of the 2010 City of American Canyon Urban Water Management Plan

- ***Fire Protection and Emergency Medical Services***
The affected territory receives fire protection and emergency medical services from the County. Annexation and buildout of the affected territory as contemplated in the applicant's tentatively approved development project would increase the need for fire protection and emergency medical services moving forward. Information generated from the Commission's municipal service review on the southeast county region noted that the County has generally developed sufficient capacities and controls to serve existing and anticipated demands for these services. The municipal service review also notes no service deficiencies within the area surrounding the affected territory.
- ***Law Enforcement Services***
The affected territory receives law enforcement services from the County. Annexation and buildout of the affected territory as contemplated in the applicant's tentatively approved development project would increase the need for law enforcement services moving forward. Information generated from the Commission's municipal service review on the southeast county region noted that the County has generally developed sufficient capacities and controls to serve existing and anticipated demands for these services. The municipal service review also notes no service deficiencies within the area surrounding the affected territory.

(3) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on local governmental structure.

The proposal would recognize and strengthen existing social and economic ties between NSD and the affected territory. These ties were initially established in 1975 when the Commission included the affected territory in NSD's sphere of influence, marking an expectation the site would eventually develop for urban type uses and require public sewer from the region's sole service provider, the District.

(4) The conformity of the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in G.C. Section 56377.

The proposal is consistent with the Commission's policies as codified under its General Policy Determinations. This includes consistency with the industrial land use designation for the affected territory under the County General Plan, avoidance of premature conversion of agricultural uses, and consistency with NSD's adopted sphere of influence. The affected territory does not qualify as "open-space" under LAFCO law and therefore does not conflict with G.C. Section 56377. Specifically, the affected territory is not devoted to open-space use under the County General Plan.

(5) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by G.C. Section 56016.

The affected territory does not qualify as “agricultural land” under LAFCO law. Specifically, the affected territory is not used for any of the following purposes: producing an agricultural commodity for commercial purposes; left fallow under a crop rotational program; or enrolled in an agricultural subsidy program.

(6) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

The proposal as amended by staff is parcel-specific and includes all of the property identified by the County of Napa Assessor’s Office as 057-210-065. Commission approval would include a condition requiring the applicant to submit a map and geographic description of the approved action in conformance with the requirements of the State Board of Equalization. The submitted map and geographic description would be subject to review and possible edits by the Executive Officer before filing.

(7) Consistency with the city or county general plans, specific plans, and adopted regional transportation plan.

The proposal would provide permanent public sewer service to the affected territory. The availability of this municipal service is consistent with the County General Plan, which designates the affected territory as *Industrial*. The Metropolitan Transportation Commission’s regional transportation plan (RTP) outlines specific goals and objectives to direct public transportation infrastructure in the Bay Area through 2035. No specific projects are included in the RTP involving the affected territory. Accordingly, the proposal impact is neutral with respect to the RTP.

(8) The sphere of influence of any local agency affected by the proposal.

The affected territory is located entirely within NSD’s sphere of influence, which was comprehensively updated by the Commission in August 2006.

(9) The comments of any affected local agency or other public agency.

Staff provided notice of the proposal to all subject agencies and interested parties as required under LAFCO law on April 28, 2014. No comments were received.

(10) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

Information collected and analyzed in the Commission's recent municipal service review on NSD concluded the District has established adequate administrative controls and capacities in maintaining appropriate service levels. This includes regularly reviewing and amending – as needed – NSD's two principal user fees to ensure the sewer system remains solvent and sufficiently capitalized to accommodate future demands: (a) connection fees and (b) user fees. The connection fee is currently \$8,300 and serves as NSD's buy-in charge for new customers to contribute their fair share for existing and future facilities necessary to receive sewer service. The annual user fee for a single-family unit is currently \$458 and is intended to proportionally recover NSD's ongoing maintenance and operation expenses.

Additional analysis performed subsequent to the filing of the proposal provides reasonable assurances NSD's fiscal resources and controls would enable the agency to provide an appropriate level of services to the affected territory relative to anticipated land uses. NSD's current operating budget includes \$13.6 million in approved expenses. NSD anticipates collecting \$19.2 million in general revenues resulting in an operating surplus of \$5.6 million. NSD's fund balance as of the beginning of the fiscal year totaled \$9.5 million.³ Markedly, this unrestricted fund balance is sufficient to cover over eight months of operating expenses.

(11) Timely availability of water supplies adequate for projected needs as specified in G.C. Section 65352.5.

The City of American Canyon issued a will serve letter, dated July 1, 2013. American Canyon's contracts with various entities for water supplies; while the maximum contracted total of these supplies is 8,052 acre-feet, the actual amount available each year varies depending upon weather conditions state-wide.⁴

(12) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments.

The proposal would not impact any local agencies in accommodating their regional housing needs. The County General Plan designates the affected territory for industrial uses and, accordingly, no housing units have been contemplated.

³ NSD expects its operating fund balance to increase at the end of the fiscal year from \$9.5 million to \$15.1 million following all budgeted transfers.

⁴ 2010 City of American Canyon Urban Water Management Plan

(13) Any information or comments from the landowner or owners, voters, or residents of the affected territory.

The landowner is the petitioner seeking the annexation to NSD. NSD has provided a resolution of approval in support of the proposed annexation.

(14) Any information relating to existing land use designations.

See analysis on pages four and eight of this report.

(15) The extent to which the proposal will promote environmental justice.

There is no documentation or evidence suggesting the proposed annexation will have any implication for environmental justice in Napa County.

(16) For annexations involving special districts, whether the proposed action will be for the interest of the landowners or present or future inhabitants within the district and within the territory proposed to be annexed to the district.

Proposal approval would help facilitate an appropriate industrial use of the affected territory as contemplated in the landowner's tentatively approved development project along with the County's General Plan and Zoning Ordinance.

Other Considerations

- ***Property Tax Agreement***

Revenue and Taxation Code Section 99(b)(6) requires adoption of a property tax exchange agreement by affected local agencies before the Commission can consider a proposed boundary change.⁵ With this in mind, staff provided notice to NSD and the County of the proposed jurisdictional change affecting both agencies and the need to apply a property tax exchange to the proceedings. Both agencies confirmed a master property tax agreement adopted in 1980 shall apply to the proposal if approved by the Commission. This master property tax agreement specifies no exchange or redistribution of property tax revenues will occur as a result of annexations to NSD.

⁵ Revenue and Taxation Code 99(b)(5) states property tax exchanges for jurisdictional changes affecting the service areas or service responsibilities of districts shall be negotiated by the affected county on behalf of the districts.

- ***Environmental Review***

The County of Napa serves as lead agency for the proposal under the California Environmental Quality Act (CEQA) given it is responsible for approving the underlying activity: development of the affected territory to include three industrial warehouse facilities as contemplated in the applicant's Greenwood Commerce Center project.⁶ The County determined the potential development of the affected territory could not have a significant effect on the environment because all potential significant effects have been adequately analyzed and addressed in its initial study of environmental significance and mitigated negative declaration specific to the Greenwood Commerce Center project.

The Commission serves as responsible agency for the proposal. Staff has reviewed the aforementioned initial study and mitigated negative declaration and believes the County has made an adequate determination that the annexation tied to the underlying service plan will not introduce any significant environmental impacts. A copy of the initial study and mitigated negative declaration is included in Attachment Three. Staff has also prepared an addendum to the mitigated negative declaration for purposes of providing information relating to the County's further environmental review of the modified use permit for Greenwood Commerce Center project. The addendum is included as Attachment Four.

- ***Conducting Authority Proceedings***

The affected territory is uninhabited under LAFCO law and all landowners have consented to the proposal. NSD has also consented to the annexation. Conducting authority proceedings, accordingly, may be waived under G.C. Section 56663.

E. Alternatives for Commission Action

Staff has identified three options for Commission consideration with respect to the proposal. These options are summarized below.

Alternative Action One (Recommended):

Adopt the draft resolution identified as Attachment One approving the proposal with the recommended amendment along with standard terms and conditions.

Alternative Action Two:

Adopt the draft resolution identified as Attachment One with any desired amendments or modifications as identified by members.

Alternative Action Three:

Disapprove the proposal. Disapproval would statutorily prohibit the initiation of a similar proposal for one year.

⁶ It is important to note that the County serving as lead agency is not in compliance with the Commission's adopted CEQA Policy Section 4.1(1). This local policy states the Commission shall assume the lead agency role when a petitioner submits an application to LAFCO.

F. Procedures for Consideration

This item has been agenzized for action. The following procedures are recommended with respect to the Commission's continued consideration of this item:

- 1) Receive verbal report from staff;
- 2) Invite comments from any interested audience members (voluntary); and
- 3) Discuss item and consider action on recommendation.

Respectfully submitted,

Brendon Freeman
Analyst

Attachments:

- 1) Draft Resolution Approving the Proposal
- 2) Application Materials
- ~~3) Initial Study and Mitigated Negative Declaration for the Greenwood Commerce Center (County of Napa)~~
- 4) CEQA Addendum to Mitigated Negative Declaration

(All attachments for this item are available
under the "Staff Reports" page)

RESOLUTION NO. ____

**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
MAKING DETERMINATIONS**

**AIRPORT ROAD NO. 1 ANNEXATION TO
THE NAPA SANITATION DISTRICT**

WHEREAS, the Local Agency Formation Commission of Napa County, hereinafter referred to as the “Commission,” is responsible for regulating boundary changes affecting cities and special districts under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, an application by Joseph McNeill, landowner, proposing the annexation of territory to the Napa Sanitation District has been filed with the Commission’s Executive Officer, hereinafter referred to as “Executive Officer,” in a manner provided by law; and

WHEREAS, the proposal seeks Commission approval to annex approximately 19.7 acres of unincorporated land to the Napa Sanitation District and represents one entire parcel located at 1225 Airport Road and identified by the County of Napa Assessor’s Office as 057-210-065; and

WHEREAS, the Executive Officer reviewed said proposal and prepared a written report, including her recommendations thereon; and

WHEREAS, said proposal and the Executive Officer’s report have been presented to the Commission in a manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public meeting held on said proposal on June 2, 2014; and

WHEREAS, the Commission considered all the factors required by law under Sections 56668 and 56668.3 of the California Government Code; and

WHEREAS, the Commission found the proposal consistent with the sphere of influence established for the Napa Sanitation District; and

WHEREAS, the Commission determined to its satisfaction that all owners of land included in said proposal consent to the subject annexation; and

WHEREAS, in accordance with applicable provisions of the California Environmental Quality Act (hereinafter “CEQA”), the Commission, Responsible Agency under CEQA, considered the determinations of the County of Napa, Lead Agency under CEQA, based on its Greenwood Commerce Center initial study and mitigated negative declaration, and prepared an Addendum to the mitigated negative declaration to provide further evaluation of the environmental impact of the proposal before the Commission in accordance with Section 15164 of Title 14 of the California Code of Regulations (hereinafter “CEQA Guidelines”); and

WHEREAS, the Addendum finds the Greenwood Commerce Center Project results in no new significant or substantially more severe impacts on the environment, and further finds there is no new information of substantial importance that requires a subsequent or supplement to the initial study.

NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

1. The Commission’s determinations on the proposal incorporate the information and analysis provided in the Executive Officer’s written report.
2. The County of Napa serves as lead agency for the proposal under the California Environmental Quality Act (CEQA) given it is responsible for approving the underlying activity: development of the affected territory to include three industrial warehouse facilities as contemplated in the applicant’s Greenwood Commerce Center project. The County determined the potential development of the affected territory could not have a significant effect on the environment because all potential significant effects have been adequately analyzed and addressed in its initial study and mitigated negative declaration specific to the Greenwood Commerce Center project. The Commission also has considered the CEQA Addendum updating information presented in the County’s environmental review. The Commission certifies it has reviewed and considered the aforementioned initial study, mitigated negative declaration and Addendum in support of the County’s determination that the annexation tied to the underlying service plan will not result in any significant environmental impacts. The Commission’s findings are based on its independent judgment and analysis. The records upon which these findings are made are located at the Commission office at 1030 Seminary Street, Suite B, Napa, California 94559.
3. The proposal is APPROVED.
4. This proposal is assigned the following distinctive short-term designation:

**AIRPORT ROAD NO. 1 ANNEXATION TO
THE NAPA SANITATION DISTRICT**

5. The affected territory is shown on the attached map and is more precisely described in the attached Exhibit “A”.
6. The affected territory so described is uninhabited as defined in California Government Code Section 56046.

7. The Napa Sanitation District utilizes the regular assessment roll of the County of Napa.
8. The affected territory will be taxed for existing general bonded indebtedness of the Napa Sanitation District.
9. The proposal shall be subject to the terms and conditions specified in the attached Exhibit "B."
10. The Commission authorizes conducting authority proceedings to be waived in accordance with California Government Code Section 56663(c).
11. Recordation is contingent upon receipt by the Executive Officer of the following:
 - (a) A final map and geographic description of the affected territory determined by the County Surveyor to conform to the requirements of the State Board of Equalization.
 - (b) Payment of any and all outstanding fees owed to the Commission and/or other agencies involved in the processing of this proposal.
 - (c) Written confirmation by Napa Sanitation District that its terms and conditions outlined in Exhibit "B" have been satisfied.
12. The effective date shall be the date of recordation of the Certificate of Completion. The Certificate of Completion must be recorded within one calendar year unless an extension is requested and approved by the Commission.

The foregoing resolution was duly and regularly adopted by the Commission at a regular meeting held on the June 2, 2014, by the following vote:

AYES: Commissioners

NOES: Commissioners

ABSTAIN: Commissioners

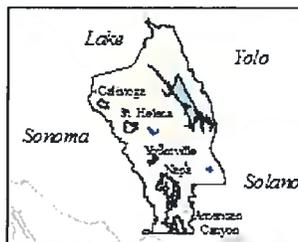
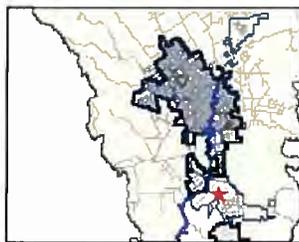
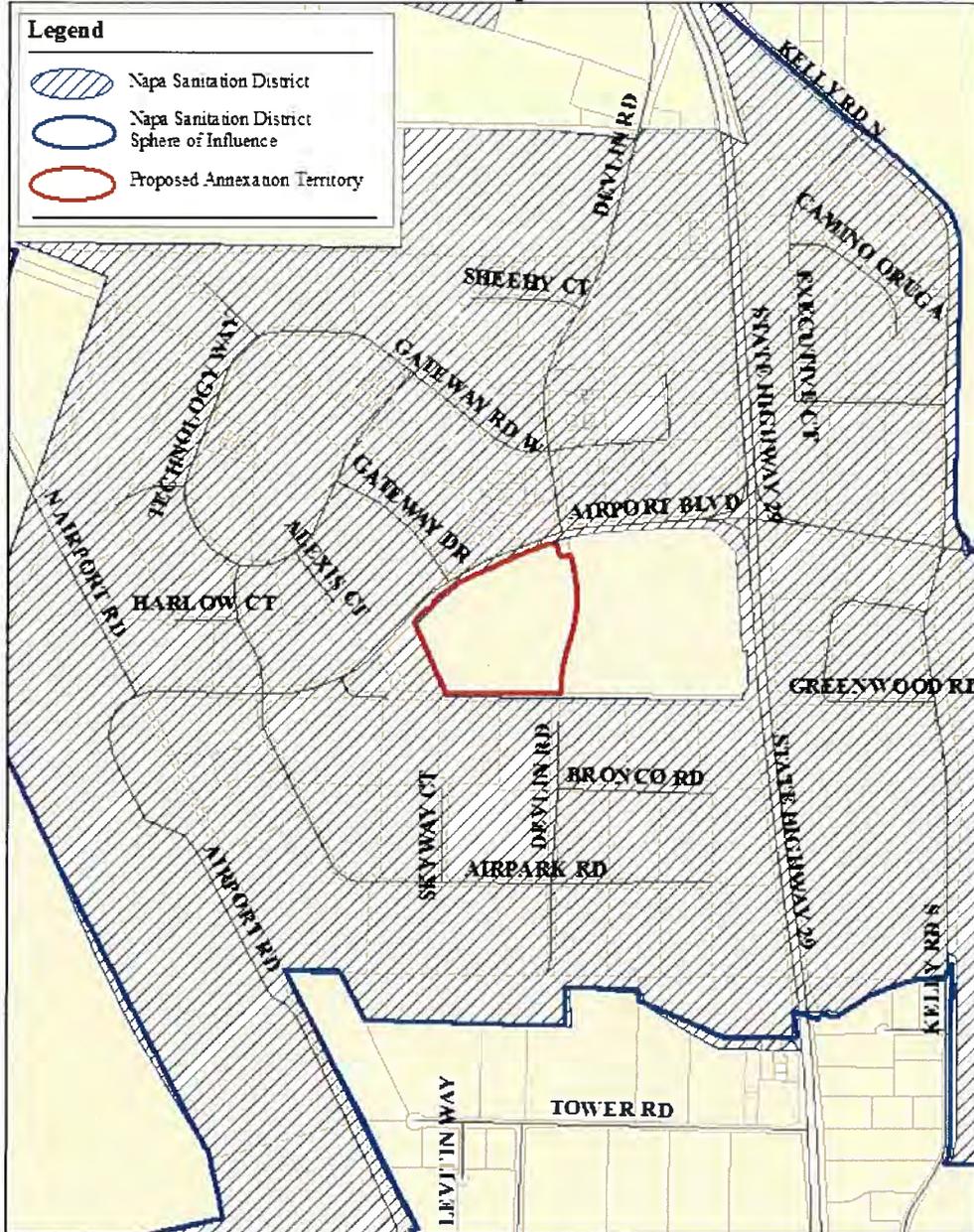
ABSENT: Commissioners

ATTEST: Laura Snideman
Executive Officer

Recorded by: _____
Kathy Mabry
Commission Secretary

EXHIBIT A

Proposed Airport Road No. 1 Annexation to the Napa Sanitation District



Miles
0 0.05 0.1 0.2

April 22, 2014
Project # 537

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

EXHIBIT "B"

TERMS AND CONDITIONS

AIRPORT ROAD NO. 1 - DISTRICT ANNEXATION 000011

APN NO.: 057-210-065

DESCRIPTION: 1225 AIRPORT BOULEVARD

-
1. Upon and after the effective date of said annexation, the Territory, all inhabitants within such Territory, and all persons entitled to vote by reason of residing or owning land with the Territory, shall be subject to the jurisdiction of the Napa Sanitation District, hereinafter referred to as "the District"; shall have the same rights and duties as if the Territory had been a part of the District upon its original formation; shall be liable for the payment of principal, interest, and any other amounts which shall become due on account of any outstanding or then authorized by thereafter issued bonds, including revenue bonds, or other contracts or obligations of the District; shall be subject to the levying or fixing and collection of any and all taxes, assessments, service charges, rentals or rates as may be necessary to provide for such payment; and shall be subject to all of the rates, rules, regulations and ordinances of the District, as now or hereafter amended.
 2. The property owner hereby agrees to abide by all ordinances, rules and regulations of District governing the manner in which sewers shall be used, the manner of connecting thereto, and the plumbing and drainage in connection therewith.
 3. In the event that pursuant to rules, regulations or ordinances of the District, as now or hereafter amended, the District shall require any payment of a fixed or determinable amount of money, either as a lump sum or in installments, for the acquisition, transfer, use or right of use of all or any part of the existing property, real or personal, of the District, such payment will be made to the District in the manner and at the time as provided by the rules, regulations or ordinances of the District, as now or hereafter amended.
 4. The property owner agrees that prior to connection to the facilities of the District; property owner will pay all applicable fees and charges to District associated with connection of the property in accordance with the computation of regular connection fees and charges in effect at the time paid. The property owner further agrees to pay the regular permit and inspection charges in effect at the time paid for the connection to be made to the District's system.
 5. The property owner shall deposit with the District an annexation fee of \$2,150.00 to reimburse the District engineering, legal, and all other costs incurred by the District in preparing and examining maps and plans, legal descriptions, agreements and other documents associated with processing subject annexation.

6. The property owner shall file with LAFCO a check in the amount of \$350 made payable to the State Board of Equalization.
7. The property owner shall pay to the County of Napa Assessor's Office a Mapping Services Fee of \$125.
8. The property owner shall pay to LAFCO of Napa County an amount of \$125 for updating the County's GIS database.
9. The property owner further agrees to pay such annual sewer service fees to the District as may be established, from time to time, by the rules and regulations of the District which are of universal application within the District. Property owner hereby authorizes the District to collect such charges on the tax roll pursuant to California Health and Safety Code section 5473 and specifically waives any right to challenge the District's ability to do so because the Property is outside of the District Boundaries.
10. No change in the facilities to be connected to the District's system shall be made without first having given written notice to the District that such change is to be made. No additional connections shall be connected to the facilities of the Napa Sanitation District without having first given written notice to the District that such additional facilities are to be connected to the system. Prior to making any such change in facilities or to the addition of any units to the District's system, the Owner shall pay to the District such additional inspection, connection and annual fees which may then be established by the Board of Directors of the District.
11. The property owner shall eliminate any privately owned sewage disposal system(s) located on the subject property to the Napa County Division of Environmental Health requirements.
12. The property owner shall enter into an Improvement Agreement with the District for construction of public sanitary sewer facilities and recycled water facilities. The property owner shall enter into a Private Main Agreement with the District for operating and maintaining the proposed private sanitary sewer main serving the development.
13. The property owner shall install and connect approximately 739 linear feet of 12-inch recycled water main across the property from the west property line at the existing recycled water terminus at the Sheriff's office to Devlin Road at the east terminus of the existing recycled water main. The property owner shall install a public sanitary sewer lateral and cleanout from an existing manhole at Airport Boulevard to the property line to serve the proposed development.
14. The property owner shall submit a Plan and Profile of the aforesaid sanitary sewer and recycled water improvements prepared by a registered civil engineer, conforming with District standards, and post the appropriate Labor and Materials and Faithful Performance Bonds guaranteeing said installations.

15. All sanitary sewer mains or recycled water mains installed outside of the public right of way shall be located within 20 foot wide sanitary sewer or recycled water easement centered on the mains and dedicated to the District.
16. All sanitary sewer and recycled water work performed in the public right of way and public easement shall be performed by a Class A licensed contractor who bonds the public work with the District. The contractor shall pay to the District public lateral inspection fees and sanitary sewer main inspection fees based on the inspection rates in effect at the time construction permits are issued.
17. The property owner shall pay to the District the private lateral inspection fee in effect at the time at the time of construction for each dwelling unit located on the property.
18. The property owner shall utilize recycled water for all landscape irrigation purposes. The owner shall be responsible for installing the necessary onsite irrigation facilities per the District's "Recycled Water Users Guide" and current Sanitary Sewer and Recycled Water Standards. The property owner shall enter into a Recycled Water User Agreement with the District.
19. The property owner shall agree to conditions 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 19, and fulfill conditions 5, 6, 7 and 8 prior to the District's issuance of a letter to LAFCO authorizing recordation of subject annexation, and in no case more than 1 year after LAFCO's adoption of a resolution approving subject annexation, unless extended by LAFCO. Any extensions granted shall in total not exceed 1 year.

FORM B

Date Filed: 4/28/14

Received By: BF

PETITION FOR PROPOSAL

For Filing with the Local Agency Formation Commission of Napa County

A proposal for a change of organization made by a landowner or registered voter shall be initiated by petition. The petition shall state the nature of the proposal and all associated proposed changes of organization. It shall also state the reason for the proposal and enumerate and include supporting information as required under Government Code Section 56700. The petition must be submitted to the Executive Officer for filing within 60 days after the last signature is affixed. Applicants are encouraged to use this form.

Nature of Proposal and All Associated Changes of Organization:

Annexation to Napa Sanitary District

Greenwood Commerce Center Apn #57-210-055

Description of Boundaries of Affected Territory Accompanied by Map:

Apn # 057-210-055 Greenwood Commerce Center

Devlin Road - Airport Blvd

Reason for Proposal and Any Proposed Conditions:

Type of Petition:

Landowner

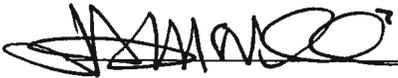
Registered Voter

Sphere of Influence Consistency:

Yes

No

If Landowner Petition, Complete the Following:

- 1) Name: MNCVAD c/o New York Life Investments
Mailing Address: ONE Front Street #550 SF, CA 94111
Assessor Parcel: 057-20210-055
Signature:  Date: 4.14.14
- 2) Name: _____
Mailing Address: _____
Assessor Parcel: _____
Signature: _____ Date: _____
- 3) Name: _____
Mailing Address: _____
Assessor Parcel: _____
Signature: _____ Date: _____

If Registered Voter Petition, Complete the Following:

- 1) Name: _____
Mailing Address: _____
Resident Address: _____
Signature: _____ Date: _____
- 2) Name: _____
Mailing Address: _____
Resident Address: _____
Signature: _____ Date: _____
- 3) Name: _____
Mailing Address: _____
Resident Address: _____
Signature: _____ Date: _____

FORM D

Date Filed: 4/28/14
Received By: BF

JUSTIFICATION OF PROPOSAL
Change of Organization/Reorganization

I. APPLICANT INFORMATION

A. Name: Joseph A McNeill PMA
Contact Person Agency/Business (If Applicable)
Address: 1450 Harbor Blvd Suite "F" West Sacramento 95691
Street Number Street Name City Zip Code
Contact: 916-718-5659 707-864-3234 McNeill.Jose@Cmi1.com
Phone Number Facsimile Number E-Mail Address

B. Applicant Type (Check One)
 Local Agency Registered Voter Landowner

II. PROPOSAL DESCRIPTION

A. Affected Agencies: Napa Sanitation 1515 Sausal Ferry Road Napa 94558
Name Address

Name Address

Name Address

Use Additional Sheets as Needed

B. Proposal Type (Check as Needed)
 Annexation Detachment City Incorporation District Formation
 City/District Dissolution City/District Merger Service Activation (District Only) Service Divestiture (District Only)

C. Purpose Statement (Specific): Annexation into Napa Sanitation.

III. GENERAL INFORMATION

A. Location: 1225 Airport Blvd 057-210-055 19.39
Street Address Assessor Parcel Number Acres

Street Address Assessor Parcel Number Acres

Street Address Assessor Parcel Number Acres

Street Address Assessor Parcel Number Acres

Total Location Size
(Including Right-of-Ways) _____

B. Landowners:

(1) Assessor Parcel Number : 057-210-055 Name: MNCVAP c/o NYLIFE
Mailing Address: 801 Front Street #550 SF, CA 94111
Phone Number: 415-402-4303 E-mail: Russ.Berry@NYLIFE.com

(2) Assessor Parcel Number : _____ Name: _____
Mailing Address: _____
Phone Number: _____ E-mail: _____

(3) Assessor Parcel Number : _____ Name: _____
Mailing Address: _____
Phone Number: _____ E-mail: _____

(4) Assessor Parcel Number : _____ Name: _____
Mailing Address: _____
Phone Number: _____ E-mail: _____

Use Additional Sheets As Needed

C. Population:

(1) Total Number of Residents _____
(2) Total Number of Registered Voters _____

D. Land Use Factors:

- (1a) County General Plan Designation: _____
- (1b) County Zoning Standard: _____
- (2a) Applicable City General Plan Designation: _____
- (2b) Applicable City Rezoning Standard: _____

E. Existing Land Uses:
(Specific)

Raw land

F. Development Plans:

- (1a) Territory Subject to a Development Project? Yes No
- (1b) If Yes, Describe Project: Planned Industrial Warehouse project
Starting construction ASAP
- (1c) If No, When Is Development Anticipated? _____

G. Physical Characteristics:

- (1) Describe Topography: Generally flat - slope East to West

- (2) Describe Any Natural Boundaries:

- (3) Describe Soil Composition and Any Drainage Basins:

- (4) Describe Vegetation:

H. Williamson Act Contracts
(Check One)

Yes

No

IV. GOVERNMENTAL SERVICES AND CONTROLS

A. Plan For Providing Services

(1) Enumerate and Describe Services to Be Provided to the Affected Territory:

Am Con Water and Nopc Sanitation Sewer

(2) Level and Range of Services to Be Provided to the Affected Territory:

Typical for Approved Use

(3) Indication of When Services Can Feasibly Be Extended to the Affected Territory:

Immed.ely

(4) Indication of Any Infrastructure Improvements Necessary to Extend Services to the Affected Territory:

No offsite Improvements needed

(5) Information On How Services to the Affected Territory Will Be Financed:

cash by owner

V. ENVIRONMENTAL INFORMATION

A. Environmental Analysis

(1) **Lead Agency for Proposal:** _____
Name

(2) **Type of Environmental Document Previously Prepared for Proposal:**

Environmental Impact Report

Negative Declaration/Mitigated Negative Declaration

Categorical/Statutory Exemption: _____
Type

None

Provide Copies of Associated Environmental Documents

VI. ADDITIONAL INFORMATION

A. Approval Terms and Conditions Requested For Commission Consideration:

Use Additional Sheets As Needed

B. Identify Up to Three Agencies or Persons to Receive Proposal Correspondence:
(Does not include affected landowners or residents)

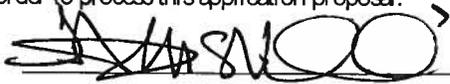
(1) Recipient Name: County of Napa - Sean Trippa
Mailing Address: _____
E-Mail: _____

(2) Recipient Name: Napa Sanitation
Mailing Address: _____
E-Mail: _____

(3) Recipient Name: _____
Mailing Address: _____
E-Mail: _____

VII. CERTIFICATION

I certify the information contained in this application is correct. I acknowledge and agree the Local Agency Formation Commission of Napa County is relying on the accuracy of the information provided in my representations in order to process this application proposal.

Signature:  _____

Printed Name: Joseph A McKell _____

Title: Development Manager _____

Date: 4.14.14 _____

Standard Indemnification Agreement

Name of Proposal: Annexation into Napa Section - Greenwood Commercial Center

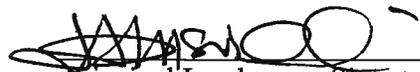
Should the Local Agency Formation Commission of Napa County ("Napa LAFCO") be named as a party in any litigation (including a "validation" action under California Civil Code of Procedure 860 et seq.) or administrative proceeding in connection with a proposal, the applicant MNCVAD and/or Joseph A McNeill (real party in interest: the landowner/registered voter) agree to indemnify, hold harmless, and promptly reimburse Napa LAFCO for:

1. Any damages, penalties, fines or other costs imposed upon or incurred by Napa LAFCO, its agents, officers, attorneys, and employees from any claim, action, or proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it. The Napa LAFCO Executive Officer may require a deposit of funds to cover estimated expenses of the litigation. Applicant and/or real party in interest agree that Napa LAFCO shall have the right to appoint its own counsel to defend it and conduct its own defense in the manner it deems in its best interest, and that such actions shall not relieve or limit Applicant's and/or real party in interest's obligations to indemnify and reimburse defense cost; and
2. All reasonable expenses and attorney's fees in connection with the defense of Napa LAFCO.

This indemnification obligation shall include, but is not limited to, expert witness fees or attorney fees that may be asserted by any person or entity, including the applicant, arising out of, or in connection with, the approval of this application. This indemnification is intended to be as broad as permitted by law.

Applicant and/or real party in interest may be required by Napa LAFCO to execute an additional indemnity agreement as a condition of approval for this application. Such an agreement in no way limits the effect of obligations provided under this legal indemnity.

City/District Representative


Principal Landowner Signature

Print Name

Joseph A McNeill III
Print Name

Date

4.14.14
Date



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 No. 7c (Action):
ATTACHMENT FOUR

May 20, 2014

TO: Local Agency Formation Commission

FROM: Jacqueline Gong, LAFCO Counsel

SUBJECT: CEQA Addendum to Mitigated Negative Declaration (as part of the environmental review of the Proposed Airport Road No. 1 Annexation to the Napa Sanitation District)

This memorandum serves as an Addendum to the Mitigated Negative Declaration adopted by the County of Napa ("County") for the Greenwood Commerce Center project (APN 057-210-055) for the construction of three industrial buildings pursuant to a Use Permit (File No. P08-00312). This Addendum is to provide information relating to the County's further environmental review of the Greenwood Commerce Center project as modified in the Modification of Use Permit (File No. P13-00353), approved on December 23, 2013. The Commission, as the responsible agency under CEQA, must consider the Negative Declaration and other environmental information as needed as part of its consideration of the proposal to annex the Greenwood Commerce Center territory to the Napa Sanitation District (NSD).

On October 15, 2008, the County approved the issuance of a use permit for the construction of three concrete industrial buildings, totaling 374,926 square feet for flexible warehousing/distribution and light industrial uses with ancillary office areas. As part of its approval, the County adopted a Mitigated Negative Declaration determining this project, with mitigation measures, would have no significant effect on the environment as supported by the Initial Study, dated September 9, 2008. The Initial Study determined that the wastewater treatment provider, NSD, would have adequate capacity to serve the project in addition to its existing commitments and so would have less than significant environmental impact. The Initial Study further determined that NSD had provided a will serve letter and that the project would be in compliance with District master plans and all water quality discharge requirements, including regional water quality control standards. In its will serve letter, dated May 21, 2008, NSD indicated it would be able to provide sanitary sewer service upon completion of annexation proceedings and other specified conditions and that the letter was valid until May 21, 2013. The Use Permit automatically expired on October 15, 2010 unless otherwise activated.

Subsequently, a Modification of the Use Permit was sought in 2013, amending the site plan and building floor area for construction of three industrial/warehouse buildings totaling 334,672 square feet. In December 2013, the County approved the proposed Modification and found it to be within the original scope of potential environmental effects assessed in the Greenwood Commerce Center Mitigated Negative Declaration. The County found there were no substantial changes to the project or circumstances under which the project is being undertaken.

Joan Bennett, Vice Chair
Councilmember, City of American Canyon

Greg Pitts, Commissioner
Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Commissioner
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, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Laura Snideman
Executive Officer

In addition, the County found there was no new substantial information on the project. Therefore, the County determined no further environmental review was required for approval of the Modification of Use Permit. As part of its approval of this Modification, the County received a new will serve letter from NSD, dated May 20, 2013, which indicated the District would be able to provide sanitary sewer service to the project as modified upon completion of annexation proceedings into NSD, valid until May 20, 2018.

The Local Agency Formation Commission, as the responsible agency under CEQA for the modified Greenwood Commerce Center project, should review and consider this updated information, together with the Mitigated Negative Declaration, for the proposed annexation of the project territory to NSD (State CEQA Guidelines Sections 15050 & 15164). The Commission must certify it has reviewed and considered this environmental information, including the Mitigated Negative Declaration, in order to approve the proposal. All supporting environmental information is on file and available for inspection with the Executive Officer at 1030 Seminary Street, Suite B, Napa California.