



Local Agency Formation Commission of Napa County

Subdivision of the State of California

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

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

Administrative Office

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REGULAR MEETING AGENDA

Monday, June 3, 2013

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

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 as defined by LAFCO.

1. WELCOME AND CALL TO ORDER BY CHAIR; 4:00 P.M.

All audience members are asked to silence their telephones for the duration of the meeting. It is also requested any member of the audience wishing to address the Commission during the public comment period turn in a speaker card to the Commission Clerk before or at this time.

a) Commission Roll Call

The Commission Clerk will take attendance for present Commissioners.

b) Pledge of Allegiance

The Chair or his designee will lead agency representatives and audience members in the Pledge of Allegiance.

c) Oath of Office for Commissioners with New Terms

The Commission Counsel will administer new oaths of offices for Commissioners Inman, Luce, and Pitts.

2. 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.

3. 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.

4. RECOGNITION OF SERVICE: Lewis Chilton

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) Third Quarter Budget Report for 2012-2013 (Action)

The Commission will review a third quarter budget report for 2012-2013. The report compares budgeted versus actual transactions through the first three quarters. The report projects the Commission is on pace to improve its year-end financial position by eliminating its budgeted funding gap of (\$8,811) and finish with an overall operating surplus of \$13,652. The report is being presented to the Commission to formally accept and file.

b) Amendments to Support Services Agreement with the County of Napa (Action)

The Commission will consider approving amendments to its support services agreement with the County of Napa involving the provision of information technology services. The proposed amendments are highlighted by establishing the Commission's 2013-2014 annual charge for information technology services in the amount of \$22,374 and represents an approximate 1.7% increase over the current fiscal year.

c) Approval of Meeting Minutes (Action)

The Commission will consider approving minutes prepared by staff for the April 1, 2013 meeting.

d) Current and Future Proposals (Information)

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

6. PUBLIC HEARING ITEMS

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

a) Consideration of a Final Budget for Fiscal Year 2013-2014

The Commission will consider adopting a final budget setting operational expenses and revenues for 2013-2014. The recommended final budget is nearly identical to the proposed budget adopted in April and subsequently circulated for public review. Operating expenses total \$448,800 and represents a 3.8% increase over the current fiscal year. Operating revenues total \$432,850 with the majority coming from local funding agencies; the latter of which would increase by 2.4%. The anticipated shortfall – (\$15,949) – would be covered by agency reserves.

b) Amendments to Adopted Fee Schedule

The Commission will consider approving amendments to its adopted fee schedule prepared by the Policy Committee. The proposed amendments include increasing the composite hourly staff rate from \$118 to \$123 along with making changes to the policy statements accompanying the fee schedule to improve implementation.

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) Amendments to Policy on Conducting of Meetings and Business

The Commission will consider proposed amendments to existing policies concerning the conducting of meetings and business. The majority of the proposed amendments reflects and expands on current practices and address per diem allowances and reimbursement procedures. Amendments are also proposed to address setting agenda items.

b) Approval of Meeting Calendar for Second Half of 2013

The Commission will consider approving a meeting calendar for the final six months of 2013. It is recommended the Commission schedule four regular meetings for August 5th, October 7th, November 4th, and December 2nd. One special meeting is also recommended for November 11th for the Commission to hold its biennial workshop.

c) California Association of Local Agency Formation Commissions: Annual Conference Items

The Commission will consider appointing voting delegates to represent the agency at CALAFCO's Annual Conference scheduled for August 28-30th at Resort at Squaw Creek in Lake Tahoe. The Commission will also consider making board and achievement award nominations.

8. DISCUSSION ITEMS

A member of the public may receive permission to provide comments on any item calendared for discussion at the discretion of the Chair. General direction to staff for future action may be provided by Commissioners.

a) Spanish Flat Water District Sphere of Influence Update

The Commission will receive a draft report on its scheduled sphere of influence update on the Spanish Flat Water District. The draft report draws on current legislative directives and adopted local policies in identifying and evaluating the merits of adding two study areas – “A” and “B” – to the sphere to facilitate either future annexations or outside service extensions. The draft report concludes it would be appropriate for the Commission to add Study Area A to the sphere as part of this scheduled update.

b) Profile Report on Mutual Water Companies in Napa County

The Commission will receive a profile report on mutual water companies operating in Napa County. The profile report has been prepared in response to the recent enactment of Assembly Bill 54 and identifies each mutual water company's service area along with basic service information.

c) Legislative Report

The Commission will receive a status report on the first year of the 2013-2014 session of the California Legislature as it relates to items directly or indirectly effecting Local Agency Formation Commissions. The report also updates the Commission on the agency's ongoing efforts to seek amendments to the section of law involving outside municipal service extensions.

9. EXECUTIVE OFFICER REPORT

The Commission will receive a verbal report from the Executive Officer regarding current staff activities.

10. CLOSED SESSION: None Scheduled

11. COMMISSIONER COMMENTS; REQUEST FOR FUTURE AGENDA ITEMS

12. ADJOURNMENT TO NEXT REGULAR SCHEDULED MEETING: See Agenda Item 7b



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

June 3, 2013

Agenda Item No. 5a (Consent/Action)

May 28, 2013

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Third Quarter Budget Report for 2012-2013

The Commission will review a third quarter budget report for 2012-2013. The report compares budgeted versus actual transactions through the first three quarters. The report projects the Commission is on pace to improve its year-end financial position by eliminating its budgeted funding gap of (\$8,811) and finish with an overall operating surplus of \$13,652. The report is being presented to the Commission to formally accept and file.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 mandates operating costs for Local Agency Formation Commissions (LAFCOs) shall be annually funded by the affected counties, cities, and, if applicable, special districts. In most instances, the county is responsible for one-half of LAFCO's annual budget with the remaining amount proportionally shared by the cities based on a weighted calculation of population and tax revenues. LAFCOs are also authorized to establish and collect fees for purposes of offsetting agency contributions.

A. Discussion

LAFCO of Napa County's ("Commission") adopted final budget for 2012-2013 totals \$432,461. This amount represents the total approved operating expenditures for the fiscal year divided between salaries and benefits, services and supplies, and contingencies. Budgeted revenues total \$423,650 and are divided between intergovernmental fees, service charges, and investments. Markedly, an operating shortfall of (\$8,811) was intentionally budgeted at the beginning of the fiscal year to reduce the funding requirements of the local agencies and to be covered by drawing down on unreserved funds. The unreserved portion of the fund balance totaled \$118,523 as of July 1, 2012.

Budgeted Operating Expenses	Budgeted Operating Revenues	Budgeted Year-End Operating Balance
\$432,461	\$423,650	(\$8,811)

Joan Bennett, Commissioner
 Councilmember, City of American Canyon

Gregory Pitts, Commissioner
 Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
 Councilmember, City of Napa

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

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

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

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

Gregory Rodeno, Alternate Commissioner
 Representative of the General Public

Keene Simonds
 Executive Officer

Operating Revenues

The Commission’s operating revenues budgeted for 2012-2013 total \$423,650. Actual revenues collected through the third quarter totaled \$435,103. This amount represents 103% of the adopted budget total with 75% of the fiscal year complete. The following table compares budgeted and actual revenues through the third quarter.

Revenue Units	Adopted	Through 3 rd Quarter	Dollar Difference	Percent Collected
Intergovernmental	409,574	409,574	0	100.0
Service Charges	10,000	23,759	13,759	237.6
Investments	4,076	1,770	(2,306)	43.4
Total	\$423,650	\$435,103	11,453	102.7

Actuals through the third quarter and related analysis suggest the Commission will finish the fiscal year with \$435,656 in total revenues and produce a surplus of \$12,006 or 2.8%. An expanded discussion on budgeted and actual revenues through the third quarter in the Commission’s three revenue units along with projected year-end totals follows.

Intergovernmental Fees

The Commission budgeted \$409,574 in intergovernmental fees in 2012-2013. Half of the total was invoiced to the County of Napa in the amount of \$204,787. The remaining amount was proportionally invoiced to the cities based on a weighted calculation of population and general tax revenues. This latter formula resulted in invoice charges totaling \$33,321 for American Canyon, \$12,095 for Calistoga, \$136,583 for Napa, \$14,153 for St. Helena, and \$8,635 for Yountville. All agency invoices have been paid in full leaving a zero balance.

Service Charges

The Commission budgeted \$10,000 in service charges in 2012-2013. At the end of the third quarter, actual revenues collected within this unit totaled \$23,759 or 238% of the budgeted amount. The collected service charges are predominately tied to the submittal of five proposals received since July 2012 involving four city annexations and one special district outside service request. No additional service charges are expected through the end of the fiscal year with the exception of one outstanding invoice for \$125 to update the Commission’s digital mapping system. This projection would result in a year-end unit surplus of \$13,884 or 138.8%.

Investments

The Commission budgeted \$4,076 in investment income in 2012-2013 based on actual revenues collected during the first two quarters of the prior fiscal year. All income generated in this unit is tied to interest earned on the Commission’s fund balance, which is under pooled investment by the County Treasurer. Earnings through the third quarter total \$1,770 or 43%. It is reasonable to assume the fourth quarter will generate a similar amount income amount and would result in a year-end unit deficit projection of (\$1,878) or (46.1%).

Operating Expenses

The Commission’s operating expenses budgeted for 2012-2013 total \$432,461. Actual expenses – including encumbrances – through the third quarter totaled \$311,415. This amount represents 72% of the budgeted total with 75% of the fiscal year complete. The following table compares budgeted and actual expenses through the third quarter.

Expense Units	Adopted	Through 3 rd Quarter	Dollar Balance	Percent Expended
Salaries/Benefits	311,287	223,952	87,335	71.9
Services/Supplies	121,174	87,463	33,711	72.2
Contingencies	-	-	-	-
Total	\$432,461	\$311,415	\$121,046	72.0

Actuals through the third quarter and related analysis suggest the Commission will finish the fiscal year with \$422,004 in total expenses and produce a surplus/savings of \$13,652 or 3.2%. An expanded discussion on budgeted and actual expenses through the third quarter within the Commission’s three expense units follows.

Salaries/Benefits

The Commission budgeted \$311,287 in salaries and benefits for 2012-2013. At the end of the third quarter, the Commission’s actual expenses within the 10 affected accounts totaled \$223,952, representing 72% of the budgeted amount. None of the affected accounts finished the third quarter with balances exceeding 75% of their budgeted allocation. Staff projects the Commission will finish the fiscal year with a minimal deficit of approximately \$310 or 0.1% due to the mistaken omission of an automobile allowance for the Executive Officer in the adopted budget.¹

Services/Supplies

The Commission budgeted \$121,174 in services and supplies for 2012-2013. At the end of the third quarter, the Commission’s actual expenses – including contractual encumbrances – in the 20 affected accounts totaled \$87,463 and represents 72% of the budgeted amount. Eight of the affected accounts – rents for building/land, accounting/auditing, business travel, rents for equipment, training/conferences, computer software/license, memberships/certifications, and special department expenses – finished with balances exceeding 75% of their budgeted allocation with expanded explanations provided below. Staff projects the Commission will finish the fiscal year with an overall surplus of approximately \$10,768 or 8.9% in the unit and primarily tied to sizable decreases in anticipated legal and office supply costs.

¹ The Commission provides a \$5,280 annual automobile allowance to the Executive Officer; an amount that was mistakenly omitted from the adopted budget for 2013-2014. Cost-savings in other salaries/benefits accounts – most notably in group insurance – is expected to absorb the majority of the referenced omission.

- Rents for Building/Land
This account covers the Commission's lease for office space at 1030 Seminary Street in Napa. The account was budgeted to equal the contracted annual lease amount of \$25,560, which is fixed through 2016-2017 and results in a monthly payment of \$2,130. Expenses through the third quarter total \$27,560 or 108% of the budgeted amount and covers actual and remaining rent through the end of the fiscal year plus a \$2,000 security deposit collected in July 2012 at the time the lease became effective. The security charge, notably, will result in a corresponding deficit of (\$2,000) or (8%) in this account at the end of the fiscal year.

- Auditing and Accounting
This account primarily covers the Commission's annual costs for contracted financial support services provided by the County Auditor's Office. This includes processing accounts payable and receivable along with payroll. The account also covers costs to retain an outside consultant to prepare an annual audit for the prior completed fiscal year. The Commission budgeted \$9,126 in this account in 2012-2013. Expenses through the third quarter totaled \$7,458 or 82% of the budgeted amount. Over two-thirds of expenses through the third quarter are tied to the payment of an outside consultant (Gallina) to prepare an audit report for the prior fiscal year that was presented to the Commission in December 2012. Staff projects the Commission will ultimately finish with a modest surplus of \$768 or 8.4% in this account at the end of the fiscal year.

- Business Travel
This account covers the Commission's costs to reimburse members and staff for all travel related expenditures incurred in the course of performing agency business and includes airline tickets and automobile mileage.² The Commission budgeted \$5,000 in this account in 2012-2013. Expenses through the third quarter totaled \$4,631 or 92% of the budgeted amount. The majority of the expenses through the third quarter are tied to reimbursing members and staff for their vehicle mileage to attend the CALAFCO Annual Conference in Monterey in October 2012. Staff projects the Commission will ultimately finish with a moderate deficit of (\$631) or (13%) in this account at the end of the fiscal year.

² The Executive Officer does not receive mileage reimbursement for any vehicle travel incurred within Napa County.

- Rents for Equipment

This account covers the Commission's lease with Xerox for a multifunction office machine. This includes covering the machine rental fee along with user charges associated with producing prints and copies. The Commission budgeted \$6,500 in this account in 2012-2013. Expenses through the third quarter totaled \$6,155 or 95% of the budgeted amount and includes encumbering the full rental fee along with prints and copies through the first three-quarters. Staff anticipates a zero balance at the end of the fiscal year.
- Training/Conferences

This account is used for a variety of instructional activities for commissioners and staff with the majority of actual expenditures associated with the California Association of LAFCOs or CALAFCO. The Commission budgeted \$4,000 in this account in 2012-2013. Expenses through the third quarter totaled \$6,801 and represent 170% of the budgeted amount. The majority of charges incurred through the third quarter are tied to registering members and staff for the recent CALAFCO Annual Conference.³ Staff projects the Commission will finish with an account deficit of (\$3,051) or (76%) at the end of the fiscal year due to other scheduled training involving a CALAFCO regional training session for staff in June.
- Computer Software/License

This account is used to cover the Commission's annual fees for computer software services. The Commission budgeted \$3,487 in this account in 2012-2013 to cover support and license fees that provide website hosting/updates, live video/audio streaming, and digital record archiving. Expenses through the third quarter totaled \$2,744 and represent 79% of the budgeted amount; the majority of which is tied to paying the entire contract amount for digital record archiving services at the beginning of the fiscal year. Staff projects the Commission will finish with a nominal deficit of (\$24) or (0.6%) in this account at the end of the fiscal year.
- Memberships/Certifications

This account currently covers the Commission's annual membership fee for CALAFCO. The Commission's budgeted membership fee is \$2,248 in 2012-2013 and has been paid in full.

³ Attendees for the CALAFCO Annual Conference included six commissioners (Bennett, Chilton, Kelly, Inman, Rodeo, and Wagenknecht) and three staff (Simonds, Freeman, and Gong). CALAFCO's Annual Conference was held on October 3-5 at the Hyatt Regency in Monterey, California.

- Special Department Expenses

This account covers the Commission's unique or one-time expenses and typically tied to equipment or software purchases that are expected to be in use for an extended period. The Commission budgeted \$3,500 in this account in 2012-2013 with over two-thirds dedicated to the purchase of software and related training with Granicus to begin live-streaming meetings on the internet. Expenses through the third quarter total \$3,112 or 89% of the budgeted amount and cover the referenced Granicus software and training expenditure along with the purchase of two new desktop monitors. Staff projects the Commission will finish with a nominal surplus of \$38 or 1.1% in this account at the end of the fiscal year.

Contingencies

The Commission did not budget funds for contingencies in 2012-2013, and instead will rely on its unreserved fund balance to address any unexpected costs.

B. Analysis

Activity through the end of the third quarter indicates the Commission is advantageously on pace to finish 2012-2013 with an operating surplus of \$13,652; an amount that would represent a significant improvement compared to the (\$8,811) deficit budgeted at the beginning of the fiscal year. This projected improvement in the Commission's year-end financial standing is primarily attributed to savings in two specific areas: employee insurance premiums and legal services. Further, if these projections prove accurate through the final quarter, the Commission will be positioned to increase its unreserved fund balance from \$118,523 to \$132,175; a change that would mark the first year-end increase in reserves since 2007-2008.

C. Recommendation

It is recommended the Commission formally accept the report as presented.

D. Alternatives for Action

The following two alternatives are available to the Commission:

Alternative Action One (Recommended):

Accept the staff report as presented.

Alternative Action Two:

Continue consideration of the staff report to a future meeting and provide direction for more information as needed.

E. Procedures for Consideration

This item has been agendaized as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachment:

- 1) 2012-2013 General Ledger through March 31, 2013



Local Agency Formation Commission of Napa County

Subdivision of the State of California

FY2012-2013 Adopted Operating Budget: Third Quarter Report

Expenses

		FY2009-10		FY2010-11		FY2011-12		FY2012-13			
		Adopted FY09-10	Actual FY09-10	Adopted FY10-11	Actual FY10-11	Adopted FY11-12	Actual FY11-12	Adopted FY12-13	Actual 3rd Quarter		Projected Year End
Salaries and Benefits											
<u>Account</u>	<u>Description</u>										
51100	Salaries and Wages	195,580.00	193,055.65	198,346.60	198,280.48	202,387.60	203,108.73	203,183.19	151,402.63	74.5%	210,958.63
51400	Employee Insurance: Premiums	36,471.00	29,210.94	37,953.96	33,872.67	45,648.12	37,643.35	47,646.00	29,364.37	61.6%	41,383.44
51600	Retirement	34,064.00	33,015.37	34,991.95	34,924.41	36,701.99	36,871.55	37,736.30	26,834.34	71.1%	37,003.66
51605	Other Post Employment Benefits	8,706.00	8,706.00	9,138.00	9,138.00	9,341.00	9,341.00	12,139.00	9,104.25	75.0%	12,139.00
51210	Commissioner/Director Pay	9,600.00	5,100.00	9,600.00	4,900.00	9,600.00	5,700.00	6,400.00	4,300.00	67.2%	6,000.00
51300	Medicare	2,836.00	2,657.51	2,876.49	2,738.20	2,934.62	2,790.20	2,946.16	2,071.69	70.3%	2,876.69
51205	Cell Phone Allowance	840.00	843.50	840.00	843.50	840.00	843.50	840.00	577.50	68.8%	840.00
51405	Workers Compensation	168.00	168.00	226.00	226.00	327.00	327.00	396.00	297.00	75.0%	396.00
51110	Extra Help	-	-	-	-	-	-	-	-	-	-
51115	Overtime	-	-	-	-	-	-	-	-	-	-
		<u>288,265.00</u>	<u>272,756.97</u>	<u>293,973.00</u>	<u>284,923.26</u>	<u>307,780.33</u>	<u>296,625.33</u>	<u>311,286.64</u>	<u>223,951.78</u>	<u>71.9%</u>	<u>311,597.42</u>
Services and Supplies											
<u>Account</u>	<u>Description</u>										
52605	Rents and Leases: Building/Land	29,280.00	29,280.00	29,280.00	29,280.00	29,280.00	29,280.00	25,560.00	27,560.00	107.8%	27,560.00
52140	Legal Services	24,990.00	17,938.31	26,010.00	17,659.74	22,540.00	17,593.30	22,540.00	4,688.01	20.8%	11,188.01
52130	Information Technology Services	22,438.00	19,182.50	18,438.91	17,625.42	24,630.83	23,385.87	22,009.00	16,506.72	75.0%	22,008.96
52125	Accounting/Auditing Services	7,883.00	7,819.33	8,277.15	7,301.48	8,691.01	7,340.78	9,125.56	7,457.58	81.7%	8,357.58
52600	Rents and Leases: Equipment	-	-	-	-	-	-	6,500.00	6,155.00	94.7%	6,500.00
53100	Office Supplies	15,000.00	9,697.20	15,000.00	9,628.08	12,000.00	14,508.46	5,500.00	1,911.46	34.8%	2,661.46
52905	Business Travel/Mileage	4,500.00	5,044.48	4,500.00	6,469.45	5,000.00	2,253.35	5,000.00	4,631.39	92.6%	5,631.39
52900	Training/Conference	4,500.00	6,063.92	4,500.00	4,140.97	4,000.00	5,141.00	4,000.00	6,800.77	170.0%	7,050.77
53600	Special Departmental Purchases	1,000.00	1,095.25	1,000.00	2,482.00	1,000.00	426.64	3,500.00	3,112.40	88.9%	3,442.40
53415	Computer Software/License	-	-	-	-	-	-	3,487.13	2,744.03	78.7%	3,511.88
52800	Communications/Telephone	3,500.00	1,205.16	3,500.00	1,640.02	4,470.00	2,329.81	2,970.00	1,343.38	45.2%	2,423.38
53120	Memberships/Certifications	2,275.00	2,200.00	2,275.00	2,200.00	2,275.00	2,200.00	2,248.40	2,248.00	100.0%	2,248.00
53205	Utilities: Electric	-	-	-	-	-	-	1,500.00	763.00	50.9%	958.00
52830	Publications and Notices	1,500.00	1,112.17	1,500.00	1,433.43	1,500.00	2,255.64	1,500.00	480.87	32.1%	1,280.87
52835	Filing Fees	850.00	250.00	850.00	450.00	850.00	237.50	850.00	200.00	23.5%	550.00
53110	Postage/Freight	-	-	-	-	-	-	800.00	277.00	34.6%	477.00
52700	Insurance: Liability	347.00	347.00	444.00	444.00	321.00	321.00	153.00	111.00	72.5%	153.00
52105	Election Services	-	-	-	-	-	-	-	150.00	-	150.00
53105	Office Supplies: Furniture/Fixtures	-	-	-	-	-	-	-	322.38	-	322.38
54600	Capital Replacement/Depreciation*	-	3,931.30	3,931.40	3,931.40	3,931.40	3,931.40	3,931.40	-	-	3,931.40
		<u>118,063.00</u>	<u>105,166.62</u>	<u>119,506.46</u>	<u>104,685.99</u>	<u>120,489.23</u>	<u>111,204.75</u>	<u>121,174.49</u>	<u>87,462.99</u>	<u>72.2%</u>	<u>110,406.48</u>
Contingencies											
<u>Account</u>	<u>Description</u>										
58100	Appropriation for Contingencies	90,632.80	-	-	-	-	-	-	-	-	-
		<u>90,632.80</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	EXPENSE TOTALS	<u>496,960.80</u>	<u>377,923.59</u>	<u>413,479.46</u>	<u>389,609.25</u>	<u>428,269.56</u>	<u>407,830.08</u>	<u>432,461.13</u>	<u>311,414.77</u>	<u>72.0%</u>	<u>422,003.90</u>

Revenues

		FY2009-10		FY2010-11		FY2011-12		FY2012-13			
		Adopted FY09-10	Actual FY09-10	Adopted FY10-11	Actual FY10-11	Adopted FY11-12	Actual FY11-12	Adopted FY12-13	Actual 3rd Quarter	Projected Year End	
Intergovernmental											
Account	Description										
43910	County of Napa	-	153,965.70	178,009.77	178,010.00	191,550.50	191,550.50	204,787.17	204,787.17	100.0%	204,787.17
43950	Other Governmental Agencies		153,965.70	178,009.77	178,010.00	191,550.50	191,550.50	204,787.17	204,787.17	100.0%	204,787.17
----	<i>City of Napa</i>	-	105,428.75	119,646.81	119,647.00	126,330.38	126,330.38	136,583.40	136,583.40	100.0%	136,583.40
----	<i>City of American Canyon</i>	-	22,010.54	27,468.37	27,468.00	32,912.04	32,912.04	33,320.64	33,320.64	100.0%	33,320.64
----	<i>City of St. Helena</i>	-	11,135.35	12,656.54	12,657.00	12,997.37	12,997.37	14,152.67	14,152.67	100.0%	14,152.67
----	<i>City of Calistoga</i>	-	8,742.73	10,642.45	10,642.00	11,393.34	11,393.34	12,095.39	12,095.39	100.0%	12,095.39
----	<i>Town of Yountville</i>	-	6,648.33	7,595.60	7,596.00	7,917.37	7,917.37	8,635.07	8,635.07	100.0%	8,635.07
			307,931.40	356,019.55	356,020.00	383,101.00	383,101.00	409,574.34	409,574.34	100.0%	409,574.34
Service Charges											
42690	Application/Permit Fees	-	18,437.00	10,000.00	24,293.00	10,000.00	8,562.00	10,000.00	23,078.00	230.8%	23,078.00
46800	Charges for Services	-	625.00	-	3,187.00	-	475.00	-	500.00		625.00
47900	Miscellaneous	-	156.30	-	-	-	50.00	-	180.70		180.70
			19,218.30	10,000.00	27,480.00	10,000.00	9,087.00	10,000.00	23,758.70	237.6%	23,883.70
Investments											
45100	Interest	-	3,791.48	5,000.00	2,570.00	2,340.00	2,472.66	4,076.00	1,769.74	43.4%	2,198.00
			3,791.48	5,000.00	2,570.00	2,340.00	2,472.66	4,076.00	1,769.74		2,198.00
	REVENUE TOTALS	-	330,941.18	371,019.55	386,070.00	395,441.00	394,660.66	423,650.34	435,102.78	102.7%	435,656.04
OPERATING DIFFERENCE		-	(43,051)	(42,459.91)	(3,539)	(32,828.56)	(13,169.42)	(8,810.79)			13,652.14

UNRESERVED/UNRESTRICTED FUND BALANCE

Beginning:	186,574.00	134,344.00	131,692.00	118,522.58
Ending:	134,344.00	131,692.00	118,522.58	132,174.72



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

June 3, 2013

Agenda Item No. 5b (Consent/Action)

May 28, 2013

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Amendments to Support Services Agreement with the County of Napa
The Commission will consider approving amendments to its support services agreement with the County of Napa involving the provision of information technology services. The proposed amendments are highlighted by establishing the Commission's 2013-2014 annual charge for information technology services in the amount of \$22,374 and represents an approximate 1.7% increase over the current fiscal year.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 directs Local Agency Formation Commissions (LAFCOs) to plan and coordinate the orderly formation and development of local governmental agencies and services within their jurisdictions. State law specifies LAFCOs are individually responsible for making their own provisions for personnel and facilities. In making their own provisions, LAFCOs may choose to contract with a public or private entity.

A. Background

In July 2003, LAFCO of Napa County ("Commission") entered into a support services agreement (SSA) with the County of Napa. The SSA establishes terms and conditions for the County to provide a range of personnel and related services necessary for the Commission to fulfill its responsibilities. The SSA was amended in September 2007 to incorporate a new billing calculation involving the provision of information technology services (ITS), which is applied to all County departments and contracted agencies to proportionally recover operating costs. Key inputs underlying the existing calculation include the number of (a) personnel and (b) network computers assigned in each department or contracting agency. The County and the Commission have used this existing calculation in amending the SSA over the last several years. This includes calculating the current fiscal year charge of \$22,009.

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Gregory Pitts, Commissioner
Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

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

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

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

B. Discussion/Analysis

The County proposes new amendments to the SSA for the principal purpose of resetting and increasing the Commission's annual charge for ITS to \$22,374 in 2013-2014. The proposed amount represents an 1.7 % increase over the current fiscal year and largely attributed to accommodating labor expense increases for ITS due to scheduled cost-of-living adjustments for all County employees. Other changes incorporated into the SSA are deemed minor and involve editorial clarifications on services provided by ITS and have been reviewed and approved by Commission Counsel.

It is important to note the Commission's annual fee for ITS is all-inclusive with respect to covering all network administration and monitoring costs. This includes providing e-mail, technical support, database maintenance for accounting and payroll, and access to the County's geographic information system. The level and range of these services are exceptional. The Commission has allocated sufficient funds to cover the proposed rate increase in its final budget scheduled for adoption as part of Agenda Item No. 6a. Further, the proposed rate increase falls below the 2.4% consumer price index for the San Francisco Bay Area region as reported by the United States Bureau of Labor Statistics.

C. Recommendation

Staff believes the proposed amendments to the ITS portion of the SSA are reasonable and will provide the Commission will sufficient and needed technology services to support its responsibilities in 2013-2014. Approval is recommended.

D. Alternatives for Action

Alternative Action One (Recommendation):

Adopt the attached draft resolution approving the amendments to the SSA with any desired changes.

Alternative Action Two:

Continue the item to a future meeting and provide direction to staff as appropriate.

E. Procedures for Consideration

This item has been agendized as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- 1) Proposed Amendment No. 7 to LAFCO Agreement No. 03-02

**AMENDMENT NO. 7
NAPA COUNTY AGREEMENT NO. 4433
LOCAL AGENCY FORMATION COMMISSION OF
NAPA COUNTY AGREEMENT NO. 03-02**

**SUPPORT SERVICES BY THE COUNTY OF NAPA TO THE LOCAL AGENCY
FORMATION COMMISSION OF NAPA COUNTY**

THIS AMENDMENT NO. 7 OF NAPA COUNTY AGREEMENT NO. 4433 is made and entered into as of this 1st day of July, 2013, by and between NAPA COUNTY, a political subdivision of the State of California, hereinafter referred to as "COUNTY", and the LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY (hereinafter "LAFCO"), a local public agency formed pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000et.seq.);

RECITALS

WHEREAS, on or about July 1, 2003, COUNTY and LAFCO entered into Napa County Agreement No. 4433 (hereinafter referred to as "MA"), amended on or about September 1, 2007, June 17, 2008, July 1, 2009, July 1, 2010, July 1, 2011 and amended on July 1, 2012 for the provision by COUNTY of support services needed for LAFCO's performance of its functions and responsibilities, including information technology services; and

WHEREAS, the parties now desire to amend the MA to modify the annual rates of compensation to COUNTY for services provided by its Information Technology Services Department ("ITS") to reflect changes in the costs to COUNTY to provide such services;

TERMS

NOW, THEREFORE, COUNTY and LAFCO hereby amend the Agreement as follows:

1. The portion entitled "Services of Information Technology (annual rate)" of Attachment AA of the Agreement is hereby amended to read in full as follows:

1. Services of Information Technology (annual rate):

- a. **Background.** County allocates Internet Technology Service (ITS) costs to all of the County's internal departments each year as part of its budgeting process. The County performs this task by breaking out all ITS costs – into subdivisions, which align with the major services being provided: Administration, Land Use Application, Network Operations, Development, Help Desk, Enterprise Resource Planning and Customer Management. County then allocates ITS costs throughout the County's departments based on either the number of personal computers ("PCs") or full-time equivalent employees ("FTE"). It is the intent and understanding of the parties that County shall

calculate LAFCO's Annual Fee by multiplying the total costs per PC or FTE County utilized for setting the County's own departmental budgets by the number of LAFCO's PCs or FTE.

b. Payment.

The Annual Fee shall be payable in arrears on or before the first of the month succeeding the month of service, with the payable monthly rate being 1/12 of the annual rate in effect on the first date of the month of service.

c. Amount of Annual Fee. The Annual Fee shall be as follows:

<u>Fiscal Year</u>	<u>Annual Rate</u>
2003-2004	\$12,900.00
2004-2005	\$12,999.96
2005-2006	\$13,377.96
2006-2007	\$17,799.00
2007-2008	\$16,387.00
2008-2009	\$17,768.00
2009-2010	\$18,705.00
2010-2011	\$14,945.00
2011-2012	\$20,261.00
2012-2013	\$22,009.00
2013-2014	\$22,374.00

The Annual Fee for Fiscal Year 2014-2015 and thereafter shall remain \$22,374.00 until this Agreement is amended.

2. This Amendment No. 7 of the MA shall be effective as of July 1, 2013.

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3. Except as set forth in (1) through (2), above, the terms and provisions of the MA shall remain in full force and effect as previously approved.

IN WITNESS WHEREOF, this Amendment No. 7 of Napa County Agreement No. 4433 was executed by the parties hereto as of the date first above written.

**LOCAL AGENCY FORMATION COMMISSION OF
NAPA COUNTY**

By _____
BRAD WAGENKNECHT, Chair of the Agency Board

"LAFCO"

**NAPA COUNTY, a political subdivision of
the State of California**

By _____
BRAD WAGENKNECHT, Chairman of the Board of
Supervisors

"COUNTY"

ATTEST: GLADYS I. COIL,
Clerk of the Board of Supervisors

By: _____

APPROVED AS TO FORM
Office of County Counsel
By: Thomas S. Capriola
Date: March 4, 2013

**APPROVED BY THE NAPA
COUNTY
BOARD OF SUPERVISORS**
Date: _____
Processed by:

Deputy Clerk of the Board

APPROVED AS TO FORM
Commission Counsel
By: _____
Date: _____



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

June 3, 2013

Agenda Item No. 5c (Consent/Action)

May 28, 2013

TO: Local Agency Formation Commission

FROM: Kathy Mabry, Commission Secretary

SUBJECT: Approval of Meeting Minutes

The Commission will consider approving summary minutes prepared by for the April 1, 2013 meeting. All members were present with the exception of Commissioners Pitts and Luce.

A. Discussion and Recommendation

Attached are summary minutes prepared for the Commission's Regular Meeting on April 1, 2013. Staff recommends approval.

Respectfully submitted,

Kathy Mabry
Commission Secretary

Attachment: as stated

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Gregory Pitts, Commissioner
Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

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

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

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

MEETING MINUTES OF APRIL 1, 2013

1. CALL TO ORDER; ROLL CALL

Chair Wagenknecht called the regular meeting of April 1, 2013 to order at 4:00P.M. At the time of roll call, the following Commissioners and staff were present:

Regular Commissioners	Alternate Commissioners	Staff
Brad Wagenknecht, Chair	Juliana Inman (<i>voting for Chilton</i>)	Keene Simonds, Executive Officer
Joan Bennett	Gregory Rodeno (<i>voting for Kelly</i>)	Jackie Gong, Commission Counsel
Bill Dodd		Brendon Freeman, Analyst
		Kathy Mabry, Secretary
Excused: Brian J. Kelly		
Lewis Chilton		
Mark Luce		

2. PLEDGE OF ALLEGIANCE

Chair Wagenknecht led the pledge of allegiance.

3. APPROVAL OF AGENDA

There were no requests to rearrange the agenda.

4. PUBLIC COMMENTS

Chair Wagenknecht invited members of the audience to provide public comment. No comments were received.

5. CONSENT ITEMS

a) Progress Report on Strategic Plan

The Commission received a report from staff on the progress made to date in meeting goals and implementing strategies in the current two-year strategic plan. The report noted recent efforts are focused on strengthening ties with local agencies including formal presentations at Spanish Flat Water District and Congress Valley Water District as well as holding meetings with senior staff for Yountville, St. Helena, and Napa Sanitation District to discuss current and pending agency activities.

b) Approval of Meeting Minutes

The Commission received minutes prepared by staff for the February 4, 2013 meeting.

c) Current and Future Proposals

The Commission received a report summarizing current and future proposals.

Upon motion by Commissioner Dodd and second by Commissioner Bennett, the consent calendar items were unanimously approved.

6. PUBLIC HEARING ITEMS

a) Proposed Budget for Fiscal Year 2013-2014

The Commission considered adopting a proposed budget for 2013-2014 nearly identical to the draft approved in February and subsequently circulated for review among local funding agencies. Proposed operating expenses total \$448,800 and represent a 3.8% increase over the current fiscal year. Proposed operating revenues total \$435,937 with the majority coming from local funding agencies; the latter of which would increase by 3.1%. The anticipated shortfall (\$12,863) would be covered by drawing down on agency reserves.

Chair Wagenknecht opened and closed the public hearing with no comments received.

Upon motion by Commissioner Rodeno and second by Commissioner Bennett, the Commission unanimously:

- 1) Adopted the proposed budget as submitted (**Resolution No. 2013-06**);
- 2) Directed the Executive Officer to circulate the adopted proposed budget to each funding agency; and
- 3) Directed the Executive Officer to schedule a public hearing for June 3, 2013 to consider adopting a final budget.

b) Proposed Annexation of 2012 Imola Avenue to the City of Napa

The Commission considered a proposal filed by the City of Napa to annex an approximate 1.9 acre unincorporated lot located at 2012 Imola Avenue (APN: 046-311-013). Staff recommended approval of the proposal with two discretionary amendments. The first amendment expands the annexation boundary to include 0.4 acres of additional unincorporated land covering two adjacent lots at 2008 (APN: 046-311-007) and 2010 (APN: 046-311-008) Imola Avenue along with all of the adjacent public right-of-way. The second amendment concurrently detaches the affected territory from County Service Area No. 4.

Staff added, and distinct from what was noted in the report, that the two adjacent landowners at 2008 & 2010 Imola Avenue had both provided their consent to being added to the proposal as of that morning.

Chair Wagenknecht opened the public hearing.

A nearby resident, Shelly (42 Walnut Lane) sought clarification on development potential and expressed related concerns. Chair Wagenknecht clarified the action before the Commission is to consider the merits of the boundary change and not any actual development. Shelly followed by stating her formal objection to the annexation.

Chair Wagenknecht closed the public hearing and invited Commissioner comments.

Commissioner Dodd expressed interest in expanding the proposal to eliminate the entire island, but noted such an action would likely trigger successful protest.

Upon motion by Commissioner Rodeno and second by Commissioner Bennett, the Commission approved the proposal with the two discretionary amendments noted in the staff report, and approved the amended resolution clarifying the Commission's environmental review (**Resolution No. 2013-04**).

c) Napa Berryessa Resort Improvement District Sphere of Influence Update

The Commission considered two separate actions relating to the agency's scheduled sphere of influence update on the Napa Berryessa Resort Improvement District. The first proposed action was for the Commission to formally receive and file a final report on the sphere update. The second proposed action was for the Commission to adopt a draft resolution enacting the final report's central recommendation to affirm the District's sphere designation with the addition of approximately 130 acres comprising Area A-1's Oakridge Estates (Option Two).

6. PUBLIC HEARING ITEMS – continued:

Staff provided a summary of the report and its recommendation that Option Two is appropriate on the basis it follows the Commission's preference to assign overriding deference to the existing provision and need for water and sewer services in Oakridge Estates, while deferring all other policy issues identified in the review to the next scheduled update in choosing to add the 130 acres to the sphere.

Chair Wagenknecht opened the public hearing.

Stu Williams, Berryessa Highlands resident and Secretary for Oakridge Estates Homeowners Association, spoke before the commission. Mr. Williams stated the Oakridge Estates landowners do want to be part of this sphere of influence given their existing contributions to the development of the District.

Chair Wagenknecht closed the public hearing.

Upon motion by Commissioner Dodd and second by Commissioner Rodeno, the Commission approved Option Two of the staff report to affirm and expand the sphere to include area A-1's Oakridge Estates (**Resolution No. 2013-05**).

7. ACTION ITEMS

a) Request to Amend Adopted Study Schedule

The Commission considered a request from the City of St. Helena to amend the agency's current study schedule calendaring municipal service reviews and sphere of influence updates. The request seeks to advance the scheduled study of the north valley region by one year to 2013-2014 to accommodate and address increasing community interest in possible amendments to St. Helena's sphere of influence.

Staff provided a verbal report addressing the request and merits for its approval.

At the invitation of Chair Wagenknecht, St. Helena City Manager Gary Broad addressed the Commission to further explain the City's interest in advancing the scheduled review of the north valley communities. Mr. Broad noted St. Helena has been approached by a number of landowners recently on the topic of potential sphere changes and advancing the study would allow the City to address these issues in a more timely manner.

Chair Wagenknecht stated he sees no reason to change the adopted study schedule in the absence of a specific and time sensitive issue.

Commissioner Rodeno said there's no compelling reason to change the current study schedule. Commissioner Bennett asked the Commission: Why not move up St. Helena study if the City says it would be helpful?

Commissioner Dodd cited CA government code section 56133, and that St. Helena's study should remain where it is on the schedule.

Commissioner Inman commented that there is an odd overlap of services in the Rutherford area, some areas have Napa and some have St. Helena fire codes and advancing the study would help address this existing issue.

Chair Wagenknecht stated that based on the Commission's comments, the request does not have support. No action was taken.

8. DISCUSSION ITEMS

a) Guest Presentation from the California Association of Local Agency Formation Commissions

The Commission received a presentation from the new Executive Director for the California Association of Local Agency Formation Commission (CALAFCO), Pamela Miller, with respect to current and planned activities, including the golden anniversary of CALAFCO (50 years) and the upcoming Staff Workshop set for April 10-12 in Davis, CA.

b) Legislative Report

The Commission received a verbal report from CALAFCO's Pamela Miller during agenda item #8a, and summarized notable items under discussion as the 2013-2014 legislative session commences. No action was taken.

9. EXECUTIVE OFFICER REPORT

There was no report.

10. CLOSED SESSION

There was no closed session.

11. COMMISSIONER COMMENTS; REQUEST FOR FUTURE AGENDA ITEMS

There was no discussion of this item.

12. ADJOURNMENT TO NEXT REGULAR SCHEDULED MEETING

The meeting was adjourned at 5:14 p.m. The next regular LAFCO meeting is scheduled for Monday, June 3, 2013 at 4:00 p.m.

Brad Wagenknecht, Chair

ATTEST:

Keene Simonds
Executive Officer

Prepared by:

Kathy Mabry
Commission Secretary



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

June 3, 2013

Agenda Item No. 5d (Consent/Information)

May 28, 2013

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
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. No new proposals have been submitted since the April 1, 2013 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 three active proposals on file with LAFCO of Napa County (“Commission”). A summary of these active proposals follows.

Proposed Annexation of 820 Levitin Way to the City of Napa

The City of Napa filed a proposal with the Commission on December 12, 2012 to annex six unincorporated lots totaling 18.6 acres. The affected territory is assigned a common situs address of 820 Levitin Way and owned and used by the City to remove reusable materials from curbside collected refuse. The affected territory is located outside the sphere of influence and non-contiguous to existing City limits. Approval is being sought under Government Code Section 56742; a statute permitting LAFCOs to approve annexations of non-contiguous territory to a city without requiring consistency with the sphere of influence so long as the subject lands are owned and used by the annexing agency for



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Councilmember, City of American Canyon

Gregory Pitts, Commissioner
Councilmember, City of St. Helena

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Councilmember, City of Napa

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County of Napa Supervisor, 1st District

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

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

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

municipal purposes. The underlying purpose of the proposal is to eliminate an approximate \$50,000 annual property tax obligation.

Status: Staff continues to review the proposal. This includes the possible merits of reorganizing the proposal to include concurrent detachment from County Service Area No. 3. A property tax agreement between the City and County is also required before consideration by the Commission.

Formation of the Villa Berryessa Water District

This proposal has been filed by Miller-Sorg Group, Inc with the Commission on May 7, 2008. The applicant proposes the formation of a new special district under the California Water District Act. The purpose in forming the new special district is to provide public water and sewer services to a planned 100-lot subdivision located along the western shoreline of Lake Berryessa. A tentative subdivision map for the underlying project has already been approved by the County. The County has conditioned recording the final map on the



applicants receiving written approval from the United States Bureau of Reclamation to construct an access road and intake across federal lands to receive water supplies from Lake Berryessa. Based on their own review of the project, the Bureau is requesting a governmental agency accept responsibility for the construction and perpetual operation of the water and sewer systems serving the subdivision.

Status: Staff is currently awaiting a response to an earlier request for additional information from the applicant. It appears the prolonged delay is attributed to the ongoing settlement of a family estate following the death of the initial trustee.

Silverado Trail/Zinfandel Lane Annexation to the City of St. Helena

The City of St. Helena filed a proposal with the Commission on November 19, 2008 to annex approximately 100 acres of unincorporated territory located northwest of the intersection of Silverado Trail and Zinfandel Lane. The subject territory consists of one entire parcel and a portion of a second parcel, which are both owned and used by St. Helena to discharge treated wastewater from an adjacent treatment plant through a spray irrigation system. Both subject parcels are located outside the City's



sphere of influence. Rather than request concurrent amendment, St. Helena is proposing only the annexation of a portion of the second parcel to ensure the subject territory is non-contiguous to its incorporated boundary and therefore eligible for annexation under Government Code Section 56742. This statute permits a city to annex non-contiguous land it owns and uses for municipal purposes without consistency with its sphere of influence. However, if sold, the statute requires the land be automatically detached. The two subject parcels are identified by the County Assessor as 030-240-017 (portion) and 030-250-018.

Status: St. Helena has filed a request with the Commission to delay consideration of the proposal in order to explore a separate agreement with the County to extend the current Williamson Act contract associated with the subject territory. The negotiation remains pending completion.

There are four potential new proposals that may be submitted to the Commission in the near future based on extensive discussions with proponents. A summary of these anticipated proposals follows.

Formation of a Community Services District at Capell Valley

An interested landowner has inquired about the formation of a new special district for purposes of assuming water responsibilities from an existing private water company. The subject area includes the 58-space mobile home park adjacent to Moskowitz Corners as well as two adjacent parcels that are zoned for affordable housing by the County. Staff has been working with the landowner in evaluating governance options as well as other related considerations under LAFCO law. This includes presenting at a community meeting earlier this year. The meeting was attended by approximately 25 residents and provided staff the opportunity to explain options and processes available to residents with respect to forming a special district as well as to answer questions. Commissioner Dodd was also in attendance. The landowner subsequently requested a fee waiver for the cost of submitting an application to form a new special district at the Commission's June 4th meeting. The Commission denied the request without prejudice and noted the opportunity exists for the landowner to return at a future date with additional information to justify a fee waiver request as well as the underlyingly action: forming a new special district.



Sibsey 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.



Stahlecker 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".



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 by the end of the fiscal year. 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.

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

June 3, 2013

Agenda Item No. 6a (Public Hearing)

May 28, 2013

TO: Local Agency Formation Commission

FROM: Budget Committee (Kelly and Simonds)

SUBJECT: Consideration of a Final Budget for Fiscal Year 2013-2014

The Commission will consider adopting a final budget setting operational expenses and revenues for 2013-2014. The recommended final budget is nearly identical to the proposed budget adopted in April and subsequently circulated for public review. Operating expenses total \$448,800 and represents a 3.8% increase over the current fiscal year. Operating revenues total \$432,850 with the majority coming from local funding agencies; the latter of which would increase by 2.4%. The anticipated shortfall – (\$15,949) – 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. 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, Commissioner
Councilmember, City of American Canyon

Gregory Pitts, Commissioner
Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

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

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

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

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.

2013-2014 Committee / Actions to Date

The 2013-2014 Committee (Chilton, Kelly, and Simonds) conducted a noticed public meeting on January 14, 2013 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, notably, is the opportunity for the Committee to identify and propose recommendations on changes in baseline expenditures for Commission feedback. It also provides the funding agencies an early 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/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. Significantly, and in terms of intent, any changes incorporated into the final budget in June are generally limited to relatively minor updates or to address new information on budgetary needs that was not previously known or addressed by the Committee.

² The Commission appointed Commissioners Chilton and Kelly to the 2013-2014 Budget Committee at its December 3, 2012 meeting. Commissioner Chilton served on the Committee through May 6, 2013 when his term expired.

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 4, 2013 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 contemplated an increase in operating expenses of 3.8% to \$448,755. The draft also contemplated an increase in operating revenues of 2.9% to \$435,915 with the remaining shortfall – (\$12,841) – 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 presented and the Commission approved a draft budget for FY13-14 on February 4th in which expenses were set to increase by 3.8% to total \$448,755; an amount sufficient to maintain existing labor and supply costs into the next fiscal year with limited changes. The draft set revenues to increase by 2.9% to total \$435,915 and result in a budgeted shortfall of (\$12,841).

The Committee returned with a proposed budget for adoption by the Commission as part of a noticed public hearing on April 1st. 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 \$448,880 and \$435,937. The proposed budget was adopted by the Commission as submitted with direction to the Committee to initiate a second and last review to the funding agencies in anticipation of taking action on a final budget in June. Electronic copies of the approved draft were sent to all six local agencies with a request to provide written comments by May 7th. An electronic copy was also posted to the agency website. No formal comments were received.

The Committee presented and the Commission adopted a proposed budget for FY13-14 on April 1st nearly identical to the earlier approved draft with total expenses and revenues increasing slightly to \$448,800 and \$435,937, respectively.

B. 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 remains relatively enact from the proposed version adopted in April with changes limited to operating revenues to reflect a purposeful decrease in new agency contributions given a change in the most recent published consumer price index for the region. 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 operating expenses would increase from \$432,461 to \$448,800; a difference of \$16,339 or 3.8% over the current fiscal year and an amount that remains unchanged from the April meeting. Almost all of the total increase lies in the salaries/benefits unit with the majority tied to non-discretionary line-items associated with the Commission's staff support services agreement with the County of Napa.³ Specifically, four-fifths of the total increase is attributed to rises in salary, group insurance, and retirement costs. The first of these three labor costs – salary – represents the largest single item increase and is projected to rise by approximately \$8,800 or 4.3%. The increase in salary incorporates three distinct changes in employee compensation: providing an automobile allowance for the Executive Officer (mistakenly absent from the present fiscal year budget); accommodating a pending job reclassification for the Secretary position; and budgeting a 1.5% cost-of-living adjustment for all employees.⁴

Along with the referenced increases tied to the Commission's staff support services agreement, the Committee continues to recommend a limited number of changes in discretionary line-item expense accounts as part of the final budget. Most of the changes are minor and reflect current fiscal year expense trends with the notable exception of the following two recommendations.

- The final budget provides an increase in the per diem expense account from \$6,400 to \$10,000. The proposed change represents a \$3,600 or 56% increase and would accommodate two anticipated amendments in the manner in which stipends are provided to members for attending meetings on behalf of the agency. The first anticipated change is an increase in the per diem amount from \$100 to \$125; a change – if enacted – that would represent the first increase since 2007. The second anticipated change is to begin providing per diems for Commissioner attendance at outside meetings in which members are representing the agency. A prominent example includes Commissioners attending the annual conferences hosted by the California Association of LAFCOs or CALAFCO. Actual implementation of these anticipated changes, and in particular providing per diems for outside meetings, is subject to adopted policy revisions that have been separately agendaized for today's meeting.

³ The term "non-discretionary" infers the associated cost increases are not directly the purview of the Commission to amend given they are a byproduct of the decision to contract with the County of Napa for staff support services. The Commission retains the right, however, to reconsider its staffing support services agreement with the County at its own discretion.

⁴ The automobile allowance for the Executive Officer is provided under County of Napa's Management Compensation Plan and totals \$5,280 annually. The pending job reclassification is to promote the agency's current Secretary to Administrative Secretary under the County of Napa's Job Classification System; a reclassification that generates an additional \$1,238 in annual pay. The 1.5% cost-of-living adjustment is drawn from the County of Napa's memorandum of understanding with employees and would generate an additional \$2,318 annually.

- The final budget provides a decrease in the special expense account from \$3,500 to \$2,500. The proposed change represents a \$1,000 or 29% decrease and reflects the difference in one-time purchases anticipated between the current and pending fiscal years. The Commission will recall this account – which by practice is budgeted at \$1,000 unless additional monies are allocated for specific one-time purposes – was budgeted with an additional \$2,500 in 2012-2013 to purchase software programming and related training from Granicus to begin live-streaming meetings on the internet. The Committee believes \$1,500 should be added to the baseline setting in the account in 2013-2014 to fund the services of an outside consultant to facilitate the Commission’s scheduled biannual workshop anticipated for later this fall. This amount parallels the charge incurred in utilizing an outside consultant at the last workshop in 2011.

The Committee notes two other discretionary expense increases appear merited, but are not recommended in the final budget to control overall costs and more specifically agency contributions in 2013-2014. Most notably, and in terms of future prioritizing, this includes allocating approximately \$6,500 to purchase a wide-format printer for producing full size and appropriately scaled maps of all agency boundaries and spheres of influence in Napa County.⁵ The Committee believes it would be appropriate for the Commission to revisit this expense during the course of the upcoming fiscal year to consider whether any accumulated savings achieved in other operating accounts can be applied for a mid-year purchase.⁶ The Committee also believes there would be merit to revisit the purchase of electronic tablets for members and staff to replace paper agenda packets as part of an effort to reduce the agency’s resource consumption. The estimated cost to purchase tablets and related software for all members and staff totals \$7,000 to \$8,000; an amount that may significantly decrease if the appointing authorities provide and allow members to use their agency-issued tablets as Commissioners.⁷

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

Expense Unit	Adopted	Recommended		
	FY12-13	FY13-14	Change \$	Change %
1) Salaries/Benefits	311,287	329,236	17,949	5.8
2) Services/Supplies	121,174	119,564	(1,610)	-1.3
3) Contingencies	0	0	0	0.0
	\$432,461	\$448,800	\$16,339	3.8%

⁵ As needed, staff currently utilizes the County of Napa Planning Department’s wide-format printer for producing large scale maps. This arrangement is problematic, however, given the constraints of the optic data line connecting the two agencies network drives results in lengthy print times and prone to printing errors.

⁶ The Executive Officer must receive Commission approval for any purchases exceeding \$3,000.

⁷ Other discretionary expenses considered by the Committee included purchasing a software program to improve the preparation of meeting minutes and establishing a website application to allow users to file proposals electronically. The Committee believes the estimated costs of these two purchases based on vendor responses, however, substantially exceed the anticipated benefit to the Commission at this time.

Operating Revenues

The final budget provides operating revenues would increase from \$423,650 to \$432,850; a difference of \$15,950 or 2.2% over the current fiscal year. It is proposed nearly the entire amount of operating revenues – \$419,350 – would be drawn from new agency contributions and reflect an increase over the current fiscal year of \$9,776 or 2.4% to account for the projected rise in operating expenses. Importantly, while an increase to the funding agencies is recommended, the projected amount has been reduced by the Committee by nearly doubling the budgeted use of reserves from \$8,811 this fiscal year to \$15,950 in the next fiscal year. The Committee draws on two distinct factors in justifying the proposed increase in reserves as offsetting revenues as summarized below.⁸

- The targeted amount in reserves to be used as offsetting revenues purposefully lowers the agency contributions to match the consumer price index for the region; an index that was recently updated from 3.1% to 2.4% and is the reason the Committee has increased the proposed use of reserves since the April meeting.
- A substantial portion of the targeted amount in reserves to be used as offsetting reserves will be effectively covered by projected operating surplus accruing during the current fiscal year. Accordingly, the net impact to the Commission in terms of actual loss of reserves is anticipated to be less than \$2,300.

The remaining portion of budgeted operating revenues – \$13,500 – would be drawn from carrying forward service charges and interest earnings at generally the same level for the current fiscal year with limited exceptions.⁹

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

Revenue Unit	Adopted FY12-13	Recommended FY13-14	Change \$	Change %
1) Agency Contributions	409,574	419,350	9,776	2.4
(a) County of Napa	204,787	209,675	4,888	2.4
(b) City of Napa	136,583	140,021	3,437	2.5
(c) City of American Canyon	33,321	33,757	437	1.3
(d) City of St. Helena	14,153	13,957	(196)	(1.4)
(e) City of Calistoga	12,095	12,389	293	2.4
(f) Town of Yountville	8,635	9,552	917	10.6
2) Service Charges	10,000	10,500	500	5.0
3) Interest Earnings	4,076	3,000	(1,076)	(26.4)
Total	\$423,650	\$432,850	\$9,200	2.2%

⁸ The recommendation to budget \$15,950 in reserves as offsetting revenue would also mark the first related increase since the Commission began budgeting revenues in 2010-2011 (\$42,460 in 10-11; \$32,829 in 11-12; and \$8,811 in 12-13). Importantly, the increase in reserve use recommended in 2013-2014 suggests the Commission has – as intended – achieved an appropriate balance going forward with respect to matching operating costs with agency contributions after an extended vacancy in the analyst position in the late 00s created an artificial reduction in contribution requirements.

⁹ A moderate 5% increase in service charges is budgeted to reflect the collection of mapping service fees consistent with the recent amendments to the adopted study schedule. A 26% decrease in interest earning is budgeted based on current collection amounts.

C. Analysis

The recommended final budget for 2013-2014 accomplishes the Committee's two core objectives to (a) provide sufficient resources to maintain current service levels while (b) minimizing impacts on the funding agencies by limiting overall contribution increases. In particular, the final budget as recommended 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.

Three other pertinent and related takeaways underlie the recommended final budget before the Commission. First, the projected increase in the funding agencies' combined contribution – 2.4% – has been purposefully managed to not exceed the region's consumer price index by raising the use of reserves as offsetting revenues with nearly 90% being covered by an anticipated operating surplus for the current fiscal year. Second, while this would mark the fourth year in which the overall contribution total for the funding agencies has increased, the percentage changes continue to decrease.¹⁰ This dynamic suggests the Commission is closer to achieving an appropriate balance going forward in matching operating costs with agency contributions after an extended vacancy in the analyst position had previously and artificially lowered allocation requirements. Third, and despite allocating almost \$16,000 as offsetting revenues, the final budget positions the Commission to finish 2013/2014 with an available fund balance of \$116,225; an amount more than sufficient to meet the Commission's policy to retain reserves equal to no less than three months of operating expenses.

D. Recommendation

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

E. Alternatives for Action

The following alternative actions are available to the Commission.

Alternative Action One (Recommended):

Adopt the attached draft resolution with the recommended final budgeted identified as Exhibit A with any desired changes.

Alternative Action Two:

Continue the item to a special meeting scheduled no later than June 15, 2013 and provide direction to staff with respect to providing additional information as needed.

¹⁰ The percentage increase to the funding agencies in their annual contributions to the Commission over the last three fiscal years has been 20.5% (2010/11), 7.6% (2011/12), and 6.9% (2012/13).

F. Procedures for Consideration

This item has been agendized as part of a noticed public hearing. The following procedures are recommended with respect to the Commission's consideration:

- 1) Receive verbal report from the Committee;
- 2) Invite public testimony (mandatory) and
- 3) Discuss item and consider action on recommendation.

Respectfully submitted on behalf of the Committee,

Keene Simonds
Executive Officer

Attachments:

- 1) Draft Resolution of Approval
(General Ledger Provided as Exhibit "A")
- 2) Calculation of Local Agency Contributions

RESOLUTION NO. ____**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
ADOPTING A FINAL BUDGET FOR THE 2013-2014 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 1, 2013; 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 3, 2013; 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 3, 2013 by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

ABSENT: Commissioners _____

ATTEST: Keene Simonds
Executive Officer

RECORDED: Kathy Mabry
Commission Secretary



Local Agency Formation Commission of Napa County

Subdivision of the State of California

EXHIBIT A

FY2013-2014 OPERATING BUDGET / FINAL

Prepared on May 15, 2013

Expenses		FY2010-11		FY2011-12		FY2012-13		FY2013-14	Difference	
		Adopted FY10-11	Actual FY10-11	Adopted FY11-12	Actual FY11-12	Adopted FY12-13	Estimate FY12-13	Final FY13-14		
Salaries and Benefits										
<u>Account</u>	<u>Description</u>									
51100	Salaries and Wages	198,346.60	198,280.48	202,387.60	203,108.73	203,183.19	210,958.63	212,019.15	8,835.96	4.3%
51400	Employee Insurance: Premiums	37,953.96	33,872.67	45,648.12	37,643.35	47,646.00	41,383.44	51,202.80	3,556.80	7.5%
51600	Retirement	34,991.95	34,924.41	36,701.99	36,871.55	37,736.30	37,003.66	39,595.42	1,859.12	4.9%
51605	Other Post Employment Benefits	9,138.00	9,138.00	9,341.00	9,341.00	12,139.00	12,139.00	12,166.00	27.00	0.2%
51210	Commissioner/Director Pay	9,600.00	4,900.00	9,600.00	5,700.00	6,400.00	6,000.00	10,000.00	3,600.00	56.3%
51300	Medicare	2,876.49	2,738.20	2,934.62	2,790.20	2,946.16	2,876.69	3,012.22	66.06	2.2%
51205	Cell Phone Allowance	840.00	843.50	840.00	843.50	840.00	840.00	840.00	-	0.0%
51405	Workers Compensation	226.00	226.00	327.00	327.00	396.00	396.00	400.00	4.00	1.0%
51110	Extra Help	-	-	-	-	-	-	-	-	-
51115	Overtime	-	-	-	-	-	-	-	-	-
		293,973.00	284,923.26	307,780.33	296,625.33	311,286.65	311,597.42	329,235.60	17,948.95	5.8%
Services and Supplies										
<u>Account</u>	<u>Description</u>									
52605	Rents and Leases: Building/Land	29,280.00	29,280.00	29,280.00	29,280.00	25,560.00	27,560.00	25,560.00	-	0.0%
52140	Legal Services	26,010.00	17,659.74	22,540.00	17,593.30	22,540.00	11,188.01	22,540.00	-	0.0%
52130	Information Technology Services	18,438.91	17,625.42	24,630.83	23,385.87	22,009.00	22,008.96	22,374.00	365.00	1.7%
52125	Accounting/Auditing Services	8,277.15	7,301.48	8,691.01	7,340.78	9,125.56	8,357.58	9,125.56	-	0.0%
52600	Rents and Leases: Equipment	-	-	-	-	6,500.00	6,500.00	6,000.00	(500.00)	-7.7%
53100	Office Supplies	15,000.00	9,628.08	12,000.00	14,508.46	5,500.00	2,661.46	5,000.00	(500.00)	-9.1%
52905	Business Travel/Mileage	4,500.00	6,469.45	5,000.00	2,253.35	5,000.00	5,631.39	5,000.00	-	0.0%
52900	Training/Conference	4,500.00	4,140.97	4,000.00	5,141.00	4,000.00	7,050.77	4,000.00	-	0.0%
53600	Special Departmental Purchases	1,000.00	2,482.00	1,000.00	426.64	3,500.00	3,442.40	2,500.00	(1,000.00)	-28.6%
53415	Computer Software/License	-	-	-	-	3,487.13	3,511.88	3,487.73	0.59	0.0%
52800	Communications/Telephone	3,500.00	1,640.02	4,470.00	2,329.81	2,970.00	2,423.38	2,950.00	(20.00)	-0.7%
53120	Memberships/Certifications	2,275.00	2,200.00	2,275.00	2,200.00	2,248.40	2,248.00	2,292.96	44.56	2.0%
53205	Utilities: Electric	-	-	-	-	1,500.00	958.00	1,500.00	-	0.0%
52830	Publications and Notices	1,500.00	1,433.43	1,500.00	2,255.64	1,500.00	1,280.87	1,500.00	-	0.0%
52830	Filing Fees	850.00	450.00	850.00	237.50	850.00	550.00	850.00	-	0.0%
53110	Postage/Freight	-	-	-	-	800.00	477.00	800.00	-	0.0%
52700	Insurance: Liability	444.00	444.00	321.00	321.00	153.00	153.00	153.00	-	0.0%
52105	Election Services	-	-	-	-	-	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	3,931.40	3,931.40	3,931.00	(0.40)	0.0%
		119,506.46	104,685.99	120,489.23	111,204.75	121,174.49	110,406.48	119,564.25	(1,610.24)	-1.3%
Contingencies and Reserves										
<u>Account</u>	<u>Description</u>									
58100	Appropriation for Contingencies	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
EXPENSE TOTALS		413,479.46	389,609.25	428,269.56	407,830.08	432,461.14	422,003.90	448,799.84	16,338.70	3.8%

Revenues

		FY2010-11		FY2011-12		FY2012-13		FY2013-14	<i>Difference</i>		
		Adopted FY10-11	Actual FY10-11	Adopted FY11-12	Actual FY11-12	Adopted FY12-13	Estimate FY12-13	Final FY13-14			
Intergovernmental											
Account	Description										
43910	County of Napa	178,009.77	178,010.00	191,550.50	191,550.50	204,787.17	204,787.17	209,675.02	4,887.85	2.4%	
43950	Other Governmental Agencies	178,009.77	178,010.00	191,550.50	191,550.50	204,787.17	204,787.17	209,675.02	4,887.85	2.4%	
----	<i>City of Napa</i>	<i>119,646.81</i>	<i>119,647.00</i>	<i>126,330.38</i>	<i>126,330.38</i>	<i>136,583.40</i>	<i>136,583.40</i>	<i>140,020.50</i>	<i>3,437.10</i>	<i>2.5%</i>	
----	<i>City of American Canyon</i>	<i>27,468.37</i>	<i>27,468.00</i>	<i>32,912.04</i>	<i>32,912.04</i>	<i>33,320.64</i>	<i>33,320.64</i>	<i>33,757.20</i>	<i>436.56</i>	<i>1.3%</i>	
----	<i>City of St. Helena</i>	<i>12,656.54</i>	<i>12,657.00</i>	<i>12,997.37</i>	<i>12,997.37</i>	<i>14,152.67</i>	<i>14,152.67</i>	<i>13,956.84</i>	<i>(195.83)</i>	<i>-1.4%</i>	
----	<i>City of Calistoga</i>	<i>10,642.45</i>	<i>10,642.00</i>	<i>11,393.34</i>	<i>11,393.34</i>	<i>12,095.39</i>	<i>12,095.39</i>	<i>12,388.75</i>	<i>293.36</i>	<i>2.4%</i>	
----	<i>Town of Yountrille</i>	<i>7,595.60</i>	<i>7,596.00</i>	<i>7,917.37</i>	<i>7,917.37</i>	<i>8,635.00</i>	<i>8,635.00</i>	<i>9,551.72</i>	<i>916.72</i>	<i>10.6%</i>	
		<u>356,019.55</u>	<u>356,020.00</u>	<u>383,101.00</u>	<u>383,101.00</u>	<u>409,574.34</u>	<u>409,574.34</u>	<u>419,350.03</u>	<i>9,775.69</i>	<i>2.4%</i>	
Service Charges											
42690	Application/Permit Fees	10,000.00	24,293.00	10,000.00	8,562.00	10,000.00	23,078.00	10,000.00	-		
46800	Charges for Services	-	3,187.00	-	475.00	-	625.00	500.00	500.00		
47900	Miscellaneous	-	-	-	50.00	-	180.70	-	-		
		<u>10,000.00</u>	<u>27,480.00</u>	<u>10,000.00</u>	<u>9,087.00</u>	<u>10,000.00</u>	<u>23,883.70</u>	<u>10,500.00</u>	<i>500.00</i>	<i>5.0%</i>	
Investments											
45100	Interest	5,000.00	2,570.00	2,340.00	2,472.66	4,076.00	2,198.00	3,000.00	<i>(1,076.00)</i>	<i>-26.4%</i>	
		<u>5,000.00</u>	<u>2,570.00</u>	<u>2,340.00</u>	<u>2,472.66</u>	<u>4,076.00</u>	<u>2,198.00</u>	<u>3,000.00</u>	<i>(1,076.00)</i>	<i>-26.4%</i>	
	REVENUE TOTALS	<u>371,019.55</u>	<u>386,070.00</u>	<u>395,441.00</u>	<u>394,660.66</u>	<u>423,650.34</u>	<u>435,656.04</u>	<u>432,850.03</u>	<i>9,199.69</i>	<i>2.2%</i>	
OPERATING DIFFERENCE		(42,459.91)	(3,539)	(32,828.56)	(13,169.42)	(8,810.80)	13,652.14	(15,949.81)			
Negative Balance Indicates Use of Reserves											

	2012-2013 Actual	2012-2013 Actual	2012-2013 Actual	2013-2014 Final
PERCENTAGE OF OPERATING EXPENSES				
Salaries/Benefits	73.1%	72.7%	73.8%	73.4%
Services/Supplies	26.9%	27.3%	26.2%	26.6%
UNRESERVED/UNRESTRICTED FUND BALANCE				
Beginning:	134,344.00	131,692.00	118,522.58	132,174.72
Ending:	131,692.00	118,522.58	132,174.72	116,224.91
MINIMUM THREE MONTH RESERVE GOAL	102,387.02	106,084.54	107,132.44	111,217.21



Local Agency Formation Commission of Napa County

Subdivision of the State of California

ATTACHMENT TWO

2013-2014 Agency Contributions Calculation

Step 1 Total Agency Contributions							
	<u>FY12-13</u>	<u>FY13-14</u>	<u>FY13-14</u>	Difference	Difference		
Total	409,574.34	448,799.84	<u>Adjusted</u> 419,350.03	\$ 9,775.69		Percentage 2.4%	
Step 2 Allocation Between County and Cities							
	<u>FY12-13</u>	<u>FY13-14</u>		<u>Dollar</u>		<u>Percentage</u>	
50% to the County of Napa	\$ 204,787.17	\$ 209,675.02		\$ 4,887.85		2.4%	
50% to the 5 Cities	\$ 204,787.17	\$ 209,675.02		\$ 4,887.85		2.4%	
Step 3a Cities' Share Based on Total General Tax Revenues (FY2010-2011)							
<u>General Tax Revenues</u>	<u>American Canyon</u>	<u>Calistoga</u>	<u>Napa</u>	<u>St. Helena</u>	<u>Yountville</u>	<u>All Cities</u>	
Secured & Unsecured Property Tax	6,049,610.00	1,282,769.00	14,327,620.00	2,648,790.00	557,680.00	24,866,469.00	
Voter Approved Indebtedness Property Tax	-	-	-	-	-	-	
Other Property Tax	1,284,257.00	402,800.00	9,327,213.00	483,887.00	359,888.00	11,858,045.00	
Sales and Use Taxes	1,492,056.00	583,927.00	8,596,583.00	1,500,441.00	556,754.00	12,729,761.00	
Transportation Tax	-	-	-	-	-	-	
Transient Lodging Tax	784,127.00	3,431,407.00	9,871,985.00	1,465,172.00	4,035,425.00	19,588,116.00	
Franchises	546,528.00	157,604.00	1,684,730.00	161,652.00	104,339.00	2,654,853.00	
Business License Taxes	140,049.00	139,896.00	2,572,293.00	150,397.00	7,060.00	3,009,695.00	
Real Property Transfer Taxes	57,286.00	18,013.00	314,459.00	29,372.00	10,444.00	429,574.00	
Utility Users Tax	-	-	-	-	-	-	
Other Non-Property Taxes	473,554.00	162,980.00	2,862,595.00	503,912.00	209,263.00	4,212,304.00	
Total	\$ 10,827,467	\$ 6,179,396	\$ 49,557,478	\$ 6,943,623	\$ 5,840,853	\$ 79,348,817	
Percentage of Total Taxes to all Cities	13.6%	7.8%	62.5%	8.8%	7.4%	100%	
Step 3b Cities' Share Based on Total Population (1/1/12)							
	<u>American Canyon</u>	<u>Calistoga</u>	<u>Napa</u>	<u>St. Helena</u>	<u>Yountville</u>	<u>All Cities</u>	
Population	19,809	5,200	77,805	5,875	2,999	111,688	
Population Percentage	17.74%	4.66%	69.66%	5.26%	2.69%	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	13.6%	7.8%	62.5%	8.8%	7.4%	100%	
Portion of LAFCO Budget	11,444.40	6,531.49	52,381.20	7,339.26	6,173.66	40%	
Cities' Share Based on Total Population	17.74%	4.66%	69.66%	5.26%	2.69%	100%	
Portion of LAFCO Budget	22,312.79	5,857.26	87,639.31	6,617.58	3,378.06	60%	
Total Agency Allocation	\$ 33,757.20	\$ 12,388.75	\$ 140,020.50	\$ 13,956.84	\$ 9,551.72	\$ 209,675.02	
Allocation Share	16.0998%	5.9086%	66.7798%	6.6564%	4.5555%	100%	
Step 5 FY13-14 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>
	\$ 209,675.02	\$ 33,757.20	\$ 12,388.75	\$ 140,020.50	\$ 13,956.84	\$ 9,551.72	\$ 419,350.03
<i>Difference From FY12-13:</i>	\$ 4,887.85	\$ 436.56	\$ 293.36	\$ 3,437.10	\$ (195.83)	\$ 916.72	\$ 9,775.69
	2.39%	1.31%	2.43%	2.52%	-1.38%	10.62%	2.39%



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

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Telephone: (707) 259-8645
Facsimile: (707) 251-1053
www.napa.lafco.ca.gov

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

June 3, 2013

Agenda Item No. 6b (Public Hearing)

May 28, 2013

TO: Local Agency Formation Commission

FROM: Policy Committee (Luce, Rodeno, and Simonds)

SUBJECT: Amendments to Adopted Fee Schedule

The Commission will consider approving amendments to its adopted fee schedule prepared by the Policy Committee. The proposed amendments include increasing the composite hourly staff rate from \$118 to \$123 along with making changes to the policy statements accompanying the fee schedule to clarify and improve implementation.

Local Agency Formation Commissions (LAFCOs) are authorized to establish fee schedules for the costs associated with administering its regulatory and planning duties under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This includes, most commonly, processing applications for boundary changes and outside service requests. State law specifies LAFCO's fee schedules shall not exceed the estimated "reasonable costs" in providing services. State law also authorizes LAFCOs to waive or reduce fees if it determines the payment would be detrimental to public interest.

A. Background

Comprehensive Update

LAFCO of Napa County's ("Commission") fee schedule was comprehensively updated in June 2007 to improve cost-recovery in processing proposals and other requests under the purview of the agency. Two substantive changes highlighted the update. First, the fee schedule was predominately reoriented to include fixed fees to provide applicants improved cost-certainty based on an estimate of total staff hours needed to process specific types of projects. This included categorizing fixed fees for annexations and detachments based on the (a) level of consent and (b) type of environmental review required. Second, the fee schedule incorporated a new method in calculating a composite hourly staff rate weighting current salary, benefit, and administrative overhead costs; the result of which produced an initial increase in the hourly staff rate from \$50 to \$90.

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Gregory Pitts, Commissioner
Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

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

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

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Recent Amendments

The Commission has approved amendments to the fee schedule in each of the five subsequent fiscal years to continue to provide an appropriate level of cost-recovery. The current composite hourly staff rate totals \$118. The Commission has also subsequently established a surcharge applicable to most proposals to help contribute to the costs in preparing the agency’s required municipal service reviews. The current surcharge is set to equal 20% of the baseline application fee.

B. Discussion

In anticipation of the new fiscal year, and consistent with its directives, the Policy Committee (Luce, Rodeno, and Simonds) has reviewed the fee schedule to consider whether amendments are warranted to help ensure an appropriate level of cost-recovery as well as to address other pertinent considerations. This includes considering the fee schedule relative to the Commission’s tentatively approved budgeted operating costs for 2013-2014 along with opportunities to improve customer service. The majority of the amendments proposed drawn from this review are considered non-substantive and involve editorial and formatting changes. However, there are two substantive amendments also proposed and summarized below for Commission consideration.

- **Increase to the Composite Hourly Staff Rate**

The Committee proposes an amendment to increase the hourly staff rate from \$118 to \$123. The justification for the increase is two-fold. First, the proposed rate incorporates the labor and supply cost increases contemplated in the proposed final budget under consideration as part of a separate agenda item for today’s meeting. This includes a 1.5% cost-of-living adjustment for all employees as well as anticipated reclassification involving the current secretary position. Second, and representing the most significant impact, the Committee has adjusted and expanded the calculation used in determining the hourly staff rate to incorporate one additional administrative cost: per diems. Adding the per diem cost to the administrative overhead, notably, appears appropriate given its direct and necessary correlation with the review of applicant requests. No other changes to the previously used calculation in determining the hourly staff rate are proposed.

<i>Current Hourly Rate</i>			
	Executive Officer	Analyst	Secretary
Salary/Benefit/Overhead	\$137.95	\$103.59	\$108.54
Time Processing Applications	40%	55%	5%
			\$117.58

<i>Proposed Hourly Rate</i>			
	Executive Officer	Analyst	Secretary
Salary/Benefit/Overhead	\$143.72	\$108.22	\$116.16
Time Processing Applications	40%	55%	5%
			\$122.82

- **Fee Reduction for Boundary Changes Tied to Outside Service Extensions**

The Committee proposes an amendment to establish a 50% fee reduction for change of organization or reorganization proposals in which the affected territory was previously subject to an approved outside service extension. The fee reduction as proposed would apply only if the change of organization or reorganization was filed within one calendar year of the outside service extension approval. The Committee believes the amendment is appropriate given it affirms the membership's interest in annexations serving as the preferred alternative in memorializing long-term service obligations for lands located within the affected agency's sphere of influence. The amendment also recognizes local conditions – including addressing public health and safety concerns – may require an applicant phase the extension of needed municipal services to territory first through an outside service agreement before an annexation proposal is ready to file given the latter's elevated approval thresholds.

C. Analysis

Amending the composite hourly staff rate from \$118 to \$123 as proposed would result in an across-the-board increase of 4.2% to the Commission's fee schedule. This increase does exceed the most recent 12-month consumer price index for the San Francisco Bay Area of 2.4%. The proposed rate, nonetheless, reflects the Commission's projected personnel and administrative overhead costs for the upcoming fiscal year, and as such, is consistent with the membership's interest in maintaining an appropriate level of cost-recovery through incremental adjustments. The Commission's fees with the proposed rate would also remain at or near the middle cost point for common annexation proposals among the three other Bay Area LAFCOs that utilize a similar fixed schedule.¹ Further, establishing the fee reduction for boundary changes tied to earlier outside service agreements appears merited at this time for reasons outlined along with providing staff needed direction in advising potential applicants of their probable total costs for proposals that have become increasingly common for the agency; the latter being evident with the Commission having processed three applicable projects in the last 18 months.

¹ Three other Bay Area LAFCOs utilizing a similar fixed-fee schedule are Alameda, Contra Costa, and Sonoma. Assuming the proposed rate increase is approved by the Commission, the following proposal fees would apply among the four comparable LAFCOs involving annexations where LAFCO serves as responsible agency and the action is exempt from protest and further environmental review: Contra Costa at \$2,965, Napa at \$4,428, Alameda at \$4,500, and Sonoma at \$4,825. The order slightly changes where LAFCO serves as responsible agency and protest is waived, but an initial study/negative declaration has been prepared: Contra Costa at \$3,515, Alameda at \$4,500, Napa at \$5,166, and Sonoma at \$5,600.

D. Recommendation

The Committee recommends approval of the proposed amendments for reasons outlined in the preceding sections with any desired changes. The Committee also recommends the approved amendments become effective within the minimum 60 day grace period for new and revised fees required under State law.² It is not recommended the Commission grandfather any active proposals at the time the approved amendments are enacted. These actions are identified in the succeeding section as “Alternative One.”

E. Alternatives for Action

The following alternative actions are available to the Commission.

Alternative One (Recommended)

Approve a motion to adopt the attached draft resolution containing the proposed amendments with any desired changes. Specify the effective date of the approved amendments to be 60 days out with no grandfathering for active proposals.

Alternative Two

Approve by simple majority a continuance to a future meeting and provide direction to staff with respect to additional information requests as needed.

Alternative Three

Take no action.

F. Procedures for Consideration

This item has been agendized as part of a noticed public hearing. The following procedures are recommended with respect to the Commission’s consideration of the item:

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

Respectfully submitted on behalf of the Committee,

Keene Simonds
Executive Officer

Attachments:

- 1) Track-Changes to Proposed Amendments to Fee Schedule
- 2) Draft Resolution Approving Proposed Amendments to Fee Schedule
- 3) Calculation for Composite Hourly Staff Rate
- 4) Calculation for Fixed Hours for Annexations and Detachments as Responsible Agency
- 5) Calculation for Fixed Hours for Annexations and Detachments as Lead Agency

² California Government Code Section 66017



Local Agency Formation Commission of Napa County

Subdivision of the State of California

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

Schedule of Fees and Deposits

Effective Date: ~~January 7, 2013~~ August 2, 2013

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

1. This schedule shall be administered in accordance with the provisions of California Government Code Section 56383.
2. This schedule includes both "fixed" and "at-cost" fees. Fixed fees represent reasonable cost estimates for processing ~~common—routine requests—and applications~~ proposals and based on a number of predetermined staff hours. At-cost fees apply to less ~~common—routine requests—and applications~~ proposals and based on the number of actual staff hours.
3. ~~Proposals~~ Applications submitted to the Commission shall be accompanied by a non-refundable initial fee as detailed in this schedule. All deposit amounts tied to at-cost ~~proposals~~ applications shall be determined by the Executive Officer. The Executive Officer shall provide a written accounting of all staff time and related expenses billed against the deposit. If the cost in processing a ~~proposal—application~~ begins to approach or exceed the deposited amount, the Executive Officer shall request additional monies from the applicant.
4. All initial fees shall be submitted in check and made payable to the "Local Agency Formation Commission of Napa County."
5. ~~Applications—Proposals~~ will not be deemed complete until the initial fee has been collected by the Executive Officer as detailed in this schedule.
6. Applicants are responsible for any fees or charges incurred by the Commission and or required by other governmental agencies in the course of the processing of a ~~an application~~ proposal.
7. Additional staff time shall be charged to the applicant at an hourly rate of ~~\$18.00~~ 23.00.
8. Applicants are responsible for any extraordinary administrative costs as determined by the Executive Officer and detailed for the applicant in a written statement.

9. Additional staff time and administrative costs shall not be charged for city annexation ~~applications-proposals~~ involving one or more entire unincorporated island subject to California Government Code Section 56375.3.
10. If the processing of an ~~an application-proposal~~ requires the Commission contract with another agency firm, or individual for services beyond the normal scope of staff work, such as the drafting of an Environmental Impact Report or Comprehensive Fiscal Analysis, the applicant shall be responsible for all costs associated with that contract. The applicant will provide the Commission with a deposit sufficient to cover the cost of the contract.
11. The Executive Officer may stop work on any ~~application-proposal~~ until the applicant submits a requested deposit.
12. Upon completion of an at-cost ~~applicationproposal~~, the Executive Officer shall issue to the applicant a statement detailing all billable expenditures from a deposit. The Executive Officer shall refund the applicant for any remaining monies remaining from the deposit less one-half hour of staff time to process the return as provided in this schedule
13. Applicants may request the Commission reduce or waive a fee. All requests must be made in writing and cite specific factors justifying the reduction or waiver and will be considered by the Commission relative to public interest and agency mission. Examples of appropriate requests include, but are not limited to, addressing public health or safety threats, affordable housing development, and community serving projects. Requests by landowners or registered voters shall be considered by the Commission at the next regular meeting. Requests by local agencies may be considered at the time the application is presented to the Commission for action.
- ~~13-14.~~ With respect to instances where the Commission approves an outside service agreement under California Government Code Section 56133, the fee for a subsequent change of organization or reorganization involving the affected territory will be reduced by one-half if filed within one calendar year.
- ~~14-15.~~ Requests for research on any particular subject will be provided at no cost for the first two hours. This includes, but is not limited to, archival retrieval, identifying properties relative to agency boundaries, and discussing potential ~~applicationsproposals~~. Any additional research time will be billed at the hourly rate provided in this schedule.
- ~~15-16.~~ The Commission shall annually review this schedule to help maintain an appropriate level of cost-recovery.

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INITIAL APPLICATION PROPOSAL FEES

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

Change of Organization or Reorganization: Annexations and Detachments

<ul style="list-style-type: none"> Projects-Proposals Exempt from California Environmental Quality Act 	
100% Consent from Landowners and Agencies and -where the Commission is Responsible or Lead Agency	\$4,248,428 (30 hours)
Without 100% Consent from Landowners and Agencies and where the Commission is Responsible or Lead Agency	\$5,664,904 (40 hours)
<ul style="list-style-type: none"> Projects-Proposals Not Exempt from California Environmental Quality Act / Negative Declaration 	
100% Consent from Landowners and Agencies and -where the Commission is Responsible Agency	\$4,956,166 (35 hours)
100% Consent from Landowners and Agencies and -where the Commission is Lead Agency	\$7,080,380 (50 hours)
Without 100% Consent from Landowners and Agencies and where the Commission is Responsible Agency	\$6,372,642 (45 hours)
Without 100% Consent from Landowners and Agencies and where the Commission is Lead Agency	\$8,496,856 (60 hours)
<ul style="list-style-type: none"> Projects-Proposals Not Exempt from California Environmental Quality / Environmental Impact Report 	
100% Consent from Landowners and Agencies and -where the Commission is Responsible Agency	\$5,424,904 (40 hours)
100% Consent from Landowners and Agencies and -where the Commission is Lead Agency	\$7,080,380 (50 hours) plus consultant contract
Without 100% Consent from Landowners and Agencies and where the Commission is Responsible Agency	\$7,080,380 (50 hours)
Without 100% Consent from Landowners and Agencies and where the Commission is Lead Agency	\$8,496,856 (60 hours) plus consultant contract

- * All initial ~~application~~-fees for annexation and detachment proposals include a 20% surcharge to contribute to the [Commission's](#) costs in preparing municipal service reviews.
- * Annexation or detachment proposals involving boundary changes for two or more agencies qualify as reorganizations will be charged an additional fee of [\\$590-615](#) (5 hours).
- * City annexations involving entire unincorporated islands and subject to expedited proceedings under Government Code Section 56375.3 shall not be charged a fee by the Commission.

Change of Organization or Reorganization: Other

• City Incorporations and Disincorporations	at-cost
• Special District Formations, Consolidations, Mergers and Dissolutions	at-cost
• Special District Requests to Activate or Deactivate Powers	at-cost plus 20% MSR surcharge

Other Service Requests

• New or Extended Outside Service Request	*\$2,832,952 (20 hours)
• Request for Reconsideration	\$2,360,460 (20 hours)
• Request for Time Extension to Complete Proceedings	\$590,615 (5 hours)
• Municipal Service Reviews	at-cost
• Sphere of Influence Establishment/Amendment	at-cost

* includes a 20% MSR surcharge

Miscellaneous

• Special Meeting	\$8001,000
• Alternate Legal Counsel	at-cost

OTHER APPLICATION PROPOSAL FEES

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

Fees Made Payable to the County of Napa

• Assessor’s Mapping Service	\$125
• County Surveyor’s Review	
.....Initial Deposit / First Six Hours	\$990
.....Additional Time	\$165 hourly
• Elections’ Registered Voter List	\$55 hourly
• Clerk-Recorder’s Environmental Filing Fee	\$50
• Clerk-Recorder’s Environmental Document Fee	
.....Environmental Impact Report	\$2,995.25
.....Mitigated Negative Declaration	\$2,156.25
.....Negative Declaration	\$2,156.25

Fees Made Payable to LAFCO

• Geographic Information System Update	\$125
• Photocopying	\$0.10 (black) / \$0.40 (color)
• Mailing	at-cost
• Audio Recording of Meeting	at-cost
• Research/Archive Retrieval	\$118-123 hourly

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

Acre	Fee	Acre	Fee
0-1	\$300	51-100	\$1,500
1-5	\$350	101-500	\$2,000
6-10	\$500	501-1,000	\$2,500
11 -20	\$800	1,001-2,000	\$3,000
21-50	\$1,200	2,001+	\$3,500

RESOLUTION NO: _____

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

AMENDMENTS TO ADOPTED SCHEDULE OF FEES AND DEPOSITS

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

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

WHEREAS, the Commission has amended the adopted Schedule of Fees and Deposits as appropriate since its establishment on December 1, 2001; and

WHEREAS, the Commission has scheduled and noticed a public hearing on June 3, 2013 to consider new amendments to its Schedule of Fees and Deposits as recommended by the Commission’s Policy Committee; and

WHEREAS, the Commission considered all written and verbal comments receiving on the proposed amendments to the adopted Schedule of Fees and Deposits at its noticed public hearing on June 3, 2013.

NOW, THEREFORE, BE IT RESOLVED by the Commission that the Schedule of Fees and Deposits shall be amended and readopted in the manner set forth in Exhibit “A” and become effective August 2, 2013 and that this action is categorically exempt from the provisions of the California Environmental Quality Act.

The foregoing resolution was duly and regularly adopted at a regular meeting of the Commission held on June 3, 2013, by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

ATTEST: Keene Simonds
Executive Officer

RECORDED: _____
Kathy Mabry
Commission Secretary



Local Agency Formation Commission of Napa County

Subdivision of the State of California

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Schedule of Fees and Deposits

Effective Date: August 2, 2013

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

1. This schedule shall be administered in accordance with the provisions of California Government Code Section 56383.
2. This schedule includes both "fixed" and "at-cost" fees. Fixed fees represent reasonable cost estimates for processing routine proposals and based on a number of predetermined staff hours. At-cost fees apply to less routine proposals and based on the number of actual staff hours.
3. Proposals submitted to the Commission shall be accompanied by a non-refundable initial fee as detailed in this schedule. All deposit amounts tied to at-cost proposals shall be determined by the Executive Officer. The Executive Officer shall provide a written accounting of all staff time and related expenses billed against the deposit. If the cost in processing a proposal begins to approach or exceed the deposited amount, the Executive Officer shall request additional monies from the applicant.
4. All initial fees shall be submitted in check and made payable to the "Local Agency Formation Commission of Napa County."
5. Proposals will not be deemed complete until the initial fee has been collected by the Executive Officer as detailed in this schedule.
6. Applicants are responsible for any fees or charges incurred by the Commission and or required by other governmental agencies in the course of the processing of a proposal.
7. Additional staff time shall be charged to the applicant at an hourly rate of \$123.00.
8. Applicants are responsible for any extraordinary administrative costs as determined by the Executive Officer and detailed for the applicant in a written statement.
9. Additional staff time and administrative costs shall not be charged for city annexation proposals involving one or more entire unincorporated island subject to California Government Code Section 56375.3.

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

INITIAL PROPOSAL FEES

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

Change of Organization or Reorganization: Annexations and Detachments

<ul style="list-style-type: none"> Proposals Exempt from California Environmental Quality Act 	
100% Consent from Landowners and Agencies where the Commission is Responsible or Lead Agency	\$4,428 (30 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Responsible or Lead Agency	\$5,904 (40 hours)
<ul style="list-style-type: none"> Proposals Not Exempt from California Environmental Quality Act / Negative Declaration 	
100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$5,166 (35 hours)
100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$7,380 (50 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$6,642 (45 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$8,856 (60 hours)
<ul style="list-style-type: none"> Proposals Not Exempt from California Environmental Quality / Environmental Impact Report 	
100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$5,904 (40 hours)
100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$7,380 (50 hours) plus consultant contract
Without 100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$7,380 (50 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$8,856 (60 hours) plus consultant contract

- * All initial fees for annexation and detachment proposals include a 20% surcharge to contribute to the Commission's costs in preparing municipal service reviews.
- * Annexation or detachment proposals involving boundary changes for two or more agencies qualify as reorganizations will be charged an additional fee of \$615 (5 hours).
- * City annexations involving entire unincorporated islands and subject to expedited proceedings under Government Code Section 56375.3 shall not be charged a fee by the Commission.

Change of Organization or Reorganization: Other

• City Incorporations and Disincorporations	at-cost
• Special District Formations, Consolidations, Mergers and Dissolutions	at-cost
• Special District Requests to Activate or Deactivate Powers	at-cost plus 20% MSR surcharge

Other Service Requests	
• New or Extended Outside Service Request	*\$2,952 (20 hours)
• Request for Reconsideration	\$2,460 (20 hours)
• Request for Time Extension to Complete Proceedings	\$615 (5 hours)
• Municipal Service Reviews	at-cost
• Sphere of Influence Establishment/Amendment	at-cost

* includes a 20% MSR surcharge

Miscellaneous	
• Special Meeting	1,000
• Alternate Legal Counsel	at-cost

OTHER PROPOSAL FEES

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

Fees Made Payable to the County of Napa	
• Assessor’s Mapping Service	\$125
• County Surveyor’s Review	
.....Initial Deposit / First Six Hours	\$990
.....Additional Time	\$165 hourly
• Elections’ Registered Voter List	\$55 hourly
• Clerk-Recorder’s Environmental Filing Fee	\$50
• Clerk-Recorder’s Environmental Document Fee	
.....Environmental Impact Report	\$2,995.25
.....Mitigated Negative Declaration	\$2,156.25
.....Negative Declaration	\$2,156.25

Fees Made Payable to LAFCO	
• Geographic Information System Update	\$125
• Photocopying	\$0.10 (black) / \$0.40 (color)
• Mailing	at-cost
• Audio Recording of Meeting	at-cost
• Research/Archive Retrieval	\$123 hourly

Fees Made Payable to the State Board of Equalization to Record Boundary Changes			
Acre	Fee	Acre	Fee
0-1	\$300	51-100	\$1,500
1-5	\$350	101-500	\$2,000
6-10	\$500	501-1,000	\$2,500
11 -20	\$800	1,001-2,000	\$3,000
21-50	\$1,200	2,001+	\$3,500



Local Agency Formation Commission of Napa County

Subdivision of the State of California

Composite Hourly Staff Rate Calculation for 2013-2014

Step One: Calculating Hourly Input Rates

Input No. 1: Staff Salaries

<u>Budgeted Position</u>	<u>Hourly Rate</u>	
Executive Officer	\$ 54.94	(Step Five 1.0 FTE)
Staff Analyst	\$ 32.53	(Step Five: 1.0 FTE)
Administrative Secretary	\$ 24.80	(Step Five: 0.5 FTE)

Input No. 2: Staff Benefits

<u>Benefit</u>	<u>Executive Officer</u>	<u>Staff Analyst</u>	<u>Secretary</u>
Retirement (CalPERS)	10.60	6.11	4.66
Retirement (OPEB)	1.95	1.95	3.75
Medicare	0.80	0.47	0.36
Health/Dental Insurance	9.98	4.68	19.91
Workers Compensation	0.19	0.19	0.38
Car Allowance	2.54	-	-
Cell Phone Allowance	0.43	-	-
Total	\$ 26.49	\$ 13.40	\$ 29.07

Input No. 3: Administrative Overhead Costs

<u>Overhead</u>	<u>Budgeted Amount</u>	<u>Hourly Cost</u>
Rent - Building	25,560.00	12.29
Legal Services	22,540.00	10.84
Information Technology	22,374.00	10.76
Accounting/Auditing	9,125.56	4.39
Rent - Equipment	6,000.00	2.88
Office Supplies	5,000.00	2.40
Business Travel	5,000.00	2.40
Training/Conferences	4,000.00	1.92
Special Department Ex.	2,500.00	1.20
Computer Software	3,487.73	1.68
Communications	2,950.00	1.42
Memberships	2,292.96	1.10
Utilities	1,500.00	0.72
Publications/Notices	1,500.00	0.72
Filing Fees	850.00	0.41
Postage/Freight	800.00	0.38
Liability Insurance	153.00	0.07
Commissioner Diems	10,000.00	4.81 * Added for 13/14
Capital Depreciation	3,931.00	1.89
Total	\$ 129,564	\$ 62.29

Hourly cost represents the budgeted amount divided by the work hours for one fulltime employee in a year (2,080)

Step Two: Calculating Hourly Staff Rates Per Budgeted Position

<u>Input</u>	<u>Executive Officer</u>	<u>Staff Analyst</u>	<u>Secretary</u>
Hourly Salary Rate	54.94	32.53	24.80
Hourly Benefit Rate	26.49	13.40	29.07
Hourly Admin Rate	62.29	62.29	62.29
Total	\$ 143.72	\$ 108.22	\$ 116.16

Step Three: Calculating a Weighted Hourly Staff Rate

<u>Factor</u>	<u>Executive Officer</u>	<u>Staff Analyst</u>	<u>Secretary</u>
Staff Rate	143.72	108.22	116.16
% Processing Proposal	40.0%	55.0%	5.0%
Weighted Staff Rate	\$	\$	122.82



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 3, 2013

Agenda Item No. 7a (Action)

May 28, 2013

TO: Local Agency Formation Commission

FROM: Policy Committee (Luce, Rodeno, and Simonds)

SUBJECT: Amendments to Policy on Conducting Meetings and Business

The Commission will consider proposed amendments to existing policies concerning the conducting of meetings and business. The majority of the proposed amendments reflects and expands on current practices and address per diem allowances and reimbursement procedures. Amendments are also proposed to address setting agenda items.

Local Agency Formation Commissions (LAFCOs) are political subdivisions of the State of California tasked with providing regional growth management services in all 58 counties. These growth management services are anchored by exercising delegated regulatory and planning responsibilities to oversee the formation and development of cities and special districts under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This legislation, markedly, directs LAFCOs to establish written policies and procedures to administer their delegated responsibilities in a consistent and transparent manner.

A. Background

LAFCO of Napa County (“Commission”) maintains several policies prescribing various procedures involving the agency’s administrative operations. This includes outlining specific standards for conducting meetings and related business activities. The referenced policies were adopted in August 2001 and amended in June 2007 only to reflect an increase in the per diem rate from \$50 to \$100.

B. Discussion

At its February 4, 2013 meeting, and as part of the approval of a draft proposed budget for the upcoming fiscal year, the Commission directed the Policy Committee (Luce, Rodeno, and Simonds) to review and make recommendations on two related matters. These matters – both of which affect the *Policy on Conducting Meetings and Business* – involve expanding per diem allowances for members to attend outside events and formalizing reimbursement procedures for actual expenses. (This direction corresponded

Joan Bennett, Commissioner
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Gregory Pitts, Commissioner
Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

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

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

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

with the Commission approving the Budget Committee's recommendation to increase the per diem rate from \$100 to \$125 beginning in 2013-2014.) The Policy Committee, accordingly, has prepared amendments addressing the requested matters for Commission consideration. Further, in the review of the affected policy document, additional amendments have been prepared to reflect existing or best practices in conducting meetings and business; the latter highlighted by setting agenda items.

C. Analysis

The Policy Committee proposes reorganizing the Commission's *Policy on Conducting Meetings and Business* into four distinct sections outlining rules and procedures for each of the following areas: (a) conducting meetings; (b) meeting agendas; (c) per diems; and (d) reimbursement for expenses. Substantive amendments are proposed for the latter three sections and are summarized below.

Meeting Agendas

Amendments are proposed to explicitly delegate to the Executive Officer to exercise his or her judgment in setting items for meeting agendas. Amendments are also proposed to specify each meeting agenda shall provide an opportunity for Commissioners to request a matter be agendized for a future meeting subject to majority concurrence of the voting membership. Further, to address time sensitive or urgent matters, amendments are proposed to empower the Chair to direct the Executive Officer to agendize matters for the next meeting in which applicable legal notice can be provided.

Commissioner Per Diems

Amendments are proposed to raise the per diem rate from \$100 to \$125 consistent with the anticipated actions of the Commission in adopting a final budget for 2013-2014 paired with expanding coverage for time and attendance at other recognized activities. The latter includes providing per diems for standing or ad hoc committees of the Commission as well as for each day in attendance at annual conferences or official meetings of the California Association of LAFCOs or CALAFCO. A limit is proposed to specify no Commissioner shall receive more than five per diems any month.

Commissioner Reimbursement for Expenses

Amendments are proposed to authorize reimbursement of actual expenses incurred by Commissioners in the course of performing their appointed duties as specified. This includes reimbursements associated with attending conferences, workshops, trainings, and official meetings of CALAFCO. Reimbursements shall also be provided with respect to attending other meetings and events if authorized by the Commission or Chair. It is proposed all reimbursements to Commissioners shall be provided in the same manner for staff and in accordance with County of Napa regulations.

D. Recommendation

The Policy Committee recommends the Commission approve the proposed amendments to the *Policy on Conducting Meetings and Business* as identified in the preceding section with any specified changes.

E. Alternatives for Action

The following alternative actions are available to the Commission.

Alternative Action One (Recommended):

Approve by motion to approve the proposed amendments with any desired changes to the *Policy on Conducting Meetings and Business* as provided in Attachment Two with any specified changes.

Alternative Action Two:

Approve by motion a continuance to a future meeting and provide direction to staff with respect to additional information requests as needed.

Alternative Action Three:

Take no action.

F. Procedures for Consideration

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

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

Respectfully submitted on behalf of the Policy Committee,

Keene Simonds
Executive Officer

Attachments:

- 1) Current: *Policy on Conducting Meetings and Business*
- 2) Proposed with Track Changes

Local Agency Formation Commission of Napa County

Policy Concerning the Conducting of Commission Meetings and Business

Adopted on August 9, 2001
Last Amended on June 4, 2007

The Commission acknowledges and affirms that the conducting of its meetings and business are subject to applicable California law, most notably the provisions of the California Government Code and the Brown Act. Further, it is the policy of the Commission that:

1. Three members of the Commission constitute a quorum. In the absence of a quorum, the members present shall adjourn the meeting to a stated time and place of their choosing. If all members are absent, the Executive Officer or the Clerk of the Commission may adjourn the meeting to a stated time and place. In such a case, he shall cause written notice of adjournment to shall be given in the same manner as specified in Government Code §54956 for calling a special meeting. In either instance, the Executive Officer or the Clerk shall post a notice of adjournment as specified in Government Code §54955.
2. Any regular, adjourned regular, special or adjourned special meeting of the Commission may be adjourned to any day prior to the date established for the next succeeding regular meeting of the Commission.
3. If there is no business for the Commission's consideration five days before any regular monthly meeting, the Executive Officer shall have the power to cancel the meeting by notifying the Chairman and members that there is no business before the Commission and that the meeting has been cancelled for that reason.
4. Special meetings may be called by the Chairman or by the written request of a majority of the members of the Commission submitted to the Chairman. Notice of special meetings shall be given in accordance with the provisions of Government Code §54956.
5. Roll call vote - On all roll call votes, the names of the Commissioners shall be called in alphabetical order with the Chair voting last.
6. It is the responsibility of the Executive Officer to prepare an agenda and all supporting material for the Commission, and to distribute the agenda and material to the Commission and all affected and interested parties not less than five days prior to the scheduled meeting of that agenda.
7. It is the responsibility of the Executive Officer to see that legal notice for all items to be considered by the Commission is given in accordance with the provisions of the Government Code and all other applicable law. For items concerning any one of the five cities in Napa County, legal notices should be published in accordance with the provisions of the Government Code and in those sources used by the respective city governments.
8. It is the responsibility of the Executive Officer to ensure that adequate staff and resources are available for all Commission meetings.
9. Each Commissioner shall receive a per diem of \$100.00 per meeting (regular or special) attended, provided the Commission budget provides for per diems. Commissioners may elect to forego payment of a per diem.



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
Policy on Conducting Commission Meetings and Business

Adopted on August 9, 2001
 Last Amended on ~~June 4, 2007~~ June 3, 2013

I. Background

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The Cortese-Knox-Hertzberg Local Government Reorganization (“CKH”) Act of 2000, pursuant to California Government Code Section 56300, directs the Commission to exercise its regulatory and planning responsibilities consistent with its written policies and procedures.¹ This includes establishing written rules to help ensure all meetings and related business occurs in an orderly and transparent manner.

II. Purpose

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The purpose of this policy is to provide clear and concise direction to Commissioners and staff with regard to conducting Commission meetings and related business involving the preparation of agendas, issuance of per diems, and reimbursement for member expenses.

III. Rules and Procedures in Conducting Business

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A. Conducting Meetings

1. The Commission acknowledges and affirms ~~that~~ the conducting of its meetings and related business are subject to applicable California laws, most notably the provisions of ~~the California Government Code~~ CKH and the Ralph Brown Act. ~~Further, it is the policy of the Commission that:~~

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+2. Three members of the Commission constitute a quorum. ~~In the absence of a regular member, his or her alternate member (city, county, public member as applicable) may serve and vote.~~ In the absence of a quorum, the members present shall adjourn the meeting to a stated time and place of their choosing. If all members are absent, the Executive Officer or ~~the Clerk of the Commission~~ his or her designee may adjourn the meeting to a stated time and place. In such a case, he or she shall cause written notice of adjournment to ~~shall~~ be given in the same manner as specified in ~~Government Code §Section~~ 54956 for calling a special meeting. In either instance, ~~the Executive Officer~~ he or ~~the Clerk~~ she shall post a notice of adjournment as specified in ~~Government Code §Section~~ 54955.

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2.3. ~~Any~~ regular, ~~adjourned regular, special~~ or ~~adjourned~~ special meeting of the Commission may be adjourned to any day prior to the date established for the next succeeding regular meeting of the Commission.

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¹ Hereinafter all section references are to the California Government Code unless otherwise noted.

~~3.4.~~ If there is no business for the Commission's consideration five days before any regular ~~monthly-scheduled~~ meeting, the Executive Officer shall have the power to cancel the meeting by notifying the Chair~~man~~ and members ~~that~~ there is no business before the Commission and ~~that~~ the meeting has been cancelled ~~for that reason~~.

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~~4.5.~~ Special meetings may be called by the Chair~~man~~ at his or her discretion. Special meetings may also be called upon or by the written request of a majority of the members of the Commission submitted to the Chair~~man~~. Notice of special meetings shall be given in accordance with the provisions of ~~Government Code §Section~~ 54956.

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~~5.6.~~ The Commission designates Robert's Rule of Order as the general guide for conducting meetings and to resolve points of order.

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~~6.7.~~ Roll call vote—On all roll call votes, the names of the Commissioners shall be called in alphabetical order with the Chair voting last.

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8. It is the responsibility of the Executive Officer to ensure that adequate staff and related resources are available for all Commission meetings.

7.B. Meeting Agendas

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~~8.1.~~ It is the responsibility of the Executive Officer to prepare an agenda and all supporting documents material for the Commission, and to distribute these materials agenda and material to the Commission and all affected and interested parties not less than five days prior to the a scheduled regular meeting of that agenda.

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~~9.2.~~ Meeting agendas shall concisely list the various items begin considered and include a formal title along with a brief description of the underlying action or discussion and the Executive Officer's recommendation, if applicable.

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~~10.3.~~ The Executive Officer shall exercise his or her judgment to help ensure items are agendized in an appropriate and timely manner relative to the Commission meeting its regulatory and planning responsibilities under CKH.

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4. Each meeting agenda shall provide an opportunity for Commissioners to identify and request a matter for future discussion or action with the concurrence of the majority of the voting membership present. The Chair shall also have discretion to direct the Executive Officer to agendize a matter on the next available meeting to address an urgent or otherwise time-sensitive issue in which applicable legal notice can be provided.

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~~11.5.~~ It is the responsibility of the Executive Officer to see that legal notice for all agenda items to be considered by the Commission is given in accordance with the provisions of the Government CodeCKH and all other applicable laws. For items concerning any one of the five cities in Napa County, legal notices should

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~~be published in accordance with the provisions of the Government Code and in those sources used by the respective city governments.~~

~~12.6. It is the responsibility of the Executive Officer to ensure that adequate staff and resources are available for all Commission meetings.~~

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C. Commissioner Per Diems

~~13.1. Each Commissioner shall receive a per diem of \$~~400~~125.00 for time and attendance at the following meetings: per meeting (regular or special) attended, provided the Commission budget provides for per diems. Commissioners may elect to forego payment of a per diem.~~

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- ~~a) Regular and special meetings of the Commission.~~
- ~~b) Meetings of standing or ad hoc committees of the Commission.~~
- ~~c) Each day of attendance at the annual conference held by the California Association of Local Agency Formation Commissions (CALAFCO).~~
- ~~d) Meetings of CALAFCO when a Commissioner is a member of the Board.~~

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~~2. A Commissioner shall not receive no more than five per diems per month.~~

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D. Commissioner Reimbursement for Expenses

~~1. Each Commissioner may claim reimbursement for the actual amount of reasonable and necessary expenses incurred in performing the duties of their office and include the following:~~

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- ~~a) Attending conferences, workshops, and training programs of CALAFCO.~~
- ~~b) Attending CALAFCO meetings if the member is on the Board.~~
- ~~c) Attending other Commission related meetings and events with prior authorization from the Commission or Chair.~~

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~~2. All reimbursement of expenses for Commissioners shall be provided in accordance with the same rules and manner as for staff.²~~

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² Refer to the current agreement for staff support services between the Commission and County of Napa.



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 3, 2013
Agenda Item No. 7b (Action)

May 28, 2013

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Approval of Meeting Calendar for Second Half of 2013

The Commission will consider approving a meeting calendar for the final six months of 2013. It is recommended the Commission schedule four regular meetings for August 5th, October 7th, November 4th, and December 2nd. One special meeting is also recommended for November 11th for the Commission to hold its biennial workshop. The Commission will consider approving the proposed calendar along with providing direction to staff on topics for the biennial workshop.

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.

A. Background

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.

B. Discussion/Analysis

The Commission’s expected workload justifies holding regular meetings in August, October, and every month thereafter through the end of the calendar year. Markedly, staff anticipates the majority of the Commission’s workload over the next six months will be dedicated to completing the agency’s scheduled study on the central county region; a study divided into two distinct phases covering a regional municipal service review and individual sphere of influence updates for the four affected agencies. This includes aiming to accommodate a pending request tied to the County of Napa and City of Napa’s

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Gregory Pitts, Commissioner
Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

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

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

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

ongoing negotiations involving Napa Pipe in which the agencies may ask the Commission to consider an actual sphere update for the City near the end of October. The proposed schedule would also position the Commission to complete the remaining three sphere updates for Congress Valley Water District, Napa Sanitation District, and Silverado Community Services District by December or shortly thereafter.

Staff also recommends the Commission schedule one special meeting in November to hold its biennial workshop. The biennial workshop has been a practice of the Commission since 2001 and serves as an opportunity to explore specific topics of interests as well as discuss upcoming projects. The last biennial workshop was dedicated entirely to engaging Commissioner interests and priorities for purposes of informing the establishment of the agency's first strategic plan; a document that was subsequently adopted in June 2012 and intended to guide agency resources through May 2014. Accordingly, it may be appropriate to dedicate all or a substantial portion of the next biennial workshop to review progress made in achieving the goals and measures in the current strategic plan before discussing potential elements of a new strategic plan. Given the Commission is scheduled to hold a regular meeting on November 4th, it is recommended the Commission calendar the biennial workshop one week later on November 11th from 9:00 A.M. to 12:00 P.M. at a location to be determined.

C. Recommendation

It is recommended the Commission approve a meeting calendar for the second half of 2013 consisting of the following regular dates: August 5th, October 7th, November 4th, and December 2nd. A special meeting is also recommended for November 11, 2013 to hold a biennial workshop between 9:00 A.M. to 12:00 P.M. at a location to be determined.

D. Alternatives for Action

The following two alternatives are available to the Commission:

Alternative Action One (Recommended):

Approve the meeting dates as proposed by staff for the second half of 2013 with any desired changes.

Alternative Action Two:

Continue consideration of the staff report to a date specific meeting and provide direction for more information as needed.

E. Procedures for Consideration

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

- 1) Receive verbal report;
- 2) Invite public comment (discretionary); and
- 3) Discuss item and consider action on recommendation.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachment:

- 1) *Policy on Commission Meeting Calendar*



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
Policy on Regular Commission Meeting Calendar

Adopted: June 14, 2001
Last Amended: December 1, 2008

I. Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires Local Agency Formation Commissions (LAFCOs) to adopt policies and procedures with respect to conducting meetings. Government Code Section 56375(i) specifies LAFCOs shall establish regulations to ensure meetings are conducted on a regular and orderly basis.

II. Objective

The objective of this policy is to guide the Commission in scheduling regular and special meetings in a consistent and logical manner.

III. Guidelines

A. Regular Meetings

- 1) The regular meeting day of the Commission is the first Monday of each month. The time and place of regular meetings is 4:00 P.M. in the Board Chambers of the County of Napa Administration Building, located at 1195 Third Street, Napa.
- 2) The Commission shall review and approve its regular meeting calendar every six months. If a regular meeting falls on a holiday, the Commission shall determine an alternate day as part of its review if needed.
- 3) The Chair may cancel or change the date or time of a regular meeting if he or she determines the Commission cannot achieve a quorum or there is a lack of business. Regular meetings may also be canceled or changed with the consent of a majority of the regular members of the Commission. For the purpose of this policy, a majority includes at least one member representing the cities and one member representing the county.
- 4) Notice of any change to a scheduled regular meeting shall be posted on the Commission website and transmitted to all interested parties.

B. Special Meetings

- 1) The Chair may schedule special meetings of the Commission as needed. The Chair shall consult with the Executive Officer in scheduling special meetings to ensure a quorum is available at a specified place and time.
- 2) Requests from outside parties for special meetings must be made in writing and submitted to the Executive Officer. If approved and scheduled by the Chair, the affected outside party requesting the special meeting will be responsible for any related charges pursuant to the Commission's *Schedule of Fees and Deposits*.
- 3) Notices for scheduled special meetings will be posted on the Commission website and transmitted to all interested parties within 72 hours of the meeting date.



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

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

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

June 3, 2013
Agenda Item No. 7c (Action)

May 28, 2013

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

**SUBJECT: California Association of Local Agency Formation Commissions:
Annual Conference Items**

The Commission will consider appointing voting delegates to represent the agency at CALAFCO's Annual Conference scheduled for August 28-30th at the Resort at Squaw Creek in Lake Tahoe. The Commission will also consider making board and achievement award nominations.

California Association of Local Agency Formation Commissions (CALAFCO) was established in 1971 to assist members in fulfilling their duties to coordinate the orderly formation and development of governmental agencies and services. Key services include facilitating information sharing among members by organizing annual conferences and workshops as well as providing technical assistance through training classes. CALAFCO also serves as a resource to the Legislature and actively drafts and reviews new legislation. CALAFCO's membership currently includes 57 of the 58 LAFCOs.

A. Background

El Dorado, Placer, and Nevada LAFCOs are co-hosting the 2013 CALAFCO Annual Conference on August 28-30th at the Resort at Squaw Valley in Lake Tahoe. California Governor Jerry Brown – whose father was instrumental in establishing LAFCOs in 1963 – has been invited to serve as the keynote speaker to discuss, among other topics, the evolving role of LAFCO in fulfilling its regional growth directives. A preliminary program is expected to be posted on the CALAFCO website within the next two weeks.

B. Discussion

All LAFCOs are asked to (a) appoint voting delegates as well as consider making nominations for (b) board vacancies and (c) achievement awards ahead of the Annual Conference. An expanded discussion on these appointments/nominations follows.

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Gregory Pitts, Commissioner
Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

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

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

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Appointment of Voting Delegates

Each LAFCO is responsible for appointing a delegate and alternate delegate to participate in the board elections and the subsequent business meeting held on the second day of the Annual Conference. The board elections – as detailed in the succeeding section – will be conducted by regions while the business meeting provides an opportunity for members to hear from, and ask questions to, CALAFCO regarding organization activities. Delegates may be commissioners or staff.

It has been the recent practice of Napa LAFCO (“Commission”) to appoint the Chair and Vice Chair to serve as the agency’s delegate and alternate delegate so long as the affected members are planning on attending the conference. The Commission may also appoint staff if needed. A listing of Commission’s appointees over the last five years follows.

Conference / Host	Delegate	Alternate Delegate
2008 / Los Angeles	Brian J. Kelly	Keene Simonds
2009 / Fresno	Brian J. Kelly	Juliana Inman
2010 / Riverside	Juliana Inman	Bill Dodd
2011 / Napa	Bill Dodd	Juliana Inman
2012 / Monterey	Lewis Chilton	Brad Wagenknecht

Board Nominations

This will be the fourth year that CALAFCO implements its regional voting process for electing board members. This new process was approved by mail-ballot in July 2010 for purposes of improving statewide representation within CALAFCO. Two key changes underlie the regional voting process. First, the Board has been expanded to 16 seats with four seats dedicated each to county, city, district, and public members. Second, the elections have been changed from at-large to regional caucus voting. Regions are defined by geography to include northern, central, coastal, and southern with each electing one county, city, district, and public member from their ranks. All terms are four years.

The Commission is assigned to the coastal region. Terms for the city and public member seats in the coastal region expire at the end of the calendar year; the former of which is currently held by Commissioner Inman. Nominations for these seats must be signed by the respective LAFCO Chair and include a completed resume form for the candidate. The deadline for submitting nominations is Monday, July 29th. Although not advised, candidates may also be nominated from the floor with the regional caucuses scheduled for the morning of Thursday, August 29th.

A list of past and present Commissioners on the CALAFCO Board follows.

Member / Seat	Beginning	Ending
Juliana Inman / City	2010	2013
Harry Martin / City	2003	2005
Kathryn Winter / County	1999	2000
Mike Gotch / Public	1997	1998

Achievement Award Nominations

CALAFCO invites LAFCOs to nominate persons or projects for various achievement awards. The awards were established in 1997 and currently include 10 categories ranging from “Most Effective Commission” to “Legislator of the Year” (Attachment Two). The deadline for submitting nominations is Tuesday, July 9th. Award winners will be announced during the banquet dinner scheduled for Thursday, August 29th.

A list of past Commission award recipients follows.

Year	Award	Project/Person
2002	Government Leadership	CSA No. 4 Formation
2003	Project of the Year	Water Service Study
2009	Most Effective LAFCO	Commission
2011	Member of the Year	Keene Simonds

C. Analysis

In step with recent practice, it would be fitting for the Commission to appoint Chair Wagenknecht and Vice Chair Kelly as the delegate and alternate delegate, respectively, for the Annual Conference assuming both members expect to attend. It would also seem fitting for the Commission to nominate Commissioner Inman for the available city seat; a seat Commissioner Inman currently holds and has expressed interest in keeping if agreeable with the rest of the membership. Commissioners Kelly and Rodeno should also consider their interest in running for the available public member seat with the Commission approving a nomination as appropriate. Staff will provide a verbal report on possible nominations for the available achievement award categories at the meeting.

D. Recommendation

Staff recommends the Commission appoint Chair Wagenknecht and Vice Chair Kelly as the delegate and alternate delegate, respectively, for the 2013 Annual CALAFCO Conference. It is also recommended the Commission nominate Commissioner Inman and – if interested – one of the two public members for the CALAFCO Board. Nominations for any of the available achievement award categories should also be considered and made as appropriate.

E. Alternatives for Action

The following three alternatives are available to the Commission:

Alternative Action One (Recommended):

Approve the following actions by one or more motion:

- 1) Appoint Chair Wagenknecht and Vice Chair Kelly as delegate and alternate delegate, respectively, for the 2013 Annual CALAFCO Conference. If either member is not available to attend, substitute appointments should be made.
- 2) Nominate Juliana Inman for CALAFCO Board.
- 3) Nominate an agency, person, or project for a CALAFCO Achievement Award as deemed appropriate.

Alternative Action Two:

Continue consideration to a date specific meeting and provide direction for more information as needed.

Alternative Action Three:

Take no action. This alternative would preclude the Commission from participating in any of the proceedings/activities discussed in this agenda report.

F. Procedures for Consideration

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

- 1) Receive verbal report;
- 2) Invite public comment (discretionary); and
- 3) Discuss item and consider action on recommendation.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- 1) CALAFCO Invitation for Board Nominations
- 2) CALAFCO Initiation for Achievement Award Nominations

30 April 2013

CALAFCO



RECEIVED

MAY 6 2013

NAPA COUNTY
LAFCO

2013
Board of Directors

Chair

THEODORE NOVELLI
Amador LAFCo

Vice Chair

MARY JANE GRIEGO
Yuba LAFCo

Secretary

JOHN LEOPOLD
Santa Cruz LAFCo

Treasurer

STEPHEN TOMANELLI
Riverside LAFCo

JULIE ALLEN
Tuare LAFCo

MATTHEW BEEKMAN
Stanislaus LAFCo

ROBERT BERGMAN
Nevada LAFCo

LOUIS CUNNINGHAM
Ventura LAFCo

LARRY R. DUNCAN
Butte LAFCo

JERRY GLADBACH
Los Angeles LAFCo

JULIANA INMAN
Napa LAFCo

GAY JONES
Sacramento LAFCo

MICHAEL KELLEY
Imperial LAFCo

MICHAEL R. MCGILL
Contra Costa LAFCo

EUGENE MONTANEZ
Riverside LAFCo

JOSH SUSMAN
Nevada LAFCo

Staff

PAMELA MILLER
Executive Director

LOU ANN TEXEIRA
Executive Officer

CLARK ALSOP
Legal Counsel

MARJORIE BLOM
Deputy Executive Officer

STEPHEN LUCAS
Deputy Executive Officer

SAMUEL MARTINEZ
Deputy Executive Officer

JENI TICKLER
Executive Assistant

To: Local Agency Formation Commission
Members and Alternate Members

From: Jerry Gladbach, Chair
Board Recruitment Committee
CALAFCO Board of Directors

RE: Nominations for 2014 CALAFCO Board of Directors

Nominations are now open for the fall elections of the Board of Directors. Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that affect us all. The Board meets four times each year at alternate sites around the state. Any LAFCO commissioner or alternate commissioner is eligible to run for a Board seat.

The following offices on the CALAFCO Board of Directors are open for nominations.

<u>Northern Region</u>	<u>Central Region</u>	<u>Coastal Region</u>	<u>Southern Region</u>
County Member	City Member	City Member	County Member
District Member	Public Member	Public Member	District Member

The election will be conducted during regional caucuses at the CALAFCO annual conference prior to the Annual Membership Meeting on Thursday, August 29th, 2013 at the Resort at Squaw Creek in North Lake Tahoe, CA.

Please inform your Commission that the CALAFCO Recruitment Committee is accepting nominations for the above-cited offices until **Monday, July 29th, 2013**. Incumbents are eligible to run for another term. Nominations received by July 29th will be included in the Recruitment Committee's Report, copies of which will be available at the Annual Conference. Nominations received after this date will be returned; however, nominations will be permitted from the floor during the Regional Caucuses or during at-large elections, if required, at the Annual Membership Meeting.

For those member LAFCOs who cannot send a representative to the Annual Meeting an electronic ballot will be made available if requested in advance.

Should your Commission nominate a candidate, the Chair of your Commission must complete the attached Nomination Form and the Candidate's Resume Form, or provide the specified information in another format other than a resume. Commissions may also include a letter of recommendation or resolution in support of their nominee. ***The nomination forms and materials must be received by the CALAFCO Executive Director no later than Monday, July 29th, 2013.***

Please forward nominations to:

CALAFCO Recruitment Committee c/o Executive Director
California Association of Local Agency Formation Commissions
1215 K Street, Suite 1650
Sacramento, California 95814
FAX: 916-442-6535

Electronic filing of nomination forms and materials is encouraged to facilitate the recruitment process. Please send e-mails with forms and materials to info@calafco.org. Alternatively, nomination forms and materials can be mailed or faxed to the above address.

Attached please find a copy of the CALAFCO Board of Directors Nomination and Election Procedures. Members of the 2014 CALAFCO Recruitment Committee are:

Chair - Jerry Gladbach, Los Angeles LAFCo (Southern Region)
jgladbach@calafco.org 626-204-6500

Robert Bergman, Nevada LAFCo (Northern Region)
rbergman@calafco.org 530-265-7180

Gay Jones, Sacramento LAFCo (Central Region)
gjones@calafco.org 916-874-6458

Mike McGill, Contra Costa LAFCo (Coastal Region)
mmcgill@calafco.org 925-335-1094

Elliot Mulberg, Associate Member and former CALAFCO Board Member
Mulberg@gmail.com 916-217-8393

Former CALAFCO Board Member and Associate Member Elliot Mulberg has agreed to once again assist CALAFCO with the election process. We appreciate and value his expertise. Questions about the election process can be directed to him at elliott@mulberg.com or 916-217-8393.

Please consider joining us!

Enclosures

Board of Directors Nomination and Election Procedures and Forms

The procedures for nominations and election of the CALAFCO Board of Directors [Board] are designed to assure full, fair and open consideration of all candidates, provide confidential balloting for contested positions and avoid excessive demands on the time of those participating in the CALAFCO Annual Conference.

The Board nomination and election procedures shall be:

1. APPOINTMENT OF A RECRUITMENT COMMITTEE

- a. Following the Annual Membership Meeting the Board shall appoint a Committee of four members of the Board. The Recruitment Committee shall consist of one member from each region whose term is not ending.
- b. The Board shall appoint one of the members of the Recruitment Committee to serve as Chairman. The CALAFCO Executive Officer shall appoint a CALAFCO staff member to serve as staff for the Recruitment Committee in cooperation with the CALAFCO Executive Director.
- c. Each region shall designate a regional representative to serve as staff liaison to the Recruitment Committee.
- d. Goals of the Committee are to encourage and solicit candidates by region who represent member LAFCoS across the spectrum of geography, size, and urban-suburban-rural population, and to provide oversight of the elections process.

2. ANNOUNCEMENT TO ALL MEMBER LAFCoS

- a. No later than three months prior to the Annual Membership Meeting, the Recruitment Committee Chair shall send an announcement to each LAFCo for distribution to each commissioner and alternate. The announcement shall include the following:
 - i. A statement clearly indicating which offices are subject to the election.
 - ii. A regional map including LAFCoS listed by region.
 - iii. The dates by which all nominations must be received by the Recruitment Committee. The deadline shall be no later than 30 days prior to the opening of the Annual Conference. Nominations received after the closing date shall be returned to the proposing LAFCo marked "Received too late for Nominations Committee action."
 - iv. The names of the Recruitment Committee members with the Committee Chair's LAFCo address and phone number, and the names and contact information for each of the regional representatives.
 - v. The address to send the nominations forms.
 - vi. A form for a Commission to use to nominate a candidate and a candidate resume form of no more than one page each to be completed for each nominee.
- b. No later than four months before the annual membership meeting, the Recruitment Committee Chair shall send an announcement to the Executive Director for distribution to each member LAFCo and for publication in the newsletter and on the website. The announcement shall include the following:

Key Timeframes for Nominations Process

<u>Days*</u>	
90	Nomination announcement
30	Nomination deadline
14	Committee report released

**Days prior to annual membership meeting*

- i. A statement clearly indicating which offices are subject to the election.
 - ii. The specific date by which all nominations must be received by the Recruitment Committee. Nominations received after the closing dates shall be returned to the proposing LAFCo marked "Received too late for Recruitment Committee action."
 - iii. The names of the Recruitment Committee members with the Committee Chair's LAFCo address and phone number, and the names and contact information for each of the regional representatives.
 - iv. Requirement that nominated individual must be a commissioner or alternate commissioner from a member in good standing within the region.
- c. A copy of these procedures shall be posted on the web site.

3. THE RECRUITMENT COMMITTEE

- a. The Recruitment Committee and the regional representatives have the responsibility to monitor nominations and help assure that there are adequate nominations from each region for each seat up for election. No later than two weeks prior to the Annual Conference, the Recruitment Committee Chair shall distribute to the members the Committee Report organized by regions, including copies of all nominations and resumes, which are received prior to the end of the nomination period.
- b. At the close of the nominations the Recruitment Committee shall prepare regional ballots. Each region will receive a ballot specific to that region. Each region shall conduct a caucus at the Annual Conference for the purpose of electing their designated seats. Caucus elections must be held prior to the annual membership meeting at the conference. The Executive Director or assigned staff along with a member of the Recruitment committee shall tally ballots at each caucus and provide the Recruitment Committee the names of the elected Board members and any open seats. In the event of a tie, the staff and Recruitment Committee member shall immediately conduct a run-off ballot of the tied candidates.
- c. Make available sufficient copies of the Committee Report for each Voting Member by the beginning of the Annual Conference.
- d. Make available blank copies of the nomination forms and resume forms to accommodate nominations from the floor at either the caucuses or the annual meeting (if an at-large election is required).
- e. Advise the Annual Conference Planning Committee to provide "CANDIDATE" ribbons to all candidates attending the Annual Conference.
- f. Post the candidate statements/resumes organized by region on a bulletin board near the registration desk.
- g. Regional elections shall be conducted as described in Section 4 below. The representative from the Recruitment Committee shall serve as the Presiding Officer for the purpose of the caucus election.
- h. Following the regional elections, in the event that there are open seats for any offices subject to the election, the Recruitment Committee Chair shall notify the Chair of the Board of Directors that an at-large election will be required at the annual membership meeting and to provide a list of the number and category of seats requiring an at-large election.

4. ELECTRONIC BALLOT FOR LAFCO IN GOOD STANDING NOT ATTENDING ANNUAL MEETING
Limited to the elections of the Board of Directors

- a. Any LAFCo in good standing shall have the option to request an electronic ballot if there will be no representative attending the annual meeting.
- b. LAFCos requesting an electronic ballot shall do so in writing no later than 30 days prior to the annual meeting.
- c. The Executive Director shall distribute the electronic ballot no later than two weeks prior to the annual meeting.
- d. LAFCo must return the ballot electronically to the executive director no later than three days prior to the annual meeting.
- e. LAFCos voting under this provision may discard their electronic ballot if a representative is able to attend the annual meeting.
- f. LAFCos voting under this provision may only vote for the candidates nominated by the Recruitment Committee.

5. AT THE TIME FOR ELECTIONS DURING THE REGIONAL CAUCUSES OR ANNUAL MEMBERSHIP MEETING

- a. The Recruitment Committee Chairman, another member of the Recruitment Committee, or the Chair's designee (hereafter called the Presiding Officer) shall:
 - i. Review the election procedure with the membership.
 - ii. Present the Recruitment Committee Report (previously distributed).
 - iii. Call for nominations from the floor by category for those seats subject to this election:
 1. For city member.
 2. For county member.
 3. For public member.
 4. For special district member.
- b. To make a nomination from the floor, a LAFCo, which is in good standing, shall identify itself and then name the category of vacancy and individual being nominated. The nominator may make a presentation not to exceed two minutes in support of the nomination.
- c. When there are no further nominations for a category, the Presiding Officer shall close the nominations for that category.
- d. The Presiding Officer shall conduct a "Candidates Forum". Each candidate shall be given time to make a brief statement for their candidacy.
- e. The Presiding Officer shall then conduct the election:
 - i. For categories where there are the same number of candidates as vacancies, the Presiding Officer shall:
 1. Name the nominees and offices for which they are nominated.
 2. Call for a voice vote on all nominees and thereafter declare those unopposed candidates duly elected.
 - ii. For categories where there are more candidates than vacancies, the Presiding Officer

shall:

1. Poll the LAFcos in good standing by written ballot.
2. Each LAFco in good standing may cast its vote for as many nominees as there are vacancies to be filled. The vote shall be recorded on a tally sheet.
3. With assistance from CALAFco staff, tally the votes cast and announce the results.

iii. Election to the Board shall occur as follows:

1. The nominee receiving the majority of votes cast is elected.
2. In the case of no majority, the two nominees receiving the two highest number of votes cast shall face each other in a run-off election.
3. In case of tie votes:
 - a. A second run-off election shall be held with the same two nominees.
 - b. If there remains a tie after the second run-off, the winner shall be determined by a draw of lots.
4. In the case of two vacancies, any candidate receiving a majority of votes cast is elected.
 - a. In the case of no majority for either vacancy, the three nominees receiving the three highest number of votes cast shall face each other in a run-off election.
 - b. In the case of no majority for one vacancy, the two nominees receiving the second and third highest number of votes cast shall face each other in a run-off election.
 - c. In the event of a tie, a second run-off election shall be held with the tied nominees. If there remains a tie after the second run-off election the winner shall be determined by a draw of lots.

6. ADDITIONAL PROCEDURES

- a. For categories where there are more candidates than vacancies, names will be listed in the order nominated.
- b. The Recruitment Committee Chair shall announce and introduce all Board Members elected at the Regional Caucuses at the annual business meeting.
- c. In the event that Board seats remain unfilled after a Regional Caucus, an election will be held immediately at the annual business meeting to fill the position at-large. Nominations will be taken from the floor and the election process will follow the procedures described in Section 4 above. Any commissioner or alternate from a member LAFco may be nominated for at-large seats.
- d. Seats elected at-large become subject to regional election at the expiration of the term. Only representatives from the region may be nominated for the seat.
- e. As required by the Bylaws, the members of the Board shall meet as soon as possible after election of new board members for the purpose of electing officers, determining meeting places and times for the coming year, and conducting any other necessary business.

7. LOSS OF ELECTION IN HOME LAFco

Board Members and candidates who lose elections in their home office shall notify the Executive

Director within 15 days of the certification of the election.

8. FILLING BOARD VACANCIES

Vacancies on the Board of Directors may be filled by appointment by the Board for the balance of the unexpired term. Appointees must be from the same category as the vacancy, and should be from the same region.

These policies and procedures were adopted by the CALAFCO Board of Directors on 12 January 2007 and amended on 9 November 2007, 8 February 2008, 13 February 2009, 12 February 2010, 18 February 2011, and 29 April 2011. They supersede all previous versions of the policies.

CALAFCO Regions



The counties in each of the four regions consist of the following:

Northern Region

Butte
Colusa
Del Norte
Glenn
Humboldt
Lake
Lassen
Mendocino
Modoc
Nevada
Plumas
Shasta
Sierra
Siskiyou
Sutter
Tehama
Trinity
Yuba

CONTACT: Steve Lucas, Butte LAFCo
slucas@buttecounty.net

Southern Region

Orange
Los Angeles
Imperial
Riverside
San Bernardino
San Diego

CONTACT: Sam Martinez,
San Bernardino LAFCo
smartinez@lafco.sbcounty.gov

Coastal Region

Alameda
Contra Costa
Marin
Monterey
Napa
San Benito
San Francisco
San Luis Obispo
San Mateo
Santa Barbara
Santa Clara
Santa Cruz
Solano
Sonoma
Ventura

CONTACT: Lou Ann Texeira, Contra Costa
LAFCo
ltexe@lafco.cccounty.us

Central Region

Alpine
Amador
Calaveras
El Dorado
Fresno
Inyo
Kern
Kings
Madera
Mariposa
Merced
Mono
Placer
Sacramento
San Joaquin
Stanislaus
Tulare
Tuolumne
Yolo

CONTACT: Marjorie Blom, Stanislaus LAFCo
blomm@stancounty.com

Board of Directors 2013 Nominations Form

Nomination to the CALAFCO Board of Directors

In accordance with the Nominations and Election Procedures of CALAFCO,

_____ LAFCo of the _____ Region

Nominates _____

for the (check one) City County Special District Public

Position on the CALAFCO Board of Directors to be filled by election at the next Annual
Membership Meeting of the Association.

LAFCo Chair

Date

NOTICE OF DEADLINE

Nominations must be received by **July 29, 2013**
to be considered by the Recruitment Committee.
Send completed nominations to:
CALAFCO Recruitment Committee
CALAFCO
1215 K Street, Suite 1650
Sacramento, CA 95814

Board of Directors Candidate Resume Form

Nominated By: _____ LAFCo Date: _____

Region (please check one): Northern Coastal Central Southern

Category (please check one): City County Special District Public

Candidate Name _____

Address _____

Phone Office _____ Mobile _____

e-mail _____ @ _____

Personal and Professional Background:

LAFCo Experience:

CALAFCO or State-level Experience:

Availability:

Other Related Activities and Comments:

NOTICE OF DEADLINE

Nominations must be received by **July 29, 2013**
to be considered by the Recruitment Committee.
Send completed nominations to:
CALAFCO Recruitment Committee
CALAFCO
1215 K Street, Suite 1650
Sacramento, CA 95814

**2013
Board of Directors**

Chair
THEODORE NOVELLI
Amador LAFCo

Vice Chair
MARY JANE GRIEGO
Yuba LAFCo

Secretary
JOHN LEOPOLD
Santa Cruz LAFCo

Treasurer
STEPHEN TOMANELLI
Riverside LAFCo

JULIE ALLEN
Tulare LAFCo

MATTHEW BEEKMAN
Stanislaus LAFCo

ROBERT BERGMAN
Nevada LAFCo

LOUIS CUNNINGHAM
Ventura LAFCo

LARRY R. DUNCAN
Butte LAFCo

JERRY GLADBACH
Los Angeles LAFCo

JULIANA INMAN
Napa LAFCo

GAY JONES
Sacramento LAFCo

MICHAEL KELLEY
Imperial LAFCo

MICHAEL R. MCGILL
Contra Costa LAFCo

EUGENE MONTANEZ
Riverside LAFCo

JOSH SUSHMAN
Nevada LAFCo

Staff

PAMELA MILLER
Executive Director

LOU ANN TEKERA
Executive Officer

CLARK ALSOP
Legal Counsel

MARJORIE BLOM
Deputy Executive Officer

STEPHEN LUCAS
Deputy Executive Officer

SAMUEL MARTINEZ
Deputy Executive Officer

JENI TICKLER
Executive Assistant

Date: 30 April 2013

To: LAFCo Commissioners and Staff
CALAFCO Members
Other Interested Organizations

From: Matthew Beekman, Co-Chair
Michael McGill, Co-Chair
CALAFCO Achievement Awards Committee

RECEIVED

MAY 6 2013

NAPA COUNTY
LAFCO



RE: 2013 CALAFCO Achievement Award Nominations

Each year at the annual conference, CALAFCO recognizes outstanding achievements by dedicated and committed individuals from throughout the state to LAFCo, CALAFCO and LAFCo principles through the annual Achievement Awards.

Recognizing individual and organizational achievements is an important responsibility. It provides visible recognition and support to those who go above and beyond in their work to advance the principles and goals of Cortese-Knox-Hertzberg and LAFCo. We invite you to use this opportunity to nominate the people and agencies you feel deserve this important recognition.

To make a nomination, please use the following procedure:

1. Nominations may be made by an individual, a LAFCo, a CALAFCO Associate Member, or any other organization. There is no limit to the number of nominations.
2. Please use a separate form (attached) for each nomination. Nominations must be submitted with a completed nomination form. The form is your opportunity to summarize the most important points of your nomination.
3. All nomination materials must be submitted at one time and must be received by the deadline. Electronic submittals are encouraged.
4. All supporting information (e.g. reports, news articles, etc.) must be submitted with the nomination. Endorsement letters from third parties are not necessary.
5. **Nominations and supporting materials must be received no later than 5:00 p.m., Tuesday, July 9, 2013.** Send nominations via e-mail, fax, or U.S. mail to:

Marjorie Blom
Stanislaus LAFCo
1010 Tenth Street, 3rd Floor
Modesto, CA 95354
Fax (209) 525-7643
E-mail: blomm@stancounty.com



2013 Achievement Award Nominations

Nomination Form

NOMINEE

Person or Agency Being Nominated:

Name
Organization
Address
Phone/E-mail

NOMINATION CATEGORY (check one – see category detail on attached sheet)

- Outstanding CALAFCO Member
- Distinguished Service Award
- Most Effective Commission
- Outstanding Commissioner
- Outstanding LAFCo Professional
- Outstanding LAFCo Clerk
- Project of the Year
- Government Leadership Award
- Legislator of the Year
- Mike Gotch Courage and Innovation in Local Government Award

NOMINATION SUBMITTED BY:

Name:
Address:
Phone:
E-mail:

ACHIEVEMENTS

Please indicate the reasons why this person or agency deserves to be recognized (Use additional sheets as needed):



2013 Achievement Award Nominations

CALAFCO ACHIEVEMENT AWARD CATEGORIES

CALAFCO recognizes excellence within the LAFCo community by presenting the *Achievement Awards* at the CALAFCO Annual Conference. Nominations are being accepted until Tuesday, July 9th 2013, in the following categories:

Outstanding CALAFCO Member

Recognizes a CALAFCO Board Member or staff person who has provided exemplary service during the past year.

Distinguished Service Award

Given to a member of the LAFCo community to recognize long-term service by an individual.

Most Effective Commission

Presented to an individual Commission to recognize innovation, streamlining, and/or initiative in implementing LAFCo programs; may also be presented to multiple Commissions for joint efforts.

Outstanding Commissioner

Presented to an individual Commissioner for extraordinary service to his or her Commission.

Outstanding LAFCo Professional

Recognizes an Executive Officer, Staff Analyst, or Legal Counsel for exemplary service during the past year.

Outstanding LAFCo Clerk

Presented to a LAFCo Clerk for service above and beyond the call of duty.

Project of the Year

Recognition for a project-specific program that involved complex staff analysis, community involvement, or an outstanding solution.

Government Leadership Award

Presented to a decision-making body at the city, county, special district, regional or state level which has furthered good government efforts in California.

Legislator of the Year

Presented to a member of the California State Senate or Assembly in recognition of leadership and valued contributions in support of LAFCo goals. Selected by CALAFCO Board.

Mike Gotch Courage and Innovation in Local Government Award

Presented to an individual who has taken extraordinary steps to improve and innovate local government. This award is named for Mike Gotch: former Assembly Member, LAFCo Executive Officer and CALAFCO Executive Director responsible for much of the foundations of LAFCo law and CALAFCO. He is remembered as a source of great inspiration for staff and legislators from throughout the state.



2013 Achievement Award Nominations

CALAFCO ACHIEVEMENT AWARD RECIPIENTS

2012

Mike Gotch Courage & Innovation in
Local Government Leadership Award

Distinguished Service Award

Most Effective Commission

Outstanding CALAFCO Member

Outstanding Commissioner

Outstanding LAFCo Professional

Outstanding LAFCo Clerk

Project of the Year

Government Leadership Award

Lifetime Achievement Award

Bill Chiat, CALAFCO Executive Director

Marty McClelland, Commissioner, Humboldt LAFCo
Sonoma LAFCo

Stephen A. Souza, Commissioner, Yolo LAFCo and CALAFCO
Board of Directors

Sherwood Darington, Monterey LAFCo

Carole Cooper, Sonoma LAFCo

Gwenna MacDonald, Lassen LAFCo

Countywide Service Review & SOI Update, Santa Clara
LAFCo

North Orange County Coalition of Cities, Orange LAFCo

P. Scott Browne, Legal Counsel LAFCos

2011

Mike Gotch Courage & Innovation in
Local Government Leadership Award

Distinguished Service Award

Most Effective Commission

Outstanding CALAFCO Member

Outstanding Commissioner

Outstanding LAFCo Professional

Outstanding LAFCo Clerk

Project of the Year

Government Leadership Award

Martin Tuttle, Deputy Director for Planning, Caltrans
Mike McKeever, Executive Director, SACOG

Carl Leverenz, Commissioner and Chair, Butte LAFCo
San Bernardino LAFCo

Keene Simonds, Executive Officer, Napa LAFCo

Louis R. Calcagno, Monterey LAFCo

June Savala, Deputy Executive Officer, Los Angeles LAFCo

Debbie Shubert, Ventura LAFCo

Cortese-Knox-Hertzberg Definitions Revision

Bob Braitman, Scott Browne, Clark Alsop, Carole Cooper, and
George Spiliotis

Contra Costa Sanitary District

Elsinore Water District and Elsinore Valley Municipal Water
District

2010

Mike Gotch Courage & Innovation in
Local Government Leadership Award

Distinguished Service Award

Most Effective Commission

Outstanding CALAFCO Member

Outstanding Commissioner

Outstanding LAFCo Professional

Outstanding LAFCo Clerk

Helen Thompson, Commissioner, Yolo LAFCo

Kathleen Rollings-McDonald, Executive Officer, San
Bernardino LAFCo

Bob Braitman, Executive Officer, Santa Barbara LAFCo
Tulare LAFCo

Roger Anderson, Ph.D., CALAFCO Chair, Santa Cruz LAFCo

George Lange, Ventura LAFCo

Harry Ehrlich, Government Consultant, San Diego LAFCo

Candie Fleming, Fresno LAFCo



2013 Achievement Award Nominations

Project of the Year

Butte LAFCo

Sewer Commission - Oroville Region Municipal Service Review

Government Leadership Award

Nipomo Community Services District and the County of San Luis Obispo

Special Achievement

Chris Tooker, Sacramento LAFCo and CALAFCO Board of Directors

2009

Mike Gotch Courage & Innovation in Local Government Leadership Award

Paul Hood, Executive Officer, San Luis Obispo LAFCo

Distinguished Service Award

William Zumwalt, Executive Officer, Kings LAFCo

Most Effective Commission

Napa LAFCo

Outstanding CALAFCO Member

Susan Vicklund Wilson, CALAFCO Vice Chair

Jerry Gladbach, CALAFCO Treasurer

Outstanding Commissioner

Larry M. Fortune, Fresno LAFCo

Outstanding LAFCo Professional

Pat McCormick, Santa Cruz LAFCo Executive Officer

Outstanding LAFCo Clerk

Emmanuel Abello, Santa Clara LAFCo

Project of the Year

Orange LAFCo

Boundary Report

Government Leadership Award

Cities of Amador City, Jackson, Ione, Plymouth & Sutter Creek; Amador County; Amador Water Agency; Pine Grove CSD – Countywide MSR Project

Legislator of the Year Award

Assembly Member Jim Silva

2008

Distinguished Service Award

Peter M. Detwiler, Senate Local Government Committee Chief Consultant

Most Effective Commission

Yuba LAFCo

Outstanding Commissioner

Dennis Hansberger, San Bernardino LAFCo

Outstanding LAFCo Professional

Michael Ott, San Diego LAFCo Executive Officer

Martha Poyatos, San Mateo Executive Officer

Outstanding LAFCo Clerk

Wilda Turner, Los Angeles LAFCo

Project of the Year

Kings LAFCo

City and Community District MSR and SOI Update

Government Leadership Award

San Bernardino Board of Supervisors

Legislator of the Year Award

Assembly Member Anna M. Caballero

2007

Outstanding CALAFCO Member

Kathy Long, Board Chair, Ventura LAFCo

Distinguished Service Award

William D. Smith, San Diego Legal Counsel

Most Effective Commission

Santa Clara LAFCo

Outstanding Commissioner

Gayle Uilkema, Contra Costa LAFCo

Outstanding LAFCo Professional

Joyce Crosthwaite, Orange LAFCo Executive Officer

Outstanding LAFCo Clerk

Debby Chamberlin, San Bernardino LAFCo

Project of the Year

San Bernardino LAFCo and City of Fontana Islands Annexation Program

Government Leadership Award

City of Fontana

Islands Annexation Program

Lifetime Achievement

John T. "Jack" Knox



2013 Achievement Award Nominations

2006

Outstanding CALAFCO Member	Everett Millais , CALAFCO Executive Officer and Executive Officer of Ventura LAFCo
Distinguished Service Award	Clark Alsop , CALAFCO Legal Counsel
Most Effective Commission Award	Alameda LAFCo
Outstanding Commissioner Award	Ted Grandsen , Ventura LAFCo Chris Tooker , Sacramento LAFCo
Outstanding LAFCo Professional Award	Larry Calemine , Los Angeles LAFCo Executive Officer
Outstanding LAFCo Clerk Award	Janice Bryson , San Diego LAFCo Marilyn Flemmer , Sacramento LAFCo
Project of the Year Award	Sacramento Municipal Utility District Sphere of Influence Amendment and Annexation; Sacramento LAFCo
Outstanding Government Leadership Award	Cities of Porterville, Tulare, and Visalia and Tulare LAFCo Island Annexation Program
Legislator of the Year Award	Senator Christine Kehoe

2005

Outstanding CALAFCO Member	Peter Herzog , CALAFCO Board, Orange LAFCo
Distinguished Service Award	Elizabeth Castro Kemper , Yolo LAFCo
Most Effective Commission Award	Ventura LAFCo
Outstanding Commissioner Award	Art Aseltine , Yuba LAFCo Henri Pellissier , Los Angeles LAFCo
Outstanding LAFCo Professional Award	Bruce Baracco , San Joaquin LAFCo
Outstanding LAFCo Clerk Award	Danielle Ball , Orange LAFCo
Project of the Year Award	San Diego LAFCo MSR of Fire Protection and Emergency Medical Services
Outstanding Government Leadership Award	Sacramento Area Council of Governments (SACOG)

2004

Outstanding CALAFCO Member	Scott Harvey , CALAFCO Executive Director
Distinguished Service Award	Julie Howard , Shasta LAFCo
Most Effective Commission Award	San Diego LAFCo
Outstanding Commissioner Award	Edith Johnsen , Monterey LAFCo
Outstanding LAFCo Professional Award	David Kindig , Santa Cruz LAFCo
Project of the Year Award	San Luis Obispo LAFCo Nipomo CSD SOI Update, MSR, and EIR

2003

Outstanding CALAFCO Member	Michael P. Ryan , CALAFCO Board Member
Distinguished Service Award	Henri F. Pellissier , Los Angeles LAFCo
Most Effective Commission Award	San Luis Obispo LAFCo
Outstanding Commissioner Award	Bob Salazar , El Dorado LAFCo
Outstanding LAFCo Professional Award	Shirley Anderson , San Diego LAFCo
Outstanding LAFCo Clerk Award	Lori Fleck , Siskiyou LAFCo
Project of the Year Award	Napa LAFCo Comprehensive Water Service Study
Special Achievement Award	James M. Roddy



2013 Achievement Award Nominations

2002

Outstanding CALAFCO Member	Ken Lee, CALAFCO Legislative Committee Chair
Most Effective Commission Award	San Diego LAFCo
Outstanding Commissioner Award	Ed Snively, Imperial LAFCo
Outstanding LAFCo Professional Award	Paul Hood, San Luis Obispo LAFCo
Outstanding LAFCo Clerk Award	Danielle Ball, Orange LAFCo
Project of the Year Award	San Luis Obispo LAFCo
Outstanding Government Leadership Award	Napa LAFCo, Napa County Farm Bureau, Napa Valley Vintners Association, Napa Valley Housing Authority, Napa County Agricultural Commissioner's Office, Napa County Counsel Office, and Assembly Member Patricia Wiggins

2001

Outstanding CALAFCO Member	SR Jones, CALAFCO Executive Officer
Distinguished Service Award	David Martin, Tax Area Services Section, State Board of Equalization
Outstanding Commissioner Award	H. Peter Faye, Yolo LAFCo
Outstanding LAFCo Professional Award	Ingrid Hansen, San Diego LAFCo
Project of the Year Award	Santa Barbara LAFCo
Outstanding Government Leadership Award	Alameda County Board of Supervisors, Livermore City Council, Pleasanton City Council
Legislator of the Year Award	Senator Jack O'Connell

2000

Outstanding CALAFCO Member	Ron Wootton, CALAFCO Board Chair
Distinguished Service Award	Ben Williams, Commission on Local Governance for the 21st Century
Most Effective Commission Award	Yolo LAFCo
Outstanding Commissioner	Rich Gordon, San Mateo LAFCo
Outstanding LAFCo Professional Award	Annamaria Perrella, Contra Costa LAFCo
Outstanding LAFCo Clerk Award	Susan Stahmann, El Dorado LAFCo
Project of the Year Award	San Diego LAFCo
Legislator of the Year Award	Robert Hertzberg, Assembly Member

1999

Distinguished Service Award	Marilyn Ann Flemmer-Rodgers, Sacramento LAFCo
Most Effective Commission Award	Orange LAFCo
Outstanding Executive Officer Award	Don Graff, Alameda LAFCo
Outstanding LAFCo Clerk Award	Dory Adams, Marin LAFCo
Most Creative Solution to a Multi-Jurisdictional Problem	San Diego LAFCo
Outstanding Government Leadership Award	Assembly Member John Longville
Legislator of the Year Award	Assembly Member Robert Hertzberg

1998

Outstanding CALAFCO Member	Dana Smith, Orange LAFCo
Distinguished Service Award	Marvin Panter, Fresno LAFCo
Most Effective Commission Award	San Diego LAFCo
Outstanding Executive Officer Award	George Spiliotis, Riverside LAFCo
Outstanding Staff Analysis	Joe Convery, San Diego LAFCo Joyce Crosthwaite, Orange LAFCo
Outstanding Government Leadership Award	Santa Clara County Planning Department

1997

Most Effective Commission Award	Orange LAFCo
Outstanding Executive Officer Award	George Finney, Tulare LAFCo
Outstanding Staff Analysis	Annamaria Perrella, Contra Costa LAFCo
Outstanding Government Leadership Award	South County Issues Discussion Group
Most Creative Solution to a Multi-Jurisdictional Problem	Alameda LAFCo and Contra Costa LAFCo
Legislator of the Year Award	Assembly Member Tom Torlakson



Please join us for the CALAFCO Annual Conference
August 28 - 30, 2013
The Resort at Squaw Creek
North Lake Tahoe, CA



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

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Napa, California 94559
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We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

June 3, 2013

Agenda Item No. 8a (Discussion)

May 28, 2013

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Brendon Freeman, Analyst

SUBJECT: Spanish Flat Water District Sphere of Influence Update

The Commission will receive a draft report on its scheduled sphere of influence update on the Spanish Flat Water District. The draft report draws on current legislative directives and adopted local policies in identifying and evaluating the merits of adding two study areas – “A” and “B” – to the sphere to facilitate either future annexations or outside service extensions. The draft report concludes it would be appropriate for the Commission to add Study Area A to the sphere as part of this scheduled update. The draft report is being presented for discussion and direction in anticipation of taking formal action in updating the sphere at a future meeting.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) directs Local Agency Formation Commissions (LAFCOs) to establish, amend, and update spheres of influence (“spheres”) for all cities and special districts. LAFCOs use spheres to designate the territory it independently believes represents the appropriate future service areas and jurisdictional boundaries of the affected agencies. Importantly, all jurisdictional changes and outside service extensions must be consistent with the affected agencies’ spheres with limited exceptions. Sphere updates are prepared in concurrence with municipal service reviews and now performed for all local agencies every five years.

A. Discussion

Staff has prepared a draft report representing LAFCO of Napa County’s (“Commission”) scheduled sphere update on Spanish Flat Water District (SFWD); the governmental entity responsible for providing water and sewer services for the unincorporated Spanish Flat and Berryessa Pines communities and their estimated 404 residents. The basic objective of the draft report is to independently identify and evaluate areas warranting consideration for inclusion or removal from SFWD’s sphere relative to the policies and goals codified in CKH and adopted by the Commission. The report supersedes the last comprehensive sphere update for SFWD adopted by the Commission in December 2007. The report also draws on information collected and analyzed in the Commission’s recently completed municipal service review on the Lake Berryessa region, which included evaluating the availability, adequacy, and capacity of services provided by SFWD.

Joan Bennett, Commissioner
Councilmember, City of American Canyon

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

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

Gregory 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

Keene Simonds
Executive Officer

B. Summary/Analysis

Policy Focus

The draft report and its analysis on potential sphere modifications for SFWD is predicated on adhering to the policy interest of the Commission to consider the District's prescribed role in providing water and sewer services in support of development in the Spanish Flat and Berryessa Pines communities. This involves, notably, considering the communities' need for SFWD services relative to the District's ability to provide these services efficiently and in a manner consistent with sensible land uses based on the adopted policies and preferences of the Commission. The report, accordingly, identifies and evaluates the addition of two distinct study areas totaling 13.2 acres of non jurisdictional lands into SFWD's sphere. Both study areas lie within the Berryessa Pines community and are described below.

- Study Area "A" represents non jurisdictional lands immediately adjacent to SFWD's existing sphere and currently receive water and sewer from SFWD through grandfathered outside service agreements.
- Study Area "B" represents non jurisdictional lands immediately adjacent to SFWD's existing sphere and presently used and designated for urban type uses.

A full-size map depicting the two study areas is attached.

Report's Central Conclusions

The draft report concludes there is substantive merit for the Commission to add all of Study Area A into SFWD's sphere as part of this scheduled update given the overall consistency with the factors prescribed for consideration by the Legislature. Most notably, adding Study Area A conforms to the Legislature's increasing emphasis on the sphere's role in demarking an agency's existing and probable service area. The draft report's conclusions, however, are less certain with respect to Study Area B by noting there appears to be equal merit to either add or continue to exclude the affected lands from the sphere depending on the collective preferences of members. The principal justification to include Study Area B applies if it is the Commission's collective preference to emphasize the connectivity between present and planned urban land uses as well as social and economic ties that exist with SFWD. The principal justification, conversely, to continue to exclude Study Area B from the sphere applies if it is the Commission's collective preference to emphasize the apparent lack of need or interest as of date on the part of the affected landowner to establish water and/or sewer service from SFWD.

Report's Recommendations

The draft report recommends the Commission update and expand SFWD's existing sphere to include all of Study Area A to facilitate the annexation of the affected lands to the District and formalize the existing provision of water and sewer service under LAFCO law. The draft report does not recommend the Commission add Study Area B to the sphere given – above all else – public water and/or sewer service within the affected lands does not appear needed now or within the next five years based on available information. However, given directives and adopted policies, the draft report recommends the Commission make a policy statement declaring any future urban intensification within Study Area B be accompanied by inclusion into SFWD's sphere given the District's prescribed role in the community. This recommended policy statement would be memorialized as part of an adopted resolution updating the sphere.

C. Commission Review

Staff respectfully seeks Commission input with regards to content, conclusions, and recommendations provided in the draft report prepared for the scheduled sphere update for SFWD. Staff will incorporate the input provided by Commissioners in preparing a final report for consideration at the next regularly scheduled meeting. Staff will also issue a 30-day public review notice on the draft report to all interested parties – including landowners within the two study areas – following today's meeting. Comments received during the review period will be incorporated into the final report.

Attachments:

- ~~1) Enlarged Map Depicting Study Areas A and B~~
- 2) Draft Report on SFWD Sphere Update



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

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

SPANISH FLAT WATER DISTRICT
SPHERE OF INFLUENCE REVIEW AND UPDATE

Draft Report
June 2013



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

Commissioners

Brad Wagenknecht, Chair, County Member
Brian J. Kelly, Vice Chair, Public Member
Joan Bennett, Commissioner, City Member
Bill Dodd, Commissioner, County Member
Gregory Pitts, Commissioner, City Member
Juliana Inman, Alternate Commissioner, City Member
Mark Luce, Alternate Commissioner, County Member
Gregory Rodeno, Alternate Commissioner, Public Member

Staff / Administrative Office

Keene Simonds, Executive Officer
Jacqueline M. Gong, Counsel
Brendon Freeman, Staff Analyst
Kathy Mabry, Commission Secretary

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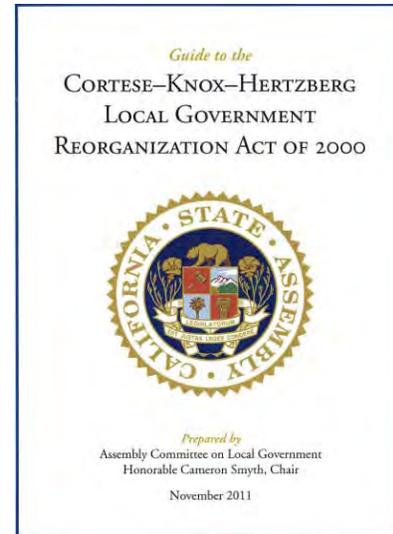
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I. INTRODUCTION

1.0 Local Agency Formation Commissions

1.1 Authority and Objectives

Local Agency Formation Commissions (LAFCOs) were established in 1963 as political subdivisions of the State of California and are currently responsible for providing regional growth management services under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”).¹ LAFCOs are located in all 58 counties in California and are delegated regulatory and planning powers to coordinate and oversee the logical formation and development of local governmental agencies and their municipal service areas. Towards this end, LAFCOs are commonly referred to as the Legislature’s “watchdog” for local governance issues. Underlying LAFCOs’ regulatory and planning powers is fulfilling specific objectives outlined by the California Legislature under Government Code (G.C.) Section 56301, which states:



“Among the purposes of the commission are discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing governmental services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances. One of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities.”

1.2 Regulatory Responsibilities

LAFCOs’ principal regulatory responsibility involves approving or disapproving all jurisdictional changes involving the establishment, expansion, and reorganization of cities and special districts within their jurisdictions.² LAFCOs are also provided broad discretion to condition jurisdictional changes as long as they do not directly regulate land use, property development, or subdivision requirements. LAFCOs generally exercise their regulatory authority in response to applications submitted by local agencies, landowners, or registered voters. Recent amendments to CKH, however, now empower and encourage LAFCOs to initiate on their own jurisdictional changes to form, merge, and dissolve special districts consistent with current and future community needs. The following table provides a complete list of LAFCOs’ regulatory authority as of January 1, 2013.

¹ Reference California Government Code Section 56000 et seq.

² CKH defines “special district” to mean any agency of the State formed pursuant to general law or special act for the local performance of governmental or proprietary functions within limited boundaries. All special districts in California are subject to LAFCO with the following exceptions: school districts; community college districts; assessment districts; improvement districts; community facilities districts; and air pollution control districts.

LAFCOs' Regulatory Authority

- City Incorporations and Disincorporations
- District Formations and Dissolutions
- City and District Consolidations
- City and District Outside Service Extensions
- City and District Annexations
- City and District Detachments
- Merge/Establish Subsidiary Districts
- District Service Activations or Divestitures

1.3 Planning Responsibilities

LAFCOs inform their regulatory actions through two central and interrelated planning responsibilities: (a) making sphere of influence (“sphere”) determinations and (b) preparing municipal service reviews. Sphere determinations have been a central planning function of LAFCOs since 1971 and effectively serve as the Legislature’s version of “urban growth boundaries” with regard to delineating the appropriate interface between urban and non urban uses. Municipal service reviews, in contrast, are a relatively new planning responsibility enacted in 2001 as part of CKH and are intended to inform – among other activities – sphere determinations. The Legislature mandates, notably, all sphere changes be accompanied by preceding municipal service reviews to help ensure LAFCOs are effectively aligning governmental services with current and anticipated community needs. An expanded summary of the function and role of these two planning responsibilities follows.

Sphere Determinations

LAFCOs establish, amend, and update spheres for all cities and special districts to designate the territory it independently believes represents the appropriate and probable future service area and jurisdictional boundary of the affected agency. Importantly, all jurisdictional changes, such as annexations and detachments, must be consistent with the spheres of the affected local agencies with limited exceptions.³ Further, an increasingly important role involving sphere determinations relates to their use by regional councils of governments as planning areas in allocating housing need assignments for counties and cities, which must be addressed by the agencies in their housing elements.

LAFCO must review and update as needed each local agency’s sphere every five years. In making a sphere determination, LAFCO is required to prepare written statements addressing five specific planning factors listed under G.C. Section 56425. These mandatory factors range from evaluating current and future land uses to the existence of pertinent communities of interest. The intent in preparing the written statements is to orient LAFCO in addressing the core principles underlying the sensible development of each local agency consistent with the anticipated needs of the affected community. The five mandated planning factors are summarized in the following table.

³ Exceptions in which jurisdictional boundary changes do not require consistency with the affected agencies’ spheres include annexations of State correctional facilities or annexations to cities involving city owned lands used for municipal purposes.

Sphere Determinations: Mandatory Written Statements

1. Present and planned land uses in the area, including agricultural and open space.
2. Present and probable need for public facilities and services in the area.
3. Present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.
4. Existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.
5. If the city or district provides water, sewer, or fire, the present and probable need for those services of any disadvantaged unincorporated communities within the existing sphere.

Municipal Service Reviews

Municipal service reviews are comprehensive studies of the availability, range, and sufficiency of governmental services provided within a defined geographic area. LAFCOs generally prepare municipal service reviews to explicitly inform subsequent sphere determinations as required by the Legislature. LAFCOs also prepare municipal service reviews irrespective of making any specific sphere determinations in order to obtain and furnish information to contribute to the overall orderly development of local communities.

Municipal service reviews vary in scope and can focus on a particular agency or governmental service. LAFCOs may use the information generated from municipal service reviews to initiate other actions under their authority, such as forming, consolidating, or dissolving one or more local agencies. All municipal service reviews – irregardless of their intended purpose – culminate with LAFCOs preparing written statements addressing seven specific service factors listed under G.C. Section 56430. This includes, most notably, infrastructure needs or deficiencies, growth and population trends, and financial standing. The seven mandated service factors are summarized in the following table.

Municipal Service Reviews: Mandatory Written Statements

1. Growth and population projections for the affected area.
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to affected spheres of influence.⁴
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies.
4. Financial ability of agencies to provide services.
5. Status and opportunities for shared facilities.
6. Accountability for community service needs, including structure and operational efficiencies.
7. Matters relating to effective or efficient service delivery as required by LAFCO policy.

⁴ This determination was added to the municipal service review process by Senate Bill 244 effective January 1, 2012. The definition of “disadvantaged unincorporated community” is defined under G.C. Section 56330.5 to mean inhabited territory that constitutes all or a portion of an area with an annual median household income that is less than 80 percent of the statewide annual median household income; the latter amount currently totaling \$57,287.

1.4 Mandated Composition

LAFCOs are generally governed by an eight-member board comprising three county supervisors, three city councilmembers, and two representatives of the general public.⁵ Members are divided between “regulars” and “alternates” and must exercise their independent judgment on behalf of the interests of residents, landowners, and the public as a whole. LAFCO members are subject to standard disclosure requirements and must file annual statements of economic interests. LAFCOs have sole authority in administering its legislative responsibilities and its decisions are not subject to an outside appeal process.

All LAFCOs are independent of local government with the majority employing their own staff; an increasingly smaller portion of LAFCOs, however, choose to contract with their local county government for staff support services. All LAFCOs, nevertheless, must appoint their own Executive Officers to manage agency activities and provide written recommendations on all regulatory and planning actions before the members. All LAFCOs must also appoint their own legal counsel.

1.5 Prescriptive Funding

CKH prescribes local agencies fund LAFCOs’ annual operating costs. Counties are generally responsible for one-half of LAFCO’s annual operating costs with the remainder proportionally allocated among cities based on a calculation of tax revenues and population.⁶ LAFCOs are also authorized to collect fees to offset local agency contributions.

2.0 LAFCO of Napa County

LAFCO of Napa County (“Commission”) was first established in 1963 as a department within the County of Napa. Consistent with pre CKH provisions, the County was entirely responsible for funding the Commission’s annual operating costs over the first three decades. Further, the duties of the Executive Officer were first performed by the County Administrator and later delegated to the County Planning Director beginning in 1990.

CKH’s enactment in 2001 changed the Commission’s funding to assign one-half of its operating costs to the County with the other one-half assigned to the Cities of American Canyon, Calistoga, Napa, St. Helena, and the Town of Yountville. CKH’s enactment also facilitated a number of organizational changes highlighted by the Commission entering into a staff support services agreement with the County; an agreement allowing the Commission, among other things, to appoint its own Executive Officer. The Commission’s current member roster is provided below.

⁵ Several LAFCOs also have three members from independent special districts within their county.

⁶ The funding formula for LAFCOs with special district representation provides that all three appointing authorities (county, cities, and special districts) are responsible for one-third of LAFCOs’ annual operating costs.

Napa LAFCO's Commission Roster		
Appointing Agency	Regular Members	Alternative Members
County of Napa Supervisors	Bill Dodd Brad Wagenknecht	Mark Luce
City Selection Committee: Mayors	Joan Bennett Gregory Pitts	Juliana Inman
Commissioners: City and County	Brian J. Kelly	Gregory Rodeno

Staffing for the Commission currently consists of 2.5 full-time equivalent employees. This includes a full-time Executive Officer and Analyst along with a part-time Secretary.⁷ Legal services are provided by the County Counsel's Office. All other staffing related services, such as accounting, human resources, information technology, are provided by the County as needed and generally charged on an hourly basis. The Commission's adopted budget for 2012-2013 totals \$0.432 million with an audited unreserved/undesignated fund balance of \$0.119 million as of June 30, 2012.

⁷ The Commission contracts with the County for staff support services. The Executive Officer and all support personnel are County employees. The Commission, however, appoints and removes the Executive Officer on its own discretion.

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II. EXECUTIVE SUMMARY

1.0 Overview

This report represents the Commission's scheduled sphere update for the Spanish Flat Water District (SFWD); the governmental entity responsible for providing water and sewer services to the Spanish Flat and Berryessa Pines communities. The underlying objective of the report is to review SFWD's existing sphere relative to current legislative directives, local policies, and member preferences in justifying whether to (a) change or (b) maintain the designation as part of the current update cycle. This report supersedes the last sphere update on SFWD adopted on December 3, 2007. The report draws on information collected and analyzed in the Commission's recently completed municipal service review on the Lake Berryessa region, which includes the evaluation of availability, adequacy, and capacity of services provided by SFWD.

2.0 Conclusions

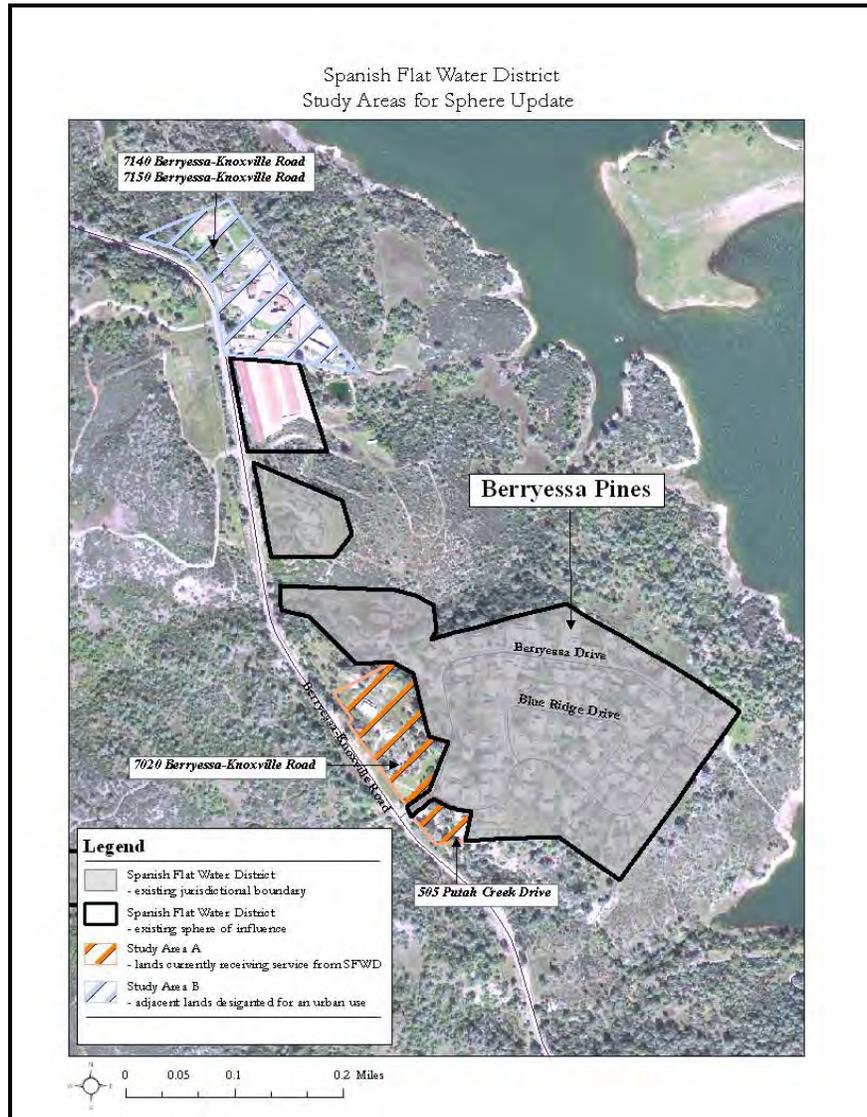
2.1 Role of SFWD

SFWD covers close to 1,200 jurisdictional acres and serves a critical role in supporting existing and planned development along the western Lake Berryessa shoreline legacy communities of Spanish Flat and Berryessa Pines and their estimated 404 residents by providing needed public water and sewer services. These services, pertinently, would otherwise likely be unavailable to the affected communities and their residents given the lack of alternative service providers in the region. SFWD also serves an important and expanding role as the sole governing board purposefully tasked with representing the landowners and residents in the Spanish Flat and Berryessa Pines communities. Further, and as detailed in the earlier municipal service review, SFWD has proven adept in maximizing its available resources in meeting constituent needs despite operating within relatively finite service areas that have not developed as initially planned coupled with the challenges of addressing increasing regulatory standards.

2.2 Policy Focus

This report and its analysis on potential sphere modifications for SFWD is predicated on adhering to the policy interest of the Commission to consider the District's prescribed role in providing water and sewer services in support of development in the Spanish Flat and Berryessa Pines' communities. This involves, notably, considering the communities' need for SFWD services relative to the District's ability to provide these services efficiently and in a manner consistent with sensible land uses as vetted through the adopted policies of the Commission. The report, accordingly, identifies and evaluates the addition of two distinct study areas totaling 13.2 acres of non jurisdictional lands into SFWD's sphere. Study Area "A" represents non jurisdictional lands that currently receive water and sewer from SFWD through outside service agreements. Study Area "B" represents non jurisdictional lands immediately adjacent to the existing sphere and designated for

an urban type use under the County General Plan. Both study areas lie near the Berryessa Pines’ service area and are depicted in the following map.



2.3 General Findings

The report concludes there is substantive merit for the Commission to add all of Study Area A into SFWD’s sphere as part of this scheduled update. The addition of the affected 5.3 acres is merited, in particular, given the overall consistency with the factors prescribed for consideration by the Legislature anytime the Commission makes a sphere determination. This includes – above others – assigning deference to the current need and adequacy of services SFWD is already providing to the two subject lots in the study area through earlier outside service agreements; a deference that importantly conforms to the Legislature’s increasing emphasis on the sphere’s role in demarking an agency’s existing and probable service area.

In contrast to the preceding analysis, the report concludes there is equal merit for the Commission to either add or continue to exclude Study Area B from SFWD's sphere based on the collective preferences of members. The principal justification to include the affected 7.9 acres applies if it is the Commission's collective preference to emphasize the connectivity between present and planned land uses as well as social and economic ties that exist with SFWD. Prominently, assigning deference to these factors in adding the study area to the sphere would follow the justification the Commission previously exercised in adding similarly situated lands to SFWD's sphere that lie immediately south of the affected lands in the early 1990s. The principal justification, conversely, to continue to exclude the study area from the sphere applies if it is the Commission's collective preference to emphasize the apparent lack of need or interest on the part of the affected landowner to establish water and/or sewer service from SFWD as of date.

2.4 Recommendation

It is recommended the Commission affirm and expand SFWD's existing sphere designation to include all of Study Area A for reasons outlined in the preceding section and further detailed in the report. It is not recommended the Commission add Study Area B to the sphere at this time given public water and/or sewer service within the affected lands does not appear needed now or within the next five years based on available information. Nonetheless, and as part of an approving resolution for the update, it is recommended the Commission affirm its policy interest and state any future urban intensification within Study Area B be accompanied by inclusion into SFWD's sphere given the District's prescribed role in the community.

Note: The determinative statements in support of the recommended sphere action addressing the five factors required for consideration under G.C. Section 56425 will be included in a final report.

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III. AGENCY PROFILE

1.0 Background

1.1 Formation Proceedings

SFWD was formed in 1963 as an independent special district governed by an elected five-member board consisting of local landowners.⁸ SFWD’s formation was approved by the Commission following the filing of a petition by a prominent area landowner – Wesley Plunkett – to provide public sewer and water services in support of existing and planned development in the legacy community of Spanish Flat along the western shoreline of Lake Berryessa. Actual development within Spanish Flat at the time of SFWD’s formation was limited and included six single-family residences and a 48-unit mobile-home court with a combined estimated population of 70. A small number of non-residential uses were also present in the intended service area and anchored by a retail shopping site – Village Center – that had been recently developed in conjunction with the construction of a nearby recreational resort – Spanish Flat Resort – under contract with the County of Napa as part of an initial management plan for Lake Berryessa.⁹

Spanish Flat Water District 4340 Spanish Flat Loop Road Spanish Flat, California 94558	
Date Formed:	1963
Enabling Legislation:	Water Code 34000-38501
Services Provided:	Water Sewer
Estimated Population	404

1.2 Initial Expectations

Voter confirmation of SFWD’s formation coincided with the approval of separate bond measures enabling the District to purchase, improve, and expand private water and sewer systems that were previously serving Spanish Flat.¹⁰ The expansion of the utility systems, markedly, were specifically planned to accommodate the earlier approval of a 53-lot subdivision to be known as the “Woodlands.”¹¹ It was also anticipated SFWD’s service area would further intensify over the next two decades consistent with development expectations for the Lake Berryessa region. This included an expectation Spanish Flat would eventually include 1,000 residential units accommodating both permanent and seasonal uses with an expected fulltime resident population of approximately 2,000.

⁸ SFWD operates under the authority of California Water Code Sections 34000-38500. The law was enacted in 1951 for purpose of providing landowners an alternate method to establish, fund, and operate water, sewer, and drainage services. All non tax or fee measures within SFWD are subject only to landowner voting; a system that provides each landowner one vote for each dollar this his or her property is assigned. All tax or fee measures within SFWD are subject to register voter approval pursuant to Proposition 218.

⁹ The Spanish Flat Resort was one of the original seven concessionaire sites contracted by the County to provide public recreational and commercial services at Lake Berryessa beginning in 1959. The contracts for all seven concessionaires were later transferred to the Bureau in the mid 1970s. (Lake Berryessa is a man-made water body developed by the United States Bureau of Reclamation as part of the “Solano Project.” Markedly, the Solano Project originally intended to provide Napa, Yolo, and Solano Counties with an equal share of water for agricultural and domestic uses by damming Putah Creek in the Berryessa Valley. Napa and Yolo, however, both decided against participating in the project, leaving Solano County as the sole participant and holds the majority of water rights to Lake Berryessa. The Monticello Dam was completed in 1957 and the formation of Lake Berryessa reached its “normal” operating level by 1964.)

¹⁰ SFWD also entered into an agreement with the Napa County Flood Control and Water Conservation District for an annual raw water entitlement of 200 acre-feet from Lake Berryessa. The agreement currently extends through 2024.

¹¹ The Woodlands subdivision was approved by the County Planning Commission in 1962.

1.3 Post Formation Activities

Actual new development within Spanish Flat – and similar to other communities in the region – has fallen substantially short of initial expectations. To date, the Woodlands subdivision remains the only substantive new development within Spanish Flat since SFWD’s formation in 1963. SFWD’s service area, nonetheless, has experienced moderate growth following formation as a result of two separate boundary changes. The first of the two boundary changes was approved by the Commission in 1976 and involved the annexation of the 225 acre Spanish Flat Resort for purposes of providing retail water service; sewer service for the site remained privately operated following annexation. The second of the two boundary changes was approved by the Commission in 1977 and involved the annexation of a non-contiguous 99-lot subdivision to the north of Spanish Flat known as “Berryessa Pines.” Notably, the annexation of Berryessa Pines was petitioned by the affected landowners in order for SFWD to assume water and sewer service responsibilities for a failing private utility company, which had experienced several operating problems in the preceding years leading to a moratorium on new service connections.¹² The moratorium was eventually lifted following SFWD’s annexation and construction of a new intake system to Lake Berryessa, which was financed by a voter-approved special assessment as part of a capital improvement program for Berryessa Pines.¹³



Activities within SFWD’s two service areas have remained fairly dormant since the late 1970s with two notable and relatively recent exceptions. First, SFWD recently funded several facility improvements to both its water and sewer systems in the Spanish Flat and Berryessa Pines communities. This includes funding nearly \$1.5 million to construct new water treatment plants for both service areas; funding for which were financed through State grants and low-interest loans with the latter secured by 20-year assessment districts approved by voters in 2005. Second, approximately one-fifth of the SFWD’s operating revenues were lost with the Spanish Flat Resort being closed by the Bureau as part of a new visitor-services redevelopment plan for all seven concessionaire sites operating in the region.

¹² At the time of the moratorium, only 53 of the 99 lots in Berryessa Pines had been developed with single-family residences. The subdivision has subsequently been developed to date to include 77 lots.

¹³ SFWD also annexed approximately 170 acres of non-contiguous territory near the Rancho Monticello Resort in 1965. This annexation was intended to facilitate the development a residential subdivision similar to Berryessa Pines. The site, however, remains undeveloped.

1.4 Current Operations

SFWD is currently staffed by 2.5 full-time equivalent employees divided between two fulltime facility operators and a parttime office manager. At the time of the municipal service review, the operating budget for both service areas totaled \$0.31 million and produced an annual per resident cost of \$767; the latter representing the lowest ratio among the three water/sewer special districts serving the Lake Berryessa region. However, and similar to the three other special districts in the region, it was also reported at the time of the municipal service review SFWD had a negative unrestricted fund balance of (\$0.26 million) due to recent operating shortfalls paired with emergency repairs to its sewer treatment facilities from 2006.

3.0 Service Area Demographics

3.1. Current and Projected Population

It is estimated the current resident population within SFWD's two service areas totals 404 based on the number of residential units connected to the District.¹⁴ There are an additional 62 undeveloped lots remaining within SFWD; all of which could potentially accommodate one single-family residence under the County's existing land use policies. If these lots were developed, the estimated buildout resident population within the existing jurisdictional boundary would total 563.

3.2 Other Demographic Information

The following demographic information applicable to SFWD and its two service areas is drawn from the most recent survey prepared by the United States Census Bureau for the Lake Berryessa region. Notably, this data indicates SFWD residents are more likely to work outside Napa County and have on average measurably longer commute times than their countywide counterparts.

Category	SFWD Service Areas (Lake Berryessa Region)	Napa County (All Areas)
Median Household Income	\$72,500	\$68,641
Owner-Occupied Residence	69.8%	63.3%
Working Age (25-64)	56.7%	52.8%
Unemployment Rate	9.6%	8.0%
Persons Below Poverty Rate	4.0%	9.8%
Persons Working in Napa County	72.2%	76.7%
Persons Working Outside Napa County	27.8%	23.3%
Commute Work Time: > 60 minutes	16.0%	9.4%

Source: American Community Survey, 2007-2011

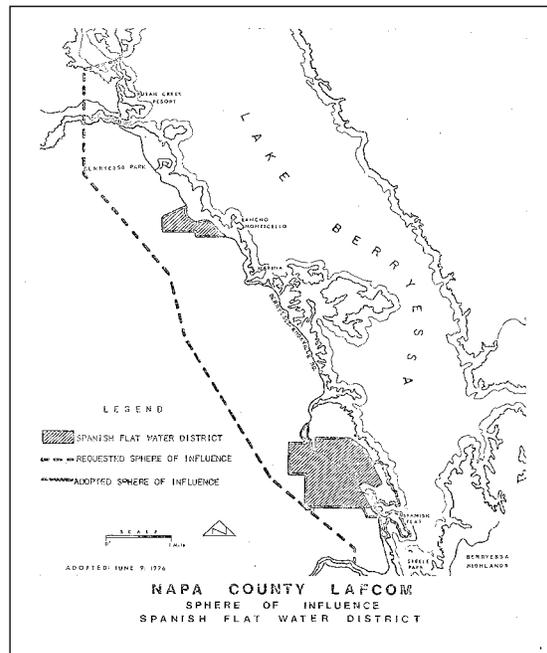
¹⁴ It is estimated Berryessa Pines and Spanish Flat service areas have 203 and 201, respectively, total residents.

4.0 Sphere of Influence

4.1 Establishment

SFWD's sphere was initially established by the Commission in June 1976 to include approximately 1,194 acres and covering the District's entire existing jurisdictional boundary along with the Spanish Flat Resort in anticipation of its near-term annexation. Notably, the approved sphere designation represented a significant reduction in size from the request submitted by SFWD to cover nearly all of the western Lake Berryessa shoreline; a request premised on the District's continued expectation at the time of pending commercial and residential growth in the area. To this end, the administrative records suggest a compromise was reached in which the Commission limited the inclusion of non-jurisdictional land within the sphere to the Spanish Flat Resort with the intention of revisiting the sphere to consider additional expansions in the near future.

Initial Sphere Designation



4.2 Amendments and Updates

The Commission has approved two applicant-requested amendments to SFWD's sphere since its establishment in 1976. The first amendment was approved in 1978 as part of the concurrent annexation of Berryessa Pines. The second amendment was approved in 1992 and involved the addition of a recreational storage facility north of Berryessa Pines along Berryessa Knoxville Road.

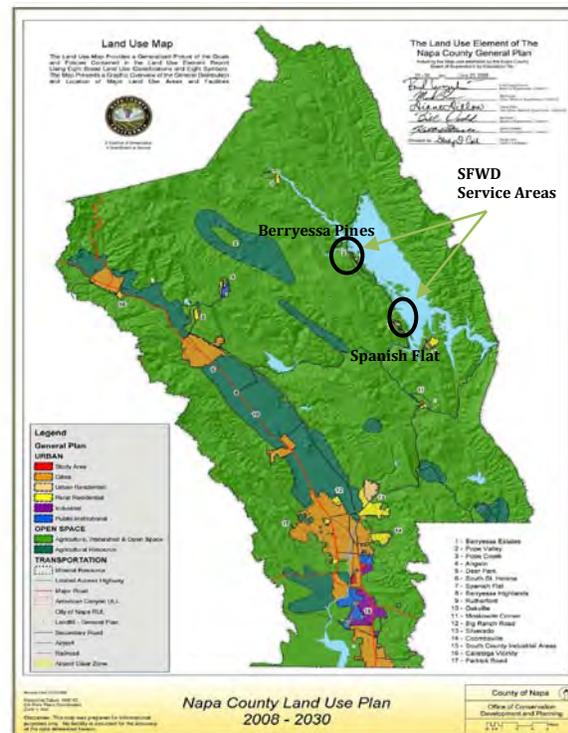
The Commission updated SFWD's sphere with no changes in December 2007. The update was the first comprehensive review of SFWD's sphere following its establishment in 1976 and was prompted by CKH's requirement for LAFCOs to review and update all spheres by 2008 and every five years thereafter. Pertinently, the review noted changes to the sphere may be appropriate to include nearby lands designated for urban use and/or currently used as public recreational sites. The review ultimately concluded, however, it would be appropriate to defer considering any sphere changes until further evaluation of potential reorganization options for the entire region was completed. The Commission subsequently revisited reorganization options for the region as part of a most recent municipal service review. The Commission concluded, among other items, reorganization of SFWD does not appear warranted given the District Board's effective management of its resources in meeting the current needs of its constituents.

4.3 Current Features

In terms of current dimensions, SFWD’s sphere encompasses 2.1 square miles or 1,334 acres. This amount means there are 149 total jurisdictional acres encompassing five lots within SFWD’s sphere that are eligible for annexation. Furthermore, and unlike other special districts in the region, there are no jurisdictional lands within SFWD lying outside its sphere.

5.0 Planning Factors

SFWD’s entire jurisdictional boundary is unincorporated and subject to the land use policies and regulations of the County with the notable exception of the 241 shoreline acres owned by the Bureau.¹⁵ SFWD’s two service areas – Spanish Flat and Berryessa Pines – are both identified under the County General Plan as two of the 17 distinct unincorporated communities in Napa County. It is estimated the combined resident population within SFWD (404) accounts for only 1.5% of the overall unincorporated population (26,381). Both service areas are accessed by State Highway 128 with the closest incorporated area being St. Helena, which is 18 street miles to the west of Berryessa Pines. Both service areas lie in the St. Helena Unified School District.



5.1 Internal to Jurisdictional Boundary

All lands within SFWD are divided between one of two distinct designations under the County General Plan: *Rural Residential* and *Agriculture, Watershed, and Open Space*. The *Rural Residential* designation is categorized as an “urban use” and applies to approximately one-tenth of the jurisdictional lands and includes all of the Berryessa Pines service area and the Woodlands and Village Center in the Spanish Flat service area.¹⁶ This designation is intended to predominately accommodate low density residential uses with a minimum lot density requirement of 10 acres; a threshold that effectively precludes any further land divisions based on existing lot sizes. The remaining nine-tenths of jurisdictional lands of the Spanish Flat service area lies under the *Agriculture, Watershed, and Open Space* designation and subject

¹⁵ Federal and State owned lands are exempt from local land use policies and regulations.

¹⁶ Contemplated *Rural Residential* uses include single-family dwellings, day care centers, large residential care homes, existing major medical care facilities, private schools, agriculture, stables, and tourist-serving commercial and mixed uses.

to a minimum lot density requirement of 160 acres.¹⁷ No further jurisdictional lands subject to this designation can be further divided based on existing lot sizes.

5.2 External to Jurisdictional Boundary

Nearly all lands adjacent to SFWD are designated for non-urban uses under the County General Plan as *Agriculture, Watershed, and Open Space* and subject to a 160 acre minimum lot density with two exceptions; both of which involve lands designated as *Rural Residential*. The first exception involves an approximate 13 acre site – one-third of which already lies within the sphere – located north of the Berryessa Pines service area that is presently used as a boat and recreational vehicle storage facility. The second exception involves an approximate five acre site – all of which already lies in the sphere – located north of the Spanish Flat service area and is also presently used as a boat and recreational vehicle storage facility.

IV. DISCUSSION

1.0 Objectives

The basic objective of this report is to identify and evaluate areas warranting consideration for inclusion or removal from SFWD’s sphere as part of a scheduled update. Underlying this effort is to designate the sphere in a manner the Commission *independently* believes will facilitate the sensible and timely development of the District consistent with the objectives of the Legislature codified in CKH (emphasis added). Specific goals under this legislation include discouraging urban sprawl, preserving open-space and prime agricultural lands, and providing for the efficient extension of governmental services.

The Commission’s “Policy Determinations” were comprehensively updated in 2011 and provide general prescription in fulfilling its legislative objectives paired with responding appropriately to local conditions and circumstances. The Policy Determinations highlight the Commission’s commitment to avoid the premature conversion of important agricultural or open-space lands for urban uses through a series of restrictive allowances. This includes a broad determination to exclude all lands designated as agricultural or open-space from city and district spheres for purposes of accommodating urban development with limited exceptions. An additional determination states the Commission’s support for Measure “P” by assigning deference to the County General Plan as it relates to determining agricultural and open-space land use designations.¹⁸

¹⁷ Contemplated *Agriculture, Watershed, and Open Space* uses include agriculture, processing of agricultural products, and single-family residences with or without detached second units.

¹⁸ Measure P – formerly Measure J – was initially enacted by Napa County voters in 1990 and prohibits the County from amending agricultural or open-space land use designations for urban uses without electorate approval through 2050. Measure P only applies to unincorporated lands designated for an agricultural or open space use prior to 2008.

2.0 Timeframe

State law currently requires LAFCOs review and update as needed each local agency's sphere by January 1, 2008 and every five years thereafter. Accordingly, it has been the practice of the Commission to update each local agency's sphere in a manner emphasizing a probable five to ten year annexation or outside service area; actual approvals, however, are subject to separate reviews with particular emphasis on determining whether the timing of the proposed action is appropriate.¹⁹ This update's analysis is consistent with this practiced timeframe.

V. STUDY CATEGORIES

1.0 Criteria

This report and its analysis on potential sphere modifications for SFWD is predicated on the policy interest of the Commission to consider the District's prescribed role in providing water and sewer services in support of development in the Spanish Flat and Berryessa Pines' communities. This involves, notably, considering the communities' need for SFWD services relative to the District's ability to provide these services efficiently and in a manner consistent with sensible land uses. Information collected and analyzed in the recent municipal service review on the Lake Berryessa region is incorporated herein.

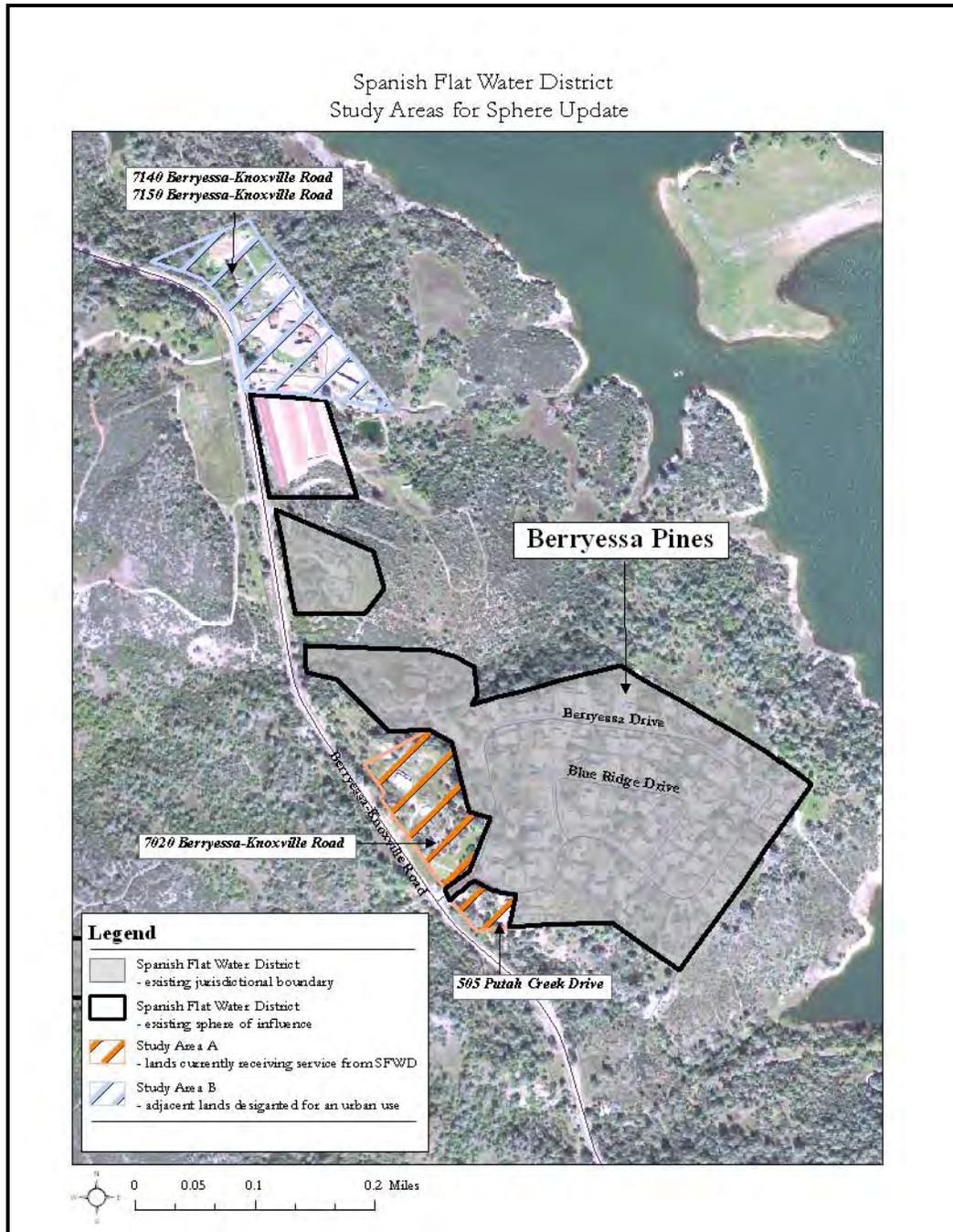
Specific criteria considerations in devising study areas are outlined below.

- Jurisdictional lands should lie within SFWD's sphere unless specific circumstances suggest exclusion may be appropriate as a means to encourage detachment proceedings.
- Non jurisdictional lands currently receiving services from SFWD should lay within the sphere unless specific circumstances suggest exclusion may be appropriate as a means to encourage service discontinuance.
- Non jurisdictional lands located outside SFWD's sphere may be considered for inclusion if services appear needed within the next five to ten years to accommodate existing or planned urban type uses.

¹⁹ LAFCOs are directed to consider 16 specific factors under G.C. Section 56668 anytime it reviews a proposed boundary change (i.e. annexation) for purposes of informing the appropriateness of the action. Additionally, it is Commission policy to discourage annexations to cities and districts involving undeveloped or underdeveloped lands without a known project or development plan.

2.0 Selection

Based on the criteria outlined in the preceding paragraph, two study areas have been selected for evaluation in this report for possible inclusion into SFWD’s sphere. Study Area “A” represents non jurisdictional lands that currently receive water and sewer from SFWD through outside service agreements. Study Area “B” represents non jurisdictional lands immediately adjacent to the existing sphere and designated for an urban type use under the County General Plan. Both study areas lie near the Berryessa Pines’ service area and are depicted in the following map.



3.0 Evaluation Factors

The evaluation of the two study areas selected for review as part of this report are organized to focus on addressing the five factors the Commission is required to consider anytime it makes a sphere determination under CKH. These five factors are: (a) present and planned uses; (b) present and probable need for public facilities and services; (c) present adequacy and capacity of public services; (d) existence of any social or economic communities of interest; and (e) if the agency provides water, sewer, or fire protection, present and probable need for these services for any disadvantaged unincorporated communities.

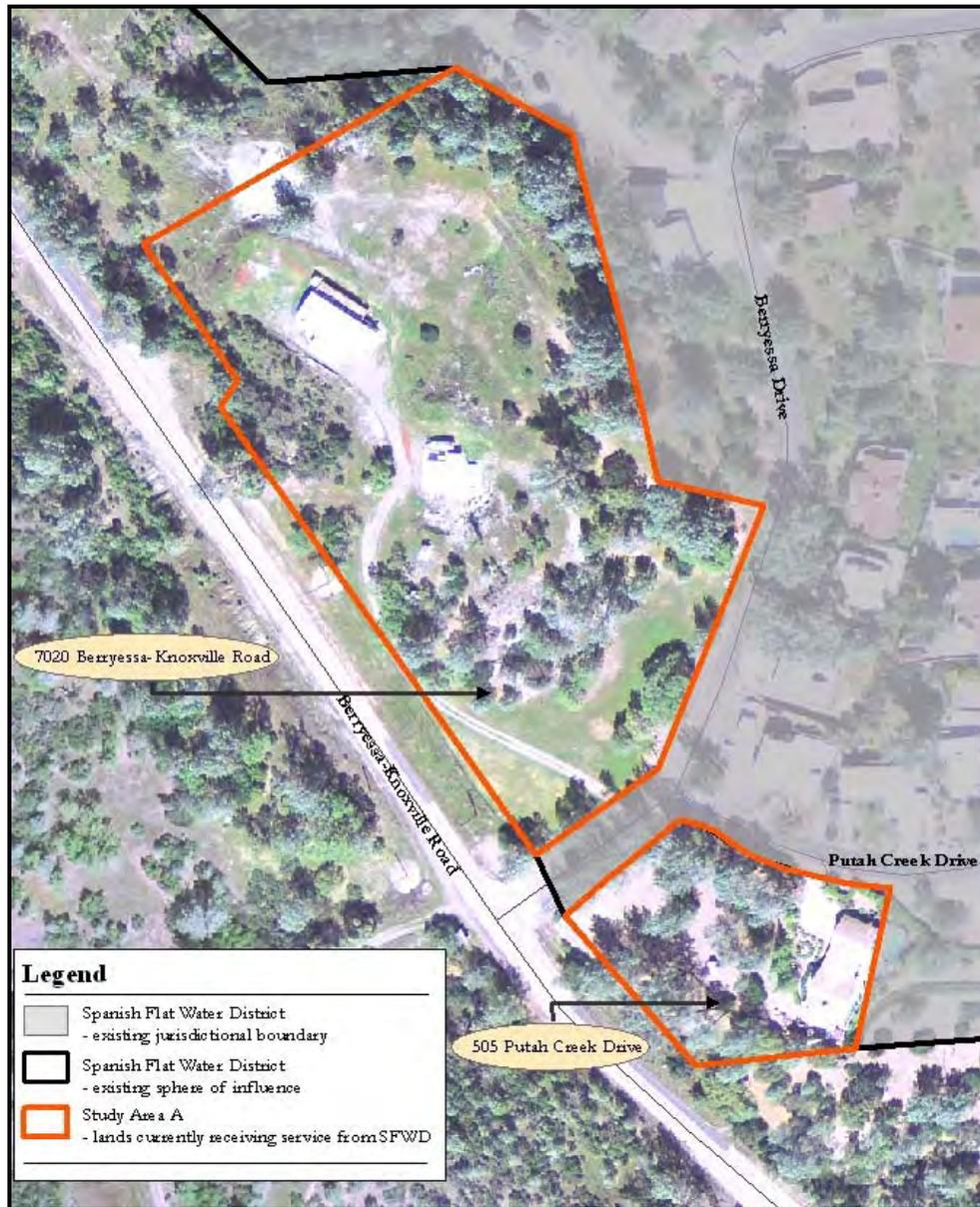
Conclusions are offered for each study area relative to evaluating the preceding factors along with incorporating the policies of the Commission in administering LAFCO law in Napa County. This includes, in particular, considering the merits of any proposed changes relative to the Commission's four basic and interrelated policies with respect to determining the appropriate constitution of a special district's sphere as summarized below.

- The location of a special district's sphere shall serve to promote appropriate urban uses as independently determined by the Commission with limited exceptions.
- A special district's sphere should reflect existing and planned service capacities based on information independently analyzed by the Commission.
- Lands designated for agricultural or open-space uses shall not be included in a special district's sphere for purposes of facilitating urban development unless special and merited circumstances exist as determined by the Commission.
- A special district's sphere shall guide annexations within a five-year planning period. Inclusion of land within a sphere, however, shall not be construed to indicate automatic approval of a subsequent annexation proposal; annexations will be considered on their own merits with deference assigned to timing.

VI. ANALYSIS

1.0 Study Area A

This study area totals 5.3 acres in size and consists of two non-contiguous and non-jurisdictional lots that have been selected for review given they currently receive domestic water and sewer services from SFWD through earlier outside service agreements.²⁰ The subject lots – which both lie immediately adjacent to the Berryessa Pines subdivision and front Berryessa-Knoxville Road – are separated from one another by an approximate 60 foot width panhandle section of SFWD as depicted in the following map.



²⁰ SFWD reports both outside service agreements associated with the study area were entered into prior to January 1, 2001 and therefore are grandfathered with respect to complying with the provisions of G.C. Section 56133.

Present and Planned Uses

The study area’s two subject lots are both developed with single-family residences. The larger of the two lots is located at 7020 Berryessa-Knoxville Road and 4.2 acres in size (019-070-009). This larger lot includes an approximate 1,800 square foot residence built in 1992 along with a detached garage/granny unit. The smaller of the two lots is located at 505 Putah Creek Drive and 1.1 acres in size (019-271-042). This smaller lot includes an approximate 2,000 square foot residence built in 1987. These present uses effectively represent the maximum extent both lots can be developed under the County’s existing policies given their designation and zoning assignments of *Agricultural Watershed and Open Space* and *Agriculture Watershed*, respectively; assignments that require 160 acre lot minimums.²¹ However, and distinct from the majority of similarly designated lands in the unincorporated area, the subject lots are explicitly exempt from Measure P given they were previously assigned as *Rural Residential* prior to the County General Plan Update completed in 2008.

Land Use Assignments/Policies	
County Land Use Designation	Agricultural Watershed and Open Space (Non Measure P)
County Zoning Standard	Agriculture Watershed
Minimum Lot Requirement	160 Acres

Present and Probable Need for Public Facilities and Services

The study area’s two subject lots already receive water and sewer services from SFWD byway of earlier outside service agreements established near the time of their respective construction and prior to the enactment of G.C. Section 56133. These existing service connections directly support current residential uses within both subject lots. Information collected during the municipal service review and supplemented by additional analysis performed as part of this update indicates these outside service extensions were requested by the landowners as alternatives to the costs and related uncertainties tied to establishing onsite groundwater and septic systems.²²

Present Adequacy and Capacity of Public Services

A detailed review of the adequacy and capacity of SFWD’s water and sewer services was performed in the Commission’s recently completed municipal service review on the Lake Berryessa region. The municipal service review indicates SFWD has established adequate water supply, treatment, and storage capacities to meet existing and projected buildout demands within the Berryessa Pines’ service area; the former of which includes the two subject lots given their current connectivity to both the water and sewer systems. The municipal service review also suggests SFWD’s sewer collection and storage systems

²¹ Additional intensity may be allowed under County policies to allow one attached/detached second unit on the existing lot with a maximum coverage of 1,200 square feet.
²² It is reasonable to assume the average daily water demand generated within the study area is approximately 480 gallons given the current average per residential unit demand calculated for the Berryessa Pines subdivision. It is also reasonable to assume the average dry-weather daily sewer flow for the study area totals 384 gallons; an amount that equals four-fifths of the projected average day water demand.

appear sufficient to accommodate existing and projected buildout demands within the Berryessa Pines' service area with the pertinent qualifier that specific capacity levels are not empirically documented.

Existence of Any Social or Economic Communities of Interest

The existing provision of SFWD water and sewer to the study area's two subject lots establishes distinct economic ties to the lands relevant to the Commission's policy objectives. Markedly, without these services, it is uncertain whether the existing single-family residences would remain inhabitable given the perceived challenges tied to developing local groundwater and septic systems due to topography and lot size restrictions. The immediate proximity to the Berryessa Pines subdivision – accentuated by the need to enter the subdivision to access both subject lots – also highlights relevant and shared social ties with SFWD.

Present and Probable Need for Water, Sewer, or Fire Protection for Any Disadvantaged Unincorporated Communities

The study area does not qualify as a disadvantaged unincorporated area under LAFCO law based on available information. No further analysis is required.

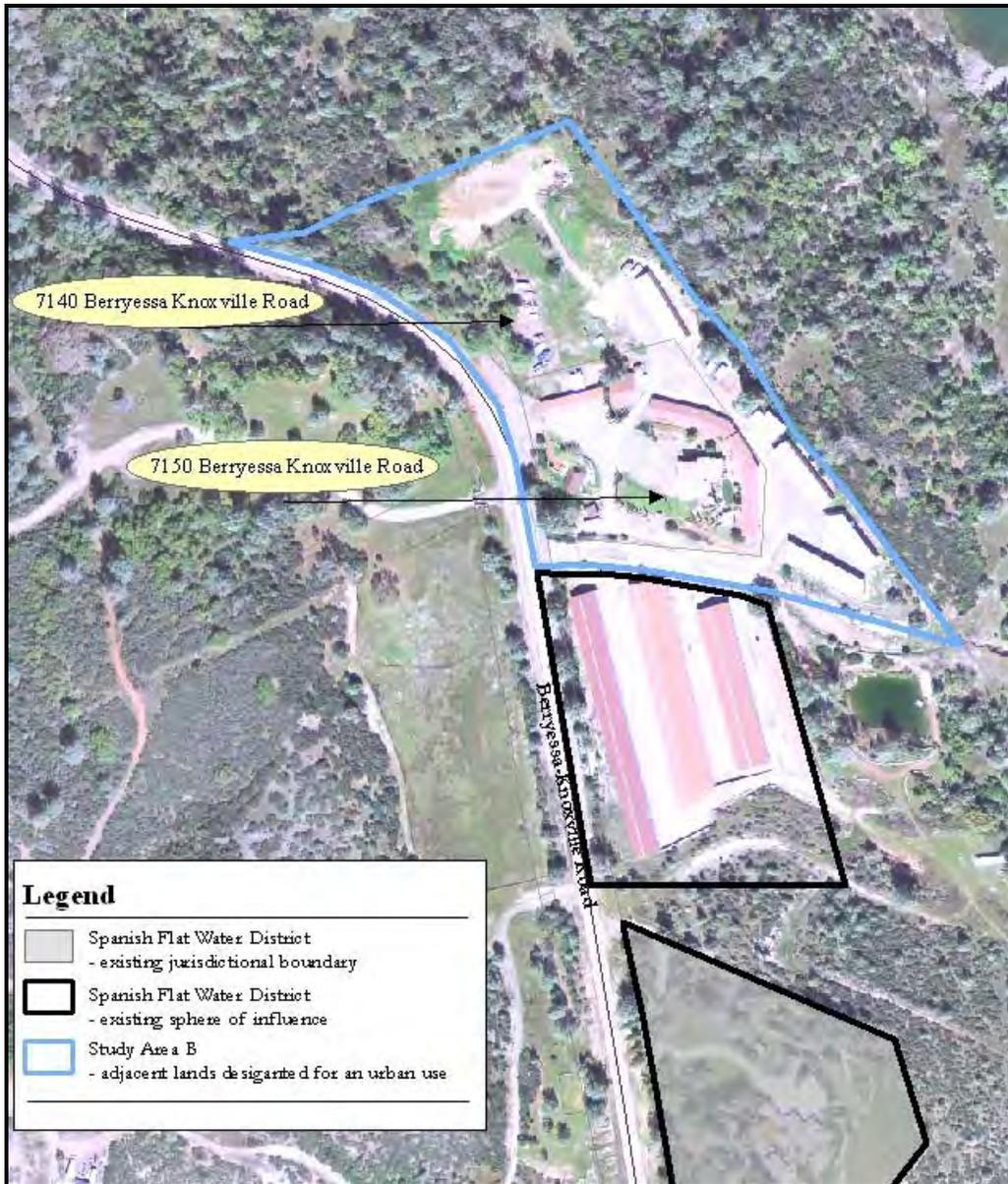
GENERAL CONCLUSIONS / STUDY AREA A

The addition of the study area to SFWD's updated sphere appears sufficiently merited given the overall consistency with the factors prescribed for consideration by the Legislature. This includes assigning deference to the need and adequacy of services currently provided to the subject lots as well as recognizing the existing economic and social ties between the lands and SFWD. Adding the subject lots, moreover, would also conform to the Legislature's increasing emphasis on the role of the sphere in demarking an agency's existing and probable service area.

Irrespective of the preceding comments, continuing to exclude the study area from SFWD's sphere would be appropriate if it is the preference of the Commission to emphasize General Policy III/D/3. This policy statement directs the membership to exclude lands from special district spheres designated for agricultural use in facilitating urban type uses unless merited otherwise by special circumstances. Towards this end, staff believes special circumstances reasonably exist for the Commission to waive the policy and proceed with adding the study area to the sphere if it is the preference of members. This includes noting the addition of the study area would not change the baseline in which there already exist single-family residences receiving water and sewer services from SFWD by way of earlier outside service agreements. Further, and separate from the majority of the unincorporated area, the study area's agricultural designation is relatively new and not subject to the provisions of Measure P. This suggests a different and lower threshold can be reasonably considered in adding the subarea to the sphere without adversely affecting the Commission's standing commitment to protecting agricultural lands.

2.0 Study Area B

This study area totals 7.9 acres in size and involves two non-jurisdictional lots that have been selected for review given they are immediately adjacent to SFWD’s sphere and designated for an urban type use by the County. The two subject lots – one consisting of an entire property and the second consisting of a portion of a property – are contiguous and front Berryessa-Knoxville Road as depicted in the following map. The Commission previously denied a request from the affected landowner to add the subject lots to the sphere in 2002 given the larger of the two lots’ then-agricultural designation.



Present and Planned Uses

The study area's two subject lots are interchangeably used by the same landowner as part of a commercial boat and recreational vehicle storage facility (Lakeview Boat Storage). The larger of the two lots is located at 7140 Berryessa-Knoxville Road (019-280-006). The affected portion is 6.5 acres in size with the remainder of the lot to the south already located within the SFWD's sphere as part of an earlier amendment.²³ This larger lot – and specifically the portion subject to this review – includes four enclosed storage structures each approximately 1,000 square feet in size. The smaller of the two lots is located at 7150 Berryessa-Knoxville Road and 2.1 acres in size (019-280-004). This smaller lot includes approximately 6,000 square feet of enclosed storage structures along with an administrative office and detached single-family residence. These present uses conform to the County's existing policies given their designation and zoning assignments for both subject lots of *Rural Residential* and *Marine Commercial*, respectively.²⁴

Land Use Assignments/Policies	
County Land Use Designation	Rural Residential
County Zoning Standard	Marine Commercial
Minimum Lot Requirement	10 Acres

Present and Probable Need for Public Facilities and Services

The study area's two subject lots are currently dependent on private water and septic systems to support existing uses as described in the preceding section. Actual demands associated with the existing uses are projected to be modest and generally limited to the single-family residence located on the smaller of the two subject lots at 7150 Berryessa-Knoxville Road.²⁵ No information is presently available with regard to discerning whether there are any deficiencies associated with these private systems. It is reasonable to assume, nonetheless, the existing private systems are generally sufficient given the affected landowner has not sought connection to SFWD for his land immediately to the south of the subject lots despite its existing inclusion within the District sphere.

²³ The remaining portion of the larger of the two subject lots was added to SFWD's sphere by the Commission in December 1992. The Commission added this remaining portion – which is approximately 3.5 acres in size – as part of a deliberate effort to enable the landowner to seek and receive County approval to redesignate the lands to *Rural Residential* without requiring a Measure P vote for purposes of expanding the boat storage operations already established at 7150 Berryessa-Knoxville Road. (Lands designated for agricultural use under the County General Plan may be directly redesignated by the Board of Supervisors without a countywide vote so long as certain findings can be made, including inclusion of the land within the boundary or sphere of a special district that provides either water or sewer services.)

²⁴ The larger of the two subject lots at 7140 Berryessa-Knoxville Road was redesignated from *Agricultural Watershed and Open Space* to *Rural Residential* in 2002 following voter approval under Measure P. The smaller of the two lots was designated *Rural Residential* in the 1960s.

²⁵ It is reasonable to assume the average daily water demand at 7150 Berryessa-Knoxville Road is approximately 240 gallons; an amount that represents the current average per unit daily demand in the Berryessa Pines subdivision. It is also reasonable to assume the average dry-weather daily sewer flow is 192 gallons; an amount that equals four-fifths of the projected average day water demand.

Present Adequacy and Capacity of Public Services

A detailed review of the adequacy and capacity of SFWD's water and sewer services was performed in the Commission's recently completed municipal service review on the Lake Berryessa region. The municipal service review indicates SFWD has established adequate water supply, treatment, and storage capacities to meet existing and projected buildout demands within the Berryessa Pines' service area. The municipal service review also suggests SFWD's sewer collection and storage systems appear sufficient to accommodate existing and projected buildout demands within the Berryessa Pines' service area with the pertinent qualifier that specific capacity levels are not empirically documented. Given this earlier analysis, and based on projected and referenced demands, it would be reasonable to assume extending water and sewer services to the subject lots could be adequately accommodated by SFWD given existing capacities without impacts to current customers. The ability of the landowner, however, to assume the costs associated with extending the necessary infrastructure to the subject lots is uncertain at this time.

Existence of Any Social or Economic Communities of Interest

The previous action by the Commission to include adjacent land to the sphere directly associated with the two subject lots establishes social and economic ties relevant to the Commission's policy objectives. The existing inclusion of the adjacent land, notably, signals the Commission's standing interest in orienting SFWD's sphere to include and support planned urban uses within the community; the latter of which now applies to the subject lots given their recent redesignation by the County for urban type uses. It also appears reasonable to conclude the existing uses within the subject lots – boat and recreational vehicle storage – serve a social and economic need benefiting both Berryessa Pines and the region as a whole in terms of accommodating low-intensity recreation.

Present and Probable Need for Water, Sewer, or Fire Protection for Any Disadvantaged Unincorporated Communities

The study area does not qualify as a disadvantaged unincorporated area under LAFCO law based on available information. No further analysis is required.

GENERAL CONCLUSIONS / STUDY AREA B

There appears to be equal merit for the Commission to update SFWD with or without the study area depending on the membership's preferences. Adding the study area would be appropriate if it is the Commission's preference to emphasize present and planned land uses as well as social and economic ties; both of which were previously assigned deference in adding the adjacent land to the south of the study area in the early 1990s. In contrast, and drawing from the preceding analysis, it would be appropriate for the Commission to continue to exclude the study area if it is the membership's preference to emphasize the apparent lack of need or interest on the part of the affected landowner to establish water and/or sewer service from SFWD.

II. EXECUTIVE SUMMARY

A. Overview

The Lake Berryessa region is home to close to 10% of the total unincorporated population in Napa County. Nearly all of this population resides within one of four distinct unincorporated communities: Berryessa Estates; Berryessa Highlands; Berryessa Pines; and Spanish Flat. All four communities began developing subdivided lots in the early 1960s with the expectation they would eventually and collectively result in roughly 7,000 residential units with a permanent population of over 15,000. The development of these communities, however, currently stands at one-tenth relative to initial expectations with approximately 700 residential units and an estimated population of 1,800.

Governmental services in the region are principally limited to public water and sewer provided by LBRID (Berryessa Estates), NBRID (Berryessa Highlands), and SFWD (Berryessa Pines and Spanish Flat); other pertinent public services available in the region, including public safety, roads, and waste disposal, are provided at a basic level by the County of Napa. The lack of planned development in the region has resulted in significant diseconomies of scale for LBRID, NBRID, and SFWD in which they must spread out their increasing service costs among relatively small customer bases. Markedly, the diseconomies of scale coupled with past policy decisions to limit user charges have directly contributed to all three Districts developing structural deficits with no operating reserves while deferring needed capital improvements – especially to the sewer systems. These financial challenges appear most pressing for LBRID and NBRID as they have become entirely dependent on the County over the last two years for emergency loans to maintain cash flow. The pending redevelopment of the United States Bureau of Reclamation’s seven concession sites in the region has also created additional financial constraints on NBRID and SFWD with respect to losses in past and future operating revenues. Specifically, the two concession sites served by NBRID and SFWD were closed in 2008 and are not expected to be fully operational until 2021. Uses within these two concession sites are also expected to be developed at significantly lower densities indicating a measurable decline in associated revenues.

In step with the financial and service challenges permeating the region, there appears to be a growing desire among landowners and residents within both LBRID and NBRID to reorganize the respective agencies to become independent from the County. The desire for independence appears most strong among NBRID constituents based on ongoing communication with the Commission. This includes support from the new concessionaire contracted to develop and operate the former Steele Park Resort site, the Pensus Group. The County Board of Supervisors – serving as the NBRID Board – agrees with this sentiment and has formerly requested the Commission expeditiously reorganize the District into a community services district as allowed under Senate Bill 1023.⁴ The County’s request includes allowing the Supervisors to continue to serve as the District Board as part of a transition plan negotiated with community stakeholders with the goal of calling for an election to seat new board members on or before November 2012. Importantly, though it will not in and of itself improve solvency, reorganizing NBRID into a community services

⁴ Senate Bill 1023 became effective January 1, 2011 and authorizes LAFCOs to reorganize resort improvement districts into CSDs with the same powers, duties, and boundaries while waiving protest proceedings. The legislation also authorizes LAFCOs to condition approval to include the election of five resident voters to serve as board members.

district with the same powers and jurisdiction is merited. Reorganization would position the community to become more responsive to changes in constituent needs by having the power to provide additional municipal services in support of Berryessa Highlands' continued development. This statement is particularly pertinent given State law restricts NBRID to only provide water and sewer services due to a 1971 amendment to its principal act. In contrast, State law would allow the new community services district – subject to future Commission approval – to provide a full range of municipal services, such as roads, parks, and fire protection. Reorganization would also improve public accountability by presumably facilitating the delegation of responsibilities in planning for the present and future service needs of the community from the County to local residents.

B. Determinations

As mentioned, as part of the municipal service review process, the Commission must prepare written determinations addressing the service factors enumerated under G.C. Section 56430. The service factors range in scope from considering infrastructure needs and deficiencies to relationships with growth management policies. The determinations serve as statements or conclusions and are based on information collected, analyzed, and presented in the individual agency reviews.

1. Growth and population projections for the affected area.

Regional Statements

- a) LBRID, NBRID, and SFWD are the governmental agencies solely responsible for providing public water and sewer services in support of the four unincorporated communities located within the region: Berryessa Estates; Berryessa Highlands; Berryessa Pines; and Spanish Flat. The current and future welfare of these communities is dependent on the solvent operations of these three agencies.
- b) The combined estimated resident service population within LBRID, NBRID, and SFWD totals 1,804 and represents 6.3% of the overall unincorporated population.
- c) It is estimated LBRID, NBRID, and SFWD have experienced a combined 1.9% annual growth rate over the last five years resulting in 153 new residents within their respective jurisdictional boundaries. This combined growth rate exceeded growth in the remaining unincorporated areas over the last five years by a ratio of six to one.
- d) It is reasonable to assume the rate of population growth within LBRID, NBRID, and SFWD relative to the last five years will decrease by nearly one-half from its current annual estimate of 1.9% to 1.0% based on demographic information recently issued by the Association of Bay Area Governments. If this assumption proves accurate, the combined resident population in all three districts will be 1,896 by 2015.

- e) Current non-residential growth within the Lake Berryessa region is primarily limited to relatively small commercial and local-serving sites predominantly located within SFWD's Spanish Flat service area. Limited public recreational uses also currently exist throughout the region and are tied to private concessionaire arrangements managed by the United States Bureau of Reclamation. These existing non-residential uses have relatively minimal impact on public water and sewer service demands.
- f) It is reasonable to assume public recreational uses in the Lake Berryessa region will significantly expand in the timeframe of this review in conjunction with the United States Bureau of Reclamation's redevelopment plans for the seven concessionaire sites located along the shoreline. Two of the seven concessionaire sites, Lupine Shores and Foothill Pines Resorts, are located within NBRID and SFWD's respective jurisdictional boundaries and will – based on the development plans recently approved by the Bureau – measurably impact these agencies' water and sewer systems.
- g) The planned uses for the remaining five concessionaire sites in the Lake Berryessa region suggest it would be appropriate to consider including the affected lands within the spheres of influence of existing or new special districts to help support their orderly growth and uses given the Commission's policies and objectives. Consideration should incorporate and defer, as appropriate, to the input and preferences of the United States Bureau of Reclamation.

Agency Specific Statements

- a) Residential uses comprise nearly all development within LBRID and currently include 188 developed single-family lots with an estimated resident population of 483. Buildout would presumably involve the development of the remaining 193 privately-owned lots in Berryessa Estates' Unit One and Unit Two and result in the District's resident population more than doubling to 979.
- b) Residential uses in NBRID currently comprise 358 developed single-family lots with an estimated resident population of 920. Buildout would presumably involve the development of the remaining 267 privately-owned lots in Berryessa Highlands' Unit One and Unit Two and result in the District's resident population increasing by over one-half to 1,606.
- c) NBRID's buildout is also expected to include the opening of Lupine Shores Resort with demands equivalent to 88 lots or users; an amount measurably less than the 228 equivalent lots associated with the former Steele Park Resort.
- d) Residential uses in SFWD currently comprise 167 single-family and mobile home residences with an estimated population of 401. Buildout would presumably involve the development of the remaining 62 privately-owned lots within Berryessa Pines and Spanish Flat and result in the District's resident population increasing by over one-third to 560.

- e) SFWD's buildout is also expected to include the opening of Foothill Pines Resort with demands equivalent to 36 lots or users; an amount measurably less than the 221 equivalent lots associated with the former Spanish Flat Resort.

2. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.

Regional Statements

- a) LBRID, NBRID, and SFWD's infrastructure systems – particularly relating to sewer – are becoming increasingly inefficient in meeting current demands as a result of antiquated facilities coupled with new regulatory standards.
- b) Contracted water supplies with the Napa County Flood Control and Water Conservation District are sufficient with respect to accommodating current and projected annual demands at buildout within LBRID, NBRID, and SFWD's respective jurisdictional boundaries. These supplies are a byproduct of the United States Bureau of Reclamation's Solano Project and considered reliable during single and multiple-dry year conditions based on historical levels at Lake Berryessa.
- c) LBRID, NBRID, and SFWD's water treatment and storage capacities are adequately sized to meet current and projected peak day demands within the timeframe of this review. These existing capacities help to ensure adequate reserves are available during an emergency or interruption in service as required under State law.
- d) Moderate to significant water treatment and storage capacity expansions will be needed to meet projected peak day demands at buildout within LBRID, NBRID, and SFWD's Spanish Flat service area.
- e) Other pertinent public services in the region, including law enforcement, fire protection, street maintenance, and waste disposal, are provided directly or indirectly by the County of Napa and appear to have sufficient capacities relative to existing community needs. Community preferences to elevate the range and level of these County-provided services would require local funding and presumably need to delegate to an existing or new special district.

Agency Specific Statements

- a) The buildout of LBRID's jurisdictional boundary is expected to more than double its annual water demand from 29.5 to 65.7 acre-feet. This projected buildout demand can be reliably accommodated by the District given the total would represent only 33% of its contracted water supply.
- b) LBRID's water treatment and storage facilities have surplus capacity in meeting the current peak day demand total of 0.40 acre-feet. This total represents 52% and 32% of the District's available treatment and storage capacities, respectively, and is expected to accommodate peak day demands through the timeframe of this review.

- c) A moderate expansion to LBRID's water treatment capacity in the amount of 0.08 acre-feet would be needed for the District to meet its projected peak day demand of 0.85 acre-feet at buildout within Berryessa Estates.
- d) LBRID's sewer system is designed with sufficient capacity to meet average day demands within its jurisdictional boundary through the timeframe of this review. Current peak day wet-weather demands, however, substantially exceed existing capacities by over 40%. These excessive totals are attributed to increasing infiltration into the collection system and have directly resulted in a series of unauthorized spills leading to two substantial fines by the Regional Water Quality Control Board.
- e) Excessive peak day wet-weather demands for LBRID are expected to continue without significant improvements to the collection system to reduce infiltration, and therefore subject the District to additional fines and related sanctions.
- f) The buildout of NBRID's jurisdictional boundary – including the planned development of Lupine Shores Resort – is expected to nearly double the District's current annual water demand from 71.4 to 132.6 acre-feet. This projected buildout demand can be reliably accommodated by the District given the total would represent only 44% of its contracted water supply.
- g) NBRID's water treatment and storage facilities have surplus capacity in meeting the current peak day demand total of 1.5 acre-feet. This total represents 79% and 98% of the District's available treatment and storage capacities, respectively, and is expected to accommodate peak day demands through the timeframe of this review.
- h) Significant improvements would be needed to increase NBRID's water treatment and storage capacities to meet the projected peak day demand of 2.6 acre-feet at buildout within Berryessa Highlands.
- i) NBRID's sewer system is designed with sufficient capacity to meet current average day demands within its jurisdictional boundary through the timeframe of this review. Current peak day wet-weather demands, however, substantially exceed the District's existing capacity by over 50% due to pervasive infiltration into the collection system as well as poor drainage at its spray field site.
- j) Excessive demands on the sewer system during extended storm events have directly resulted in NBRID receiving multiple violation notices from the Regional Water Quality Control Board as well as a recent Cease and Desist Order directing the District to limit its average day sewer flows to 50,000 gallons; an amount the District will continue to exceed without significant improvements to its collection system.
- k) The need for substantial improvements to NBRID's sewer collection system to reduce infiltration is evident given current average day demands during dry weather equal close to 100% of the District's daily water demands.

- l) The buildout of SFWD's entire jurisdictional boundary – including the planned development of Foothill Pines Resort – is expected to raise the District's annual water demand by over three-fifths from 59.0 to 94.5 acre-feet. This projected buildout demand can be reliably accommodated by the District given the total would represent only 47% of its contracted water supply.
- m) SFWD's water treatment and storage facilities within the Berryessa Pines service area have surplus capacities in meeting the current peak day demand total of 0.17 acre-feet. This total represents 39% and 55% of the District's available treatment and storage capacities, respectively, in the service area and is expected to accommodate peak day demands through the timeframe of this review.
- n) No additional capacity expansions would be needed to SFWD's water treatment and storage facilities within the Berryessa Pines service area to meet the projected peak day demand of 0.22 acre-feet at buildout.
- o) SFWD's sewer system in the Berryessa Pines service area appears to be adequately designed to accommodate current average and peak day demands, although specific capacity levels are not documented. The lack of documentation creates uncertainty in assessing the ability of the District to sufficiently accommodate additional sewer demands within Berryessa Pines.
- p) SFWD's water treatment capacity within the Spanish Flat service area has surplus capacity in meeting the projected peak day demand total of 0.31 acre-feet. This total represents 58% of SFWD's available treatment capacity and is expected to accommodate peak day demands through buildout.
- q) Overall storage capacities within SFWD's Spanish Flat service area are presently operating beyond capacity relative to accommodating the current peak day demand total of 0.31 acre-feet. This existing constraint is specifically tied to deficient storage within the initial pressure zone, which currently serves close to three-fourths of the customer base and is undersized by one-fifth in meeting its proportional share of the peak day water demand.
- r) Significant improvements would be needed to nearly double SFWD's overall water storage capacities within the Spanish Flat service area to meet the projected peak day demand of 0.52 acre-feet at buildout.
- s) SFWD's sewer system in the Spanish Flat service area is designed with sufficient capacity to meet current and projected average as well as peak day demands through the timeframe of this review. Improvements would be needed to increase capacity during wet-weather conditions at buildout.

3. Financial ability of agencies to provide services.

Regional Statements

- a) The ability of LBRID, NBRID, and SFWD to generate adequate operating revenues in the absence of high user charges is difficult given the lack of planned development within their respective jurisdictional boundaries. The diseconomies of scale associated with the lack of planned development coupled with past policy decisions to limit user charges have directly contributed to all three agencies developing structural deficits with no operating reserves.

Agency Specific Statements

- a) Solvency for LBRID and NBRID remains a critical issue as both districts have experienced precipitous declines in their unrestricted reserves due to persistent operating shortfalls resulting in negative balances.
- b) LBRID has experienced over a 400% decline in its unrestricted fund balance over the last five years from \$0.14 to \$(0.72) million. This decrease is attributed to \$1.01 million in net income losses since 2006.
- c) NBRID has experienced over a 300% decline in its unrestricted fund balance over the last five years from \$0.25 to \$(0.58) million. This decrease is attributed to \$0.96 million in net income losses since 2006.
- d) Due to their structural deficits in which expenses have been consistently exceeding revenues, LBRID and NBRID have become entirely dependent on discretionary loans from the County of Napa to maintain positive cash flows.
- e) The ability and consent of LBRID and NBRID constituents to assume additional costs is uncertain since they currently pay on average \$304 and \$217 per month, respectively, for water and sewer related services; totals believed to be the highest in Napa County.
- f) The current financial position of SFWD is uncertain given no audit has been prepared on the District's financial statements since the 2006-2007 fiscal year; a year in which the District finished with an unrestricted fund balance of (\$0.26 million).

4. Status and opportunities for shared facilities.

Regional Statements

- a) LBRID, NBRID, and SFWD serve unincorporated communities with common social and economic interests directly tied to residential, commercial, and recreational activity at Lake Berryessa. These common interests suggest all three districts continue to pursue existing and new opportunities to share resources for the collective benefit of their respective constituents.

- b) LBRID, NBRID, and SFWD should explore opportunities to contract with a single vendor to provide administrative and operational support services. This type of arrangement may help economize limited resources while establishing more uniform levels of management services. This type of arrangement may also serve as a litmus test in considering the merits of other resource-sharing alternatives in the region.

Agency Specific Statements

- a) LBRID and NBRID's organizational dependency to the County of Napa provides continual cost-savings with respect to the districts sharing staff, equipment, and materials. It is reasonable to assume separating one or both of the districts from the County would result in moderate to significant cost increases to the agencies.
- b) SFWD reports it has made a concerted effort to no avail in the past to explore mutually beneficial opportunities to share resources with other districts in the greater area, including NBRID and Circle Oaks County Water District. The Commission commends these efforts and encourages SFWD to continue pursuing cost sharing efficiencies with other neighboring agencies.
- c) A significant portion of SFWD's potable water system is located on federal property under an easement with the United States Bureau of Reclamation that expired in 1999. It is imperative SFWD renew its easement with the Bureau to ensure the District has immediate and timely access to its service infrastructure.

5. Accountability for community service needs, including governmental structure and operational efficiencies.

Regional Statements

- a) LBRID, NBRID, and SFWD are governed and managed by responsive and dedicated public servants operating under challenging circumstances with respect to maximizing the use and benefit of limited resources on behalf of their respective constituents.
- b) LBRID and NBRID have made concerted efforts over the last several years to improve outreach with their respective constituents. These efforts have helped clarify the roles and responsibilities of the Districts apart from the County of Napa and contributed to strengthening the social and economic interests within the communities.
- c) It would be advantageous for LBRID, NBRID, and SFWD to each develop and maintain agency websites for purposes of posting pertinent service and financial information for public viewing. These actions will strengthen the Districts' accountability to their respective constituents while helping to foster needed civic engagement regarding the current and planned services of the agencies.

Agency Specific Statements

- a) LBRID and NBRID were formed to provide a broad range of municipal services for the Berryessa Estates and Berryessa Highlands communities. However, due to an amendment to their principal act, the Districts are limited to providing only water and sewer services with all other pertinent public services generally provided at a basic level by the County of Napa.
- b) It is reasonable to assume the continued development of the Berryessa Estates and Berryessa Highlands communities will eventually necessitate the need for other elevated public services to support existing development; services that would require either expanding LBRID and NBRID's powers through reorganizations or creating new special districts.
- c) LBRID and NBRID are governed by the County of Napa Board of Supervisors who are elected by, and accountable to, registered voters residing in their assigned ward. This governance system diminishes local accountability given constituents are limited to voting for only one of the five District board members.
- d) There is increasing acrimony among LBRID and NBRID constituents with respect to the County of Napa's management of the two Districts. This acrimony has led to growing desire among landowners and residents within both Districts to reorganize their respective agencies to become independent. The desire for reorganization appears strongest among NBRID constituents based on communication with the Commission.
- e) Given underlying governance and service challenges, it would be appropriate to expedite NBRID's reorganization into a community services district with the same powers and jurisdiction as authorized under Senate Bill 1023. Reorganization would position the community to become more responsive to changes in constituent needs by having the power – subject to subsequent Commission approval – to provide additional municipal services in support of Berryessa Highlands' continued development. Reorganization would also improve public accountability by presumably facilitating the delegation of responsibilities in planning for the present and future service needs of the community from the County to local residents.
- f) Reorganization of NBRID into a community services district can serve as a model for LBRID and its constituents in assessing preferences and objectives as it relates to the governance of public services in the community.
- g) Reorganization of SFWD is not a priority given the constituents' apparent satisfaction of the District's governance and management. Nonetheless, given the potential future need for additional public services that are outside SFWD's existing powers, reorganization may be appropriate at a later time.

6. Relationship with regional growth goals and policies.

Regional Statements

- a) LBRID, NBRID, and SFWD serve vital roles in supporting the County of Napa's land use policies with regard to providing necessary public water and sewer services to four of the largest planned unincorporated communities in Napa County.



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 3, 2013
Agenda Item No. 8b (Discussion)

May 27, 2013

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Brendon Freeman, Analyst

SUBJECT: Profile Report on Mutual Water Companies in Napa County

The Commission will receive a profile report on mutual water companies operating in Napa County. The profile report has been prepared in response to the recent enactment of Assembly Bill 54 and identifies each mutual water company's service area along with basic service information. The profile report is being presented for discussion and information only.

Local Agency Formation Commissions (LAFCOs) are responsible for regulating the formation and development of local governmental agencies and their municipal service areas under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). LAFCOs inform their regulatory powers through various planning activities, including preparing studies. The Legislature, notably, directs LAFCOs to make studies and to obtain and furnish information in contributing to the logical and reasonable development of local agencies so as to advantageously provide for the needs of each county and its communities.

A. Background

As of December 31, 2012, mutual water companies are now required to file maps of their service area boundaries with LAFCOs. This requirement was one of many new directives established by Assembly Bill 54 (Solorio) collectively aimed at increasing governmental review with respect to the management and operations of mutual water companies. The Legislation also recommends and encourages LAFCOs to include mutual water companies in their quinquennial municipal service reviews, and in turn directs these companies to comply with related information requests. Other notable directives tied to this legislation – albeit outside LAFCOs' purview – include setting minimum fund balance requirements for mutual water companies as well as mandating ongoing ethics training for all board members.

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Gregory Pitts, Commissioner
Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

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

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

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

B. Discussion

In response to the enactment of AB 54, staff has prepared a profile report on mutual water companies currently operating in Napa County. The profile report largely draws on information provided by the affected mutual water companies – nearly all of whom provided the Commission with details of their service areas by the referenced deadline – and supplemented by information on file from past inquiries. The profile report includes boundary maps along with baseline service information, such as formation dates, supply sources, and estimated service populations.

With respect to pertinent takeaways, the profile report identifies there are 14 mutual water companies currently operating in Napa County based on applying the new and broad definition established under AB 54.¹ The profile report notes these 14 mutual water companies collectively provide domestic water service to an estimated service population of 2,250 residents with the majority operating in or near the unincorporated communities of Angwin and Deer Park. The largest is Howell Mountain Mutual Water Company with an estimated service population of 1,500 residents in Angwin.

Consistent with the legislative intent of AB 54, staff will post a copy of the profile report on the Commission’s website. Staff will also make available digital files for all 14 mutual water companies’ service boundaries for public use and viewing on the County of Napa’s geographic information system. Additionally, staff will update the profile report periodically as new information merits.

C. Commission Review

Commissioners are encouraged to discuss and provide feedback on the report. This includes providing direction to staff with respect to any additional inquiries if needed.

Attachment:

~~1) Profile Report~~ (Profile Report is available for viewing under the "Studies" page)

¹ AB 54 defines “mutual water company” to mean any corporation or business that sells, distributes, supplies, or delivers water for potable or irrigation purposes only to owners of its shares that are appurtenant to certain lands. Accordingly, in layman terms, a private water service provider qualifies as a mutual water company if water service is an explicit right tied to land ownership.



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

June 3, 2013

Agenda Item No. 8c (Discussion)

May 28, 2013

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Legislative Report

The Commission will receive a status report on the first year of the 2013-2014 session of the California Legislature as it relates to items directly or indirectly effecting Local Agency Formation Commissions. The report also updates the Commission on the agency's ongoing efforts to seek amendments to the section of law involving outside municipal service extensions. The report is being presented for discussion with possible direction for staff with regard to issuing comments on specific items.

Local Agency Formation Commissions (LAFCOs) are political subdivisions of the State of California tasked with providing regional growth management services in all 58 counties. LAFCOs' duties and powers have increasingly expanded since their creation in 1963 as more than 200 bills have been subsequently enacted and resulting in two distinct responsibilities: regulating the physical development of cities and special districts and informing such decisions through various planning activities.

A. Background

The California Association of LAFCOs or "CALAFCO" was established in 1971 to assist all 58 members in fulfilling their prescribed regulatory and planning duties. This includes serving as an advocacy resource in proposing and/or reviewing new legislation and facilitated through an appointed 16-member Legislative Committee. The Committee meets on a regular basis to review, discuss, and offer recommendations to the CALAFCO Board of Directors with regard to new legislation that would have either a direct impact on LAFCO law or laws LAFCO helps to administer. Committee actions are guided by the Board's adopted policies, which are annually reviewed and amended to reflect current year priorities. LAFCO of Napa County ("Commission") currently has two appointed representatives on the Committee: Juliana Inman and Keene Simonds.

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Gregory Pitts, Commissioner
Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

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

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

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

B. Discussion and Analysis

Current Legislative Items

The Committee held a conference call on May 10, 2013 to update and discuss legislative interests for the first year of the 2013-2014 session. As of date, there are 25 bills the Committee is currently tracking that propose either direct or indirect impacts on LAFCOs; the latter representing the largest category and predominately tied to several bills introduced this session as part of the Governor's coordinated effort to reform the California Environmental Quality Act. Further, in terms of the remaining tracked bills, staff believes only two would have substantive impact on the Commission if enacted given local conditions. These two bills of local interest are summarized below.

- **Assembly Bill 743 (Logue) Island Annexation Proceedings**
This legislation is sponsored by CALAFCO and would make substantive amendments to the existing statute governing expedited island annexation proceedings; proceedings that presently allow LAFCOs to waive protest for proposals filed by cities to annex entire or substantially surrounded county islands so long as certain conditions are satisfied. These amendments are highlighted by eliminating the statute's approaching sunset date of January 1, 2014. This bill unanimously passed through the Assembly and is currently scheduled for hearing in the Senate's Governance and Finance Committee on June 5th.

The Commission discussed AB 743 in detail at the April meeting and authorized staff to issue a letter of support given the nexus with the agency's ongoing efforts to work with the City of Napa on an island annexation program predicated on community education; substance for which is aimed at eliminating the 20 islands existing within the City's sphere of influence. A copy of the Commission's letter of support is attached. A letter of support from the City of Napa is also attached.

- **Senate Bill 772 (Emmerson) Private Water Service Providers**
This legislation is sponsored by the Eastern Municipal Water District in Riverside County and as proposed would make substantive changes to the statute governing LAFCOs' municipal service review process. The underlying focus of the bill is to expand the scope of the municipal service review process by directing LAFCOs to begin reviewing private entities providing wholesale or retail drinking water. The bill would also require LAFCOs to file applicable municipal service reviews with various third party agencies, such as the Public Utilities Commission. This bill has been converted to a two-year item as it remains in the Senate with the author having asked that no hearings take place this session in order to work with the numerous stakeholders that have expressed concern, including CALAFCO.

Staff agrees with the Committee's standing position that SB 772 as proposed is overall problematic given it significantly broadens the scope of the municipal service review process to include entities that lie outside LAFCOs' regulatory purview. Additionally, and to the central concern of the Committee, the bill takes on the form of an unfunded mandate given the potential high costs of expanding municipal service reviews to incorporate private water service providers are not addressed and therefore would need to be covered through existing resources (i.e., local funding agencies and applicant charges.) Staff believes, nonetheless, there is merit in working with the author to narrow down the scope of the bill to avoid/mitigate the reference concerns. One potential alternative staff is advocating within the Committee is to amend the bill to reduce the directive on LAFCOs to only document the whereabouts of private water service providers in municipal service reviews; an activity that would seemingly address an underlying interest of the bill to further sunlight the operations of these private entities that play an important role in supporting development in California.

Pending Legislative Items

The CALAFCO Board continues to consider the Commission's initiated amendments to Government Code Section 56133; the statute requiring cities and special districts to request and receive written approval from LAFCOs before providing new or extended municipal services outside their jurisdictional boundaries and spheres of influence as of January 1, 2001. As previously discussed, the proposed amendments advocated by the Commission are predicated on expanding LAFCOs' authority to approve outside service extensions beyond spheres of influence without making a public health or safety determination if certain safeguard findings can be made at noticed public hearings.¹ The Committee has previously approved and reapproved the proposed amendments for the Board's consideration in separate actions taken in April 2011 and January 2013, respectively. The Board – which also took action in April 2011 to approve the proposed amendments subject to soliciting membership input – most recently reviewed the proposed amendments at its February 8th meeting in Irvine. The Board received approximately two hours of testimony from proponents and opponents of the proposed amendments and decided to create a new subcommittee to determine if further edits could reconcile the interests and concerns of both sides. The main area of debate, notably, among proponents and opponents is centered on whether the amendments should be permissive in allowing *new* development and growth to occur outside spheres (emphasis).

¹ As currently proposed, the required safeguard findings involve determining the extension is (a) adequately contemplated in a municipal service, (b) will not result in adverse impacts on agricultural and open space resources, and (c) consistent with locally adopted policies.

The subcommittee and its own working group have held several teleconference meetings since February 8th focused on whether further edits of the proposed amendments can achieve a satisfactory compromise. The next subcommittee meeting is scheduled for May 29th and after this agenda report is issued. The key discussion/conclusion points from the teleconference meeting will be provided to the Commission as part of a supplemental verbal report.

C. Commission Review

Commissioners are encouraged to discuss and provide feedback on the report. This includes providing direction to staff with respect to its ongoing efforts to seek amendments to Government Code Section 56133.

Attachments:

- 1) Commission Support Letter for AB 743
- 2) City of Napa Support Letter for AB 743
- 3) Proposed Amendments to G.C. Section 56133 as Supported by the Commission



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

April 8, 2013

Honorable Dan Logue
 California State Assembly
 State Capitol, Room 4158
 Sacramento, California 94249-0003

SUBJECT: Support for Assembly Bill (AB) 743

Honorable Assemblymember Logue:

The Local Agency Formation Commission (LAFCO) of Napa County is pleased to support AB 743. Striking the approaching January 1, 2014 sunset date for utilizing the expedited annexation procedures codified under Government Code Section 56375.3, markedly, represents good public policy given it would permanently encourage LAFCOs, cities, and counties to proactively collaborate in eliminating islands and the service inefficiencies they perpetuate. AB 743, further, would assist Napa and other LAFCOs that have invested considerable resources in developing an island annexation program predicated on community education by ensuring this valuable governance tool remains available going forward.

Thank you for your referenced efforts in improving planning law in California with the authorship of AB 743. Should you or your staff have any questions, please contact me by telephone at 707-259-8645 or by e-mail at ksimonds@napa.lafco.ca.gov.

Respectfully,

Keene Simonds
 Executive Officer

cc: Brad Wagenknecht, Chair
 Pamela Miller, Director, CALAFCO
 Rick Tooker, Community Development Director, City of Napa
 Larry Florin, Intergovernmental Affairs Director, County of Napa

Lewis Chilton, Commissioner
 Councilmember, Town of Yountville

Joan Bennett, Commissioner
 Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner
 Councilmember, City of Napa

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

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

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

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

Gregory Rodeno, Alternate Commissioner
 Representative of the General Public

Keene Simonds
 Executive Officer



CITY MANAGER
955 School Street
PO Box 660
Napa, California 94559-0660
(707) 257-9501
FAX (707) 257-9534

April 17, 2013

Honorable Dan Logue
California State Assembly
State Capitol, Room 4158
Sacramento, CA 94249-0003

Re: Support for Assembly Bill (AB) 743

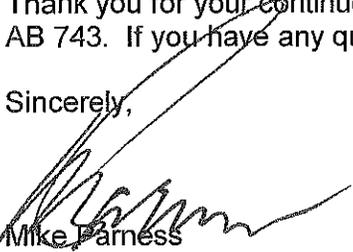
Honorable Assembly Member Logue:

This letter is intended to express support by the City of Napa for AB 743 which seeks to strike the approaching sunset date of January 1, 2014 for utilizing the expedited annexation procedures codified under Government Code Section 56375.3.

AB 743 represents good public policy given it would permanently encourage LAFCOs, cities and counties to continue to proactively collaborate in eliminating islands and the resulting service inefficiencies. Further, AB 743 would assist the City of Napa which has invested considerable resources in supporting development of an island annexation program by our Napa LAFCO partner predicated on community education by ensuring this valuable governance tool remains available into the future.

Thank you for your continued support improving local and county-wide planning through authorship of AB 743. If you have any questions, please do not hesitate to contact me.

Sincerely,



Mike Farness
City Manager

C: Mayor Techel and Council Members
Brad Wagenknecht, Chair, LAFCO of Napa County

**Proposed Amendments to G.C. Section 56133
(Approved by the CALAFCO Board on April 29, 2011)**

- (a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional ~~boundaries-boundary~~ only if it first requests and receives written approval from the commission ~~in the affected county~~. ~~The commission may delegate approval of requests made pursuant to subdivisions (b) and (c)(1) below to the Executive Officer.~~
- (b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional ~~boundaries-boundary~~ but within its sphere of influence in anticipation of a later change of organization.
- (c) ~~If consistent with adopted policy,~~ the commission may authorize a city or district to provide new or extended services outside its jurisdictional ~~boundaries-boundary~~ and outside its sphere of influence under any of the following circumstances:
- ~~(1) 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:
- ~~(1A)~~ 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.
- ~~(2B)~~ 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.
- ~~(2) To support existing or planned uses involving public or private properties subject to approval at a noticed public hearing that includes all of the following determinations:~~
- ~~(A) The extension of service or service deficiency was identified and evaluated in a municipal service review prepared by the commission pursuant to section 56430.~~
- ~~(B) The effect of the extension of service would not result in adverse impacts on open space or agricultural lands or result in adverse growth inducing impacts.~~
- ~~(C) A later change of organization involving the subject property and the affected agency is not feasible or desirable based on the adopted policies of 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 made under this section to the executive officer. The commission or executive officer shall approve, disapprove, or approve with conditions the ~~contract for~~ extended services. If the ~~extended services are 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 commission determines 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.
- ~~(f)~~ This section does not apply to ~~contracts for~~ the transfer of nonpotable or nontreated water.
- ~~(g)~~ 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.
- ~~(h)~~ This section does not apply to an extended service that a city or district was providing on or before January 1, 2001.
- ~~(i)~~ 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.
- ~~(j)~~ The application of this section rests solely within the jurisdiction of the commission in the county in which the extension of service is proposed.

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