



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

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

Lewis Chilton, Chair
Brad Wagenknecht, Vice Chair
Joan Bennett, Commissioner
Bill Dodd, Commissioner
Brian J. Kelly, Commissioner
Juliana Inman, Alternate Commissioner
Mark Luce, Alternate Commissioner
Gregory Rodeno, Alternate Commissioner

REGULAR MEETING AGENDA

Monday, June 4, 2012

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

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

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF AGENDA

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

4. PUBLIC COMMENTS

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

5. CONSENT ITEMS

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

a) Third Quarter Budget Report for 2011-2012 (Action)

The Commission will review a third quarter budget report for 2011-2012. The report compares budgeted versus actual revenues and expenses through two-thirds of the fiscal year. The report projects the Commission is on pace to measurably improve its budgeted operating funding gap from (\$32,829) to approximately (\$15,759). The report is being presented to the Commission to formally accept.

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

The Commission will consider approving a sixth amendment to its support services agreement with the County of Napa. The proposed amendment establishes the Commission's 2012-2013 annual charge for information technology services provided by the County in the amount of \$22,009.

c) Approval of Meeting Minutes (Action)

The Commission will consider approving minutes prepared by staff for the April, 2, 2012 meeting.

d) Approval of Meeting Calendar for Second Half of 2012 (Action)

The Commission will consider approving a meeting calendar for the second six months of 2012 to include the following dates: August 6th, October 1st, and December 3rd.

e) Report on the 2012 CALAFCO Staff Workshop (Information)

The Commission will receive a report summarizing activities at the CALAFCO Staff Workshop held in Murphys on April 25th through April 27th. The report is being presented for information only.

f) Current and Future Proposals (Information)

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 2, 2012 meeting.

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) Final Budget for Fiscal Year 2012-2013

The Commission will consider adopting a final budget for 2012-2013 nearly identical to the proposed version approved in April and subsequently circulated for review among local funding agencies. Proposed operating expenses total \$432,461 and represent a 1.0% increase over the current fiscal year. Proposed operating revenues total \$423,650 with the remaining shortfall (\$8,811) to be covered by drawing down on agency reserves.

PUBLIC HEARING ITEMS CONTINUED...

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 \$113 to \$118 along with making changes to the policy statements accompanying the fee schedule to improve implementation.

c) Devlin Road/South Kelly Road No. 2 Annexation to American Canyon

The Commission will consider a proposal from the City of American Canyon to annex approximately 1.1 acres of unincorporated territory located southwest of the intersection of Devlin and South Kelly Roads. The affected territory comprises a portion of a lot (057-090-057) owned and developed with a train track by Southern Pacific Railroad. Staff recommends approval of the proposal with a discretionary amendment to concurrently detach the affected territory from County Service Area No. 4. Staff also recommends approval of a fee waiver request.

d) Municipal Service Review on Countywide Law Enforcement Services

The Commission will consider formally accepting a final report on its scheduled municipal service review on countywide law enforcement services. The report examines the availability and adequacy of local law enforcement services relative to the Commission's mandates to facilitate orderly growth and development. This includes making determinative statements on specific governance and service factors prescribed under law. No substantive changes have been made to the report since its draft presentation in April. The Commission will also consider adopting a resolution confirming the determinative statements in the report.

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) Continuation: Proposed Strategic Plan for 2012-2014

The Commission will continue consideration of a two-year strategic plan prepared by the Policy Committee. The strategic plan outlines goals and implementing strategies based on Commissioner comments provided at the most recent biennial workshop. The strategic plan was initially presented at the April meeting and continued to allow for public review. No comments were received.

b) Approving a Commission Tagline

The Commission will consider the Policy Committee's recommendation to approve an official tagline to more effectively convey the agency's core responsibilities to the public. Five alternative taglines are identified in the Committee's report and presented for Commission consideration.

c) Consideration of a Fee Waiver Request for a Pending Proposal to Form a New Special District

The Commission will consider a request to waive the agency's application fees tied to processing a pending proposal to form a new special district to assume water and sewer services for the Cappell Valley Estates. The total value of the fee waiver is estimated at \$9,000.

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) Update on Island Annexation Program

The Commission will receive a report summarizing staff's activities to date in developing an island annexation program aimed at eliminating unincorporated pockets within the City of Napa. The report is being presented to the Commission for discussion and feedback.

b) Legislative Report

The Commission will receive a report on the second year of the 2011-2012 session of the California Legislature as it relates to items directly or indirectly effecting Local Agency Formation Commissions. The report is being presented for discussion with possible direction for staff with respect to issuing comments on specific items.

9. EXECUTIVE OFFICER REPORT

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

10. COMMISSIONER COMMENTS; REQUEST FOR FUTURE AGENDA ITEMS

11. ADJOURNMENT TO NEXT REGULAR SCHEDULED MEETING: Agenda Item No. 5d



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June 4, 2012

Agenda Item No. 5a (Consent/Action)

May 29, 2012

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Third Quarter Budget Report for 2011-2012

The Commission will review a third quarter budget report for 2011-2012. The report compares budgeted versus actual revenues and expenses through two-thirds of the fiscal year. The report projects the Commission is on pace to measurably improve its budgeted operating funding gap from (\$32,829) to approximately (\$15,759). The report is being presented to the Commission to formally accept.

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 the 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 2011-2012 totals \$428,270. This amount represents the total approved operating expenditures for the fiscal year within the Commission's three expense units: salaries/benefits; services/supplies; and contingencies/reserves. Budgeted revenues total \$395,441 and include agency contributions, service charges, and investments. Markedly, an operating shortfall of (\$32,829) was intentionally budgeted to reduce the funding requirements of the local agencies and to be covered by drawing down on unreserved funds. The audited unreserved portion of the fund balance totaled \$131,692 as of July 1, 2011.

Budgeted Operating Revenues	Budgeted Operating Expenses	Budgeted Operating Balance
\$395,441	\$428,270	(\$32,829)

Lewis Chilton, Chair
Councilmember, Town of Yountville

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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County of Napa Supervisor, 1st District

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Representative of the General Public
Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Overall Revenues

Actual revenues collected through the third quarter totaled \$393,739. This amount represents 99.6% of the adopted budget total with 75% of the fiscal year complete. The following table compares budgeted and actual revenues through the third quarter.

Budget Units	Adopted Revenues	Actual Revenues Through 3 rd Quarter	Difference	% Collected
Agency Contributions	383,101	383,101	0	100.0
Service Charges	10,000	9,012	(988)	90.1
Investments	2,340	1,627	(713)	69.5
Total	\$395,441	\$393,739	(\$1,702)	99.6

An expanded discussion on budgeted and actual revenues through the third quarter within the Commission's three revenue units follows.

Agency Contributions

The Commission budgeted \$383,101 in agency contributions in 2011-2012. Half of the total was invoiced to the County of Napa in the amount of \$191,551. The remaining amount was proportionally invoiced based on a weighted calculation of population and general tax revenues to the Cities of American Canyon, Calistoga, Napa, St. Helena, and Yountville in the amounts of \$32,912, \$11,393, \$126,330, \$12,997, and \$7,917, respectively. All agency invoices have been paid in full.

Service Charges

The Commission budgeted \$10,000 in service charges in 2011-2012. At the end of the third quarter, actual revenues collected within this unit totaled \$9,012 or 90% of the budgeted amount. The collected service charges are entirely attributed to two annexation proposals tied to the Napa Sanitation District. Staff does not anticipate – for budgeting purposes – another proposal will be filed by the end of the fiscal year, which would result in a year-end unit deficit of (\$988).

Investments

The Commission budgeted \$2,340 in investment income in 2011-2012 based on actual revenues collected during the prior fiscal year. This fiscal year's budgeted amount is entirely tied to interest earned on the Commission's fund balance, which is under pooled investment by the County Treasurer. The balance in this account at the end of the third quarter totaled \$1,627 or 70% of the budgeted amount. This balance, however, reflects only the first two quarters; the third quarter allocation is not expected to be booked until early June. The Commission, accordingly, is on pace to finish the fiscal year with \$2,840 in investment income, and would result in a unit surplus of \$500.

Overall Expenses

Actual expenses through the third quarter, including encumbrances, totaled \$298,098. This amount represents 69% of the budgeted total with 75% of the fiscal year complete. The following table compares budgeted and actual expenses through the third quarter.

Budget Units	Adopted Expenses	Actual Expenses		Difference	% Remaining
		Through 3 rd Quarter			
Salaries/Benefits	307,780	212,725	95,055	30.9	
Services/Supplies	120,489	85,373	35,116	26.8	
Contingencies/Reserves	-	-	-	-	
Total	428,270	298,098	130,171	30.4	

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 \$307,780 in salaries and benefits for 2011-2012. At the end of the third quarter, the Commission's actual expenses within the 10 affected accounts totaled \$212,725, representing 69% of the budgeted amount. None of the affected accounts finished the third quarter with balances below 25%. Staff projects the Commission will finish with a moderate surplus of approximately \$12,445 in the unit with the majority of the savings tied to lower group insurance and per diem costs.

Services/Supplies

The Commission budgeted \$120,489 in services and supplies for 2011-2012. At the end of the third quarter, the Commission's actual expenses within the 16 affected accounts totaled \$85,373, which represents 73% of the budgeted amount. Five of the affected accounts – audit and accounting, memberships, private vehicle mileage, property lease, and training – finished with balances below 50%. Staff projects the Commission will finish with a modest surplus of \$4,149 in the unit.

The following discussion details expenses within the five affected accounts that finished the third quarter at or below 25% of their budgeted allocation.

Audit and Accounting Services

This account primarily covers the Commission's annual costs for 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 \$8,691 in this account in 2011-2012. At the end of the third quarter, expenses in this account totaled \$6,860, which represents approximately 80% of the total amount budgeted. The largest expense during this period involved payment to an outside consultant (Gallina) to prepare an audit report for the 2010-2011 fiscal year at a cost of \$4,725. The remaining expenses are tied to payment to the Auditor's Office for work

performed in the first quarter. Staff projects the Commission will finish with an account surplus of \$500 at the end of the fiscal year.

Membership

This account covers the Commission's annual membership fee for the California Association of Local Agency Formation Commissions (CALAFCO). The Commission's budgeted membership fee is \$2,275 in 2011-2012 and reflects the amount approved by CALAFCO as part of an updated annual fee schedule in September 2008. CALAFCO recently suspended all fee increases due to the economy, which lowers the Commission's annual membership due to \$2,200. This reduced membership fee was collected in full by CALAFCO at the beginning of the fiscal year, leaving a remaining balance of \$75, or 3%.

Private Vehicle Mileage

This account covers same-day automobile travel costs for staff and commissioners with \$1,000 budgeted in 2011-2012. Through the end of the third quarter, expenses in this account have totaled \$769, which represents approximately 77% of the total amount budgeted. Expenses principally relate to travel within the Sacramento/Bay Area region to attend CALAFCO related meetings and training sessions. Staff projects the Commission will finish with a zero balance at the end of the fiscal year.

Property Lease

This account covers the Commission's annual office space lease at 1700 Second Street in Napa. The Commission's budgeted property lease total is \$29,280 based on the current monthly rental charge of \$2,440.¹ The County Auditor's Office has encumbered the full annual rental amount at the beginning of the fiscal year to expedite monthly payments to the property manager.

Training

This account is used for a variety of instructional activities for commissioners and staff. The Commission's budgeted training expense is \$4,000 in 2011-2012. At the end of the third quarter, expenses in this account totaled \$5,141, which represents approximately 129% of the total amount budgeted. Nearly all of the booked expenses through the third quarter relate to registering staff and commissioners for the recent CALAFCO Conference and contracting with an outside consultant (Alta Mesa) to facilitate our biennial workshop. Staff projects the Commission will finish with an account deficit of (\$1,500) at the end of the fiscal year due to other scheduled training sessions for staff.

Contingencies/Reserves

The Commission did not budget funds for contingencies or reserves in 2011-2012, and instead will rely on its unreserved fund balance to address any unexpected costs.

¹ The monthly rental fee at 1700 Second Street is fixed at \$2,440 through June 2012. The Commission's monthly rental fee for office space will reduce to \$2,130 beginning July 2012 in conjunction with the recent relocation to 1030 Seminary Street.

B. Analysis

Activity through the end of the third quarter indicates the Commission is on pace to finish 2011-2012 with a deficit operating balance of approximately (\$15,759); an amount that represents a sizeable improvement compared to the deficit operating balance of (\$32,829) budgeted at the beginning of the fiscal year. The referenced improvement is attributed to anticipated savings in budgeted costs involving group insurance, per diems, legal, and out-of-region travel. Further, if these projections prove accurate, the Commission will finish the fiscal year with an unreserved fund balance of approximately \$115,933; an amount that is likely to meet the Commission's policy objective of maintaining a minimum of three months of operating expenses at the beginning of each new fiscal year.

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 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

Attachment:

- 1) Adopted 2011-2012 Operating Budget: General Ledger through March 31, 2012



Report ID: GLC8020w

Fund: 2910 NAPA CO LOCAL AGENCY FORMATION

Dept: 02910 NAPA LAFCO

County of Napa
General Ledger Organization Budget Status
For Periods: 1 To: 9 FY: 2012

5/25/2012

<u>Account</u>	<u>Account Description</u>	<u>Final Budget</u>	<u>Adjustments</u>	<u>Encumbrances</u>	<u>Expenditures</u>	<u>Remaining Balance</u>	<u>Percent Available</u>
51100000	S/W:REGULAR SALARIES	199,647	2,740.40	0.00	144,458.72	57,928.88	28.62
51200500	S/W:PER DIEM	9,600	0.00	0.00	4,100.00	5,500.00	57.29
51300100	E/B:RETIREMENT	36,205	497.14	0.00	26,255.37	10,446.62	28.46
51300120	OTHER POST EMPLOYMENT BENEFITS	9,341	0.00	0.00	7,005.75	2,335.25	25.00
51300300	E/B:MEDICARE	2,895	39.74	0.00	1,993.83	940.79	32.06
51300500	E/B:GROUP INSURANCE	45,648	0.00	0.00	28,085.46	17,562.66	38.47
51301200	E/B:INS:WORKERS COMP	327	0.00	0.00	245.25	81.75	25.00
51301800	E/B:CELL PHONE ALLOWANCE	840	0.00	0.00	581.00	259.00	30.83
Total Salaries & Employee Benefits		304,503	3,277.28	0.00	212,725.38	95,054.95	30.88
52070000	COMMUNICATIONS	2,000	2,470.00	0.00	1,638.19	2,831.81	63.35
52100300	INSURANCE:LIABILITY	321	0.00	0.00	240.75	80.25	25.00
52150000	MEMBERSHIPS	2,275	0.00	0.00	2,200.00	75.00	3.30
52170000	OFFICE EXPENSE	12,000	0.00	3,416.59	5,514.77	3,068.64	25.57
52180200	PSS:MGMT INFO SVCS	24,631	0.00	0.00	18,200.76	6,430.07	26.11
52180500	PSS:LEGAL EXPENSE	22,540	0.00	0.00	9,865.78	12,674.22	56.23
52180510	PSS:AUDIT AND ACCOUNTING SERV	8,691	0.00	0.00	6,860.00	1,831.00	21.07
52190000	PSS:PUBLICATNS/LGL NOTICE	1,500	0.00	0.00	975.91	524.09	34.94
52235000	SDE:OTHER	1,000	0.00	0.00	392.63	607.37	60.74
52240500	SDE:PROPERTY LEASE	29,280	0.00	4,880.00	24,400.00	0.00	0.00
52243900	SDE:FILING FEE	850	0.00	0.00	200.00	650.00	76.47
52250000	TRANSPORTATION & TRAV	3,500	500.00	0.00	677.54	3,322.46	83.06
52250700	MEALS-REIMBURSABLE/TAXABLE	500	-500.00	0.00	0.00	0.00	0.00
52250800	T/T:TRAINING	4,000	0.00	0.00	5,141.00	-1,141.00	-28.53
52251200	T/T:PRIVATE VEH MILE	1,000	0.00	0.00	769.30	230.70	23.07
Total Services & Supplies		114,088	2,470.00	8,296.59	77,076.63	31,184.61	26.75
53980200	DEPR-EQUIPMENT	3,931	0.00	0.00	0.00	3,931.00	100.00
Total Other Charges		3,931	0.00	0.00	0.00	3,931.00	100.00
02910	NAPA LAFCO	422,522	5,747.28	8,296.59	289,802.01	130,170.56	30.39
2910	NAPA CO LOCAL AGENCY FORMATION	422,522	5,747.28	8,296.59	289,802.01	130,170.56	30.39

ATTACHMENT ONE



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June 4, 2012

Agenda Item No. 5b (Consent/Action)

May 29, 2012

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Amendment to Support Services Agreement with the County of Napa
The Commission will consider approving a sixth amendment to its support services agreement with the County of Napa. The proposed amendment establishes the Commission's 2012-2013 annual charge for information technology services provided by the County in the amount of \$22,009.

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 states 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 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, (b) number of network computers, and (c) actual expenditures in each department or 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 \$20,261.

Lewis Chilton, Chair
Councilmember, Town of Yountville

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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County of Napa Supervisor, 1st District

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Representative of the General Public

Keene Simonds
Executive Officer

B. Discussion/Analysis

The County proposes a new amendment to the SSA to increase the Commission's annual charge for ITS to \$22,009. This proposed amount represents an 8.6% increase over the current fiscal year and is tied to two specific factors. First, a cost-of-living increase for all ITS personnel is being passed through and accounts for an additional \$316,800 in operating expenses. Second, ITS has revised its billing calculation in recovering operating expenses and applicable to all departments and contracting agencies, such as the Commission. The revised calculation only now only considers the number of department or agency employees and network computers; actual expenditures are no longer factored into allocating ITS costs. Other changes incorporated into the SSA 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.

C. Recommendation

Adopt the attached resolution approving the proposed amendment to the Commission's SSA with the County for ITS in 2012-2013 as submitted.

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.

F. 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. 6 to LAFCO Agreement No. 03-02

**AMENDMENT NO. 6
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. 6 OF NAPA COUNTY AGREEMENT NO. 4433 is made and entered into as of this 1st day of July, 2012, 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 and amended on July 1, 2011 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 scope of the Information Technology Services provided under the MA and to modify 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. Section 4 of Attachment D is hereby amended to read in full as follows for those Information Technology Services and functions to be provided to LAFCO on and after July 1, 2012:

4. INFORMATION TECHNOLOGY SERVICES

COUNTY shall provide LAFCO with COUNTY personnel to perform the following services and functions for LAFCO, including access to the products and product licenses noted:

Napa County ITS shall provide a total information technology support package. This includes technical support, development, technology evaluation, RFPs, project management and consulting services on an as needed basis during the term of this Agreement in order to provide a reliable, cost effective as well as innovative technology infrastructure. All service requests for existing products and services shall be managed through SRMS (Service Request Management Systems) and request for new products and services in ITS project architecture. ITS shall create a requirements document for customer approval prior to ITS performing any significant work. Purchases of products or licenses for applications not noted in this Exhibit shall be made by LAFCO by separate agreement with COUNTY or third parties unless this Agreement is expressly amended to add such items to this Scope of Services.

Included services:

Countywide network connectivity: existing County local area networking and wide area network digital access to appropriate County location. COUNTY reserves the right to restrict internet access to appropriate uses. Examples of inappropriate uses included, but are not limited to, activities that would weaken the COUNTY's security or increases in the use of COUNTY bandwidth that results in impacts to COUNTY's services, including additional costs, slower access

to users of the COUNTY system, or impacts of similar magnitude. LAFCO is responsible for any cost associated with connection from LAFCO to COUNTY infrastructure (LAN/WAN).

Infrastructure Support: Troubleshooting and support of LAFCO access and use of COUNTY LAN/WAN.

COUNTY Network & Server Administration and Monitoring: 24/7 automated network monitoring with on call emergency technician to respond to critical service outages of COUNTY LAN/WAN.

File Services: File system server storage space and management. IE, H: etc drives. Daily tape backup of supported data and systems, fault tolerance, and data recovery services of all servers located at COUNTY Data Center(s).

Desktop and Server Virus scanning: Automated virus updates will be enabled to the COUNTY supported desktop and servers. Monitoring of services for reliability, performance, and updates.

Print Services: Printer and print queue management of COUNTY supported printers.

Email/Scheduling Service: Includes Countywide Exchange/Outlook email and scheduling system, Remote WEB access, resource scheduling, Internet email connectivity, and countywide address book.

Security/Firewall Services: Firewall, proxy services, intrusion detection system, reporting system, and monitoring software on COUNTY supported Servers.

Internet Access: Minimum 10/100 Internet access from appropriate COUNTY facilities (County Data Center to ISP). Access to the Internet will be restricted to business use only. Non business sites and activity including access to sites that may possibly contain improper content, deemed a security or privacy risk, or other such designations will be restricted.

Enterprise Resource Planning (ERP): Access to PeopleSoft Financial and HRMS (Human Resource Management Systems), including time and labor, project costing, purchasing, etc.

Enterprise Content Management: Access to document management systems to manage digital content. This includes eform solutions to automate internal and external forms.

Remote Access: Internet VPN (Virtual Private Network or other COUNTY ITS approved method) access for mobile/remote workers and limited access of third party vendor support. Remote access user must meet all COUNTY security and privacy policies and agreements and abide by its user defined processes and practices.

Helpdesk: Provide Helpdesk phone access from 7:00 a.m. to 5:00 p.m., Monday thru Friday. Limited on call phone access will be available 24/7 via after-hours via voice mail. COUNTY will provide a (non-emergency) IS Helpdesk Intranet site for problem reporting, system status, product purchasing, training class registration and self-help resources.

Training Center: Dedicated 16 seat plus instructor PC training room. Multimedia room with overhead projector for training/presentations. LAFCO can schedule and use the facility for any type of training/meetings/etc. Training courses and associated costs are not included in this agreement.

Internet Site Hosting and Development: Hosting Services for Napa 'ITS developed' Internet and Intranet Web Sites. Access to Chardonnay for enterprise intranet, SharePoint "My Site" for

personalized information. Full backup and recovery services, security, virus/phishing, and firewall services of Hosted Web Sites. WEB monitoring, filtering, reporting and statistics.

User Account Administration: End user account setup and administration within County Active Directory system. Security and all core services accounts.

Access to Enterprise Systems and Data: Property, permitting, recorded documents, code compliance, etc.

Server management and hosting services for servers hosted at COUNTY Data Center(s): Physical Server management, HW (Hardware) management, Operating System management, virus protection, version maintenance, patches, service packs, tape backup, disaster recovery, third party vendor coordination, uninterruptible battery backups, 24/7 SNMP (Simple Network Managed Protocol) monitoring.

Geographical Information Systems (GIS): Turnkey GIS services including training, user support, and access to the enterprise spatial data warehouse and web applications. Limited map production services. Large-format plotters. Data hosting, management and distribution.

Pre-approval of Technology Purchases: All LAFCO technology systems intended to be installed within COUNTY technology assets and supported by COUNTY must be reviewed and pre-approved by COUNTY prior to LAFCO purchase.

Limitations to this agreement: Services provided by COUNTY are limited to only those technologies that COUNTY is deemed capable and trained to provide and that is residing on or connected to the COUNTY network infrastructure. Any LAFCO technology assets not deemed to be sufficiently secure and not placed on COUNTY network will be excluded from this agreement. Additionally, any services, hardware, process, or system implemented by LAFCO that does not meet and/or comply with any 'in effect' standards and/or COUNTY prescribed best practices will be excluded from this agreement. COUNTY will, unilaterally, have final authority on any discussions regarding the meaning of any terms contained within this agreement.

What is not included in the services contracted unless specifically addressed in the agreement and the cost allocation method:

Because physical location is not at the discretion of the County Board of Supervisors, connectivity installation costs such as T-1 connection will be solely the responsibility of LAFCO.

COUNTY will not support nor install any non-COUNTY standard technology deployed by LAFCO independent from COUNTY ITS approval and acceptance.

LAFCO will not deploy non-COUNTY approved and/or non-COUNTY standard technology, software, database, peripheral devices, mobile device, wireless devices, or any other technology asset on COUNTY owned equipment without approval of COUNTY ITS. Any deviation from this requirement will be considered a material breach of this agreement.

Servers hosted at LAFCO or LAFCO servers that are non-COUNTY standard operating systems and applications will not be supported by COUNTY ITS nor will they be physically connected to COUNTY infrastructure without written approval from COUNTY ITS.

COUNTY ITS will disconnect and/or make any LAFCO device, software, or device/software configurations that attached to or communicate through the COUNTY network unusable if COUNTY ITS deems such action necessary to protect the security and/or integrity of COUNTY operational assets including any device or software that impact the operational status of COUNTY users, as a whole. This is at the sole discretion of COUNTY ITS.

COUNTY ITS does not service any non-COUNTY asset including non-COUNTY PC's and printers nor allow non-COUNTY assets to be physically connected to COUNTY infrastructure. ITS may supply LAFCO with software such as VPN or Terminal software that allows secure connection through the Internet to COUNTY network in support of the agreement.

Web sites developed and supported by outside vendors will not be allowed to be hosted on COUNTY Web servers.

LAFCO must provide their own DSL (or other type connection) outside of COUNTY network traffic for any bandwidth intensive processes or applications such as video conferencing.

Training course costs and other associated training costs are not included in this agreement.

LAFCO is responsible for all data and telecom wiring at their location. If COUNTY ITS is available to provide such services then materials and labor will be billed to LAFCO outside of this agreement.

2. 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, Customer Management and Enterprise Architecture. 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

The Annual Fee for Fiscal Year 2013-2014 and thereafter shall remain \$22,009.00 until this Agreement is amended.

3. This Amendment No. 6 of the MA shall be effective as of July 1, 2012.

4. 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. 6 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 _____
LEWIS CHILTON, Chair of the Agency Board

"LAFCO"

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

By _____
KEITH CALDWELL, Chairman of the Board of
Supervisors

"COUNTY"

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

By: _____

<p>APPROVED AS TO FORM Office of County Counsel By: <u>Thomas S. Capriola</u> Date: <u>May 25, 2012</u></p>
<p>APPROVED AS TO FORM Commission Counsel By: <u>Jackie Gong</u> Date: <u>May 29, 2012</u></p>

<p>APPROVED BY THE NAPA COUNTY BOARD OF SUPERVISORS Date: _____ Processed by: _____ Deputy Clerk of the Board</p>
--



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
<http://napa.lafco.ca.gov>

June 4, 2012

Agenda Item No. 5c (Consent/Action)

May 29, 2012

TO: Local Agency Formation Commission

FROM: Kathy Mabry, Commission Secretary

SUBJECT: Approval of Minutes for Regular Meeting on April 2, 2012

A. Discussion and Recommendation

Attached are summary minutes prepared for the Commission's Regular Meeting on April 2, 2012. Staff recommends approval.

Respectfully submitted,

Kathy Mabry
Commission Secretary

Attachment: as stated

Lewis Chilton, Chair
Councilmember, Town of Yountville

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Vice 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, Commissioner
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 2, 2012

1. CALL TO ORDER; ROLL CALL

Chair Chilton called the regular meeting of April 2, 2012 to order at 4:00 P.M. At the time of roll call, the following Commissioners and staff were present:

Regular Commissioners	Alternate Commissioners	Staff
Lewis Chilton, Chair	Juliana Inman	Keene Simonds, Executive Officer
Bill Dodd, Vice Chair	Gregory Rodeno	Laura Anderson, Commission Counsel; and
Joan Bennett		Chris Apalla, Commission Counsel
Brian J. Kelly		Brendon Freeman, Analyst
Brad Wagenknecht	Excused: Mark Luce	Kathy Mabry, Secretary

2. PLEDGE OF ALLEGIANCE

Chair Chilton led the Pledge of Allegiance.

3. AGENDA REVIEW

There were no requests to rearrange the agenda.

4. PUBLIC COMMENT

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

5. CONSENT ITEMS

a) Approval of Meeting Minutes

The Commission received summary minutes for the February 6, 2012 regular meeting.

b) Notice of Appointment by County of Napa Board of Supervisors

The Commission received correspondence from the County of Napa advising the Board of Supervisors has reappointed Commissioner Brad Wagenknecht to a new four-year term commencing on May 7, 2012. Chair Chilton welcomed Commissioner Wagenknecht back for another term.

c) Update on Office Relocation

The Commission received an update on the status of the scheduled office relocation to 1030 Seminary Street, Suite B, Napa, California. This included noting LAFCO will be closed for public business for 48 hours beginning on Monday, April 16th and reopen at the new office location on Wednesday, April 18th.

d) CALAFCO Quarterly Report

The Commission received a report prepared by the California Association of Local Agency Formation Commissions summarizing the Board's actions at its most recent meeting held on February 10, 2012. The report noted that the dues are going up by 2.2%, and Executive Director Bill Chiat, announced his retirement.

e) Current and Future Proposals

The Commission received a report summarizing current and future proposals. No new proposals have been submitted since the February 6, 2012 meeting.

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

6. PUBLIC HEARING ITEMS

a) Appointment of Alternate Public Member

The city and county members considered making an appointment for the alternate public member position. The appointment term is four years beginning May 2012 and ending May 2016. Staff gave the Commission a brief review of the policy pertaining to the appointment process. Staff noted that the recruitment process netted two applicants: Incumbent Gregory Rodeno and Albert Iliff.

Chair Chilton opened the public hearing and acknowledged that 1 of the 2 candidates were present: Gregory Rodeno. Per the adopted appointment procedures, all four voting members nominated a candidate as follows: Dodd (*Rodeno*); Wagenknecht (*Rodeno*); Bennett (*Rodeno*) and Chair Chilton (*Rodeno*).

Chair Chilton closed the public hearing.

Upon motion by Chair Chilton and second by Commissioner Wagenknecht, Gregory Rodeno was re-appointed to Alternate Public Member to fill an unexpired term ending in May 2016.

b) Proposed Budget for Fiscal Year 2012-2013

The Commission considered adopting a proposed budget for 2012-2013 nearly identical to the draft approved in February and subsequently circulated for review among local funding agencies. Proposed operating expenses total \$432,001 and represent a 0.9% increase over the current fiscal year. Proposed operating revenues total \$423,295 with the remaining shortfall (\$8,706) to be covered by drawing down on agency reserves.

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

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

- 1) Adopted the proposed budget (**Resolution No. 2012-02**)
- 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 4, 2012 to consider adopting a final budget.

c) Consideration of a Time Extension to Complete Proceedings: Reorganization of the Napa Berryessa Resort Improvement District (NBRID)

The Commission considered a recommendation from staff to authorize a time extension to complete a special condition tied to the previously approved reorganization of the Napa Berryessa Resort Improvement District into the Napa Berryessa Community Services District. Staff also recommended a related and minor change to the text of the special condition at the request of the Napa Berryessa Resort Improvement District.

Chair Chilton opened the public hearing.

Stu Williams, Chairman of the NBRID Transition Committee, spoke to the Commission and gave a brief summary of the underlying issue holding up the completion of the reorganization involving NBRID reaching agreement on water and sewer service agreements with the Pensus Group. Mr. Williams stated his support for the request for an extension, and that he was hoping for approval by the Commission today.

Chair Chilton closed the public hearing.

6. c) **Consideration of a Time Extension to Complete Proceedings: Reorganization of the Napa Berryessa Resort Improvement District (NBRID) - *continued*:**

Upon motion by Commissioner Wagenknecht and second by Commissioner Dodd, the Commission unanimously approved the following actions:

- (1) A time extension to complete the reorganization proceeding as requested by NBRID to December 31, 2017; and
- (2) A request by NBRID to amend Section 9 of LAFCO Resolution No. 2011-04 to read:
“The Executive Officer shall receive notification from NBRID that it has reached a written agreement with the concessionaire at what was formerly known as Steele Park ensuring concessionaire’s connection and utilization of NBRID’s water and sewer systems and its payment of all associated fees and assessments for such services.

d) **Rosewood Lane No. 1 Reorganization**

The Commission considered a proposal from a landowner to annex approximately 1.05 acres of unincorporated territory to the Napa Sanitation District. The affected territory includes a single-family residence located at 1430 Rosewood Lane (038-160-030) and an adjacent right-of-way segment. An emergency outside service agreement for this proposal was approved in December 2011 by Chair Dodd. Staff recommended approval of the proposal with two amendments to require concurrent (a) annexation to the City of Napa; and (b) detachment from County Service Area No. 4. Staff also recommended adoption of a negative declaration consistent with an initial study prepared in accordance with the California Environmental Quality Act. Staff provided clarification for the Commission concerning its policy on urban timing, but noted this should be waived in deference to the opportunity to coordinate the extension of governmental services to developing area.

Chair Chilton opened the public hearing.

Ralph Melligio, Landowner/Applicant, spoke to the Commission giving a brief history of the proposal and commending staff on their work on the outside service agreement. He also stated he was hoping for approval by the Commission today.

Chair Chilton closed the public hearing.

Upon motion by Commissioner Bennett and second by Commissioner Dodd, the resolution approving a negative declaration was adopted (**Resolution No. 2012-03**); and the resolution approving the reorganization was adopted (**Resolution No. 2012-04**).

7. **ACTION ITEMS**

a) **Proposed Strategic Plan for 2012-2014**

The Commission considered approving a two-year strategic plan prepared by the Committee on Policies and Procedures. The strategic plan outlined goals and implementing strategies based on Commissioner comments provided at the November 21, 2011 biennial workshop. Staff provided clarification for the Commission concerning the specific measurements, and noted that the plan will be reviewed and reset the strategic plan every two years at the biennial workshop as appropriate. Commissioners Bennett and Wagenknecht expressed interest in making an effort to renew and strengthen the Commission’s coordination with local agencies to help ensure appropriate communication relative to current and planned activities. Commissioner Bennett requested the item be continued and staff circulate copies of the strategic plan for public review and return at the next meeting.

8. DISCUSSION ITEMS

a) Municipal Service Review on Countywide Law Enforcement Services

The Commission received a draft report on LAFCO's scheduled municipal service review on countywide law enforcement services. The report was presented to the Commission for discussion in anticipation of preparing a final report for approval at the next regular meeting. City of Napa Police Chief, Richard Melton, spoke to the Commission regarding the report noting the challenges of comparing jurisdictions within the county.

Commissioner Inman noted a flaw in the report on page 14, section 3.1 (i) indicating that the percentage rates shown are not the actual unemployment rates.

Following Commission discussion, staff was directed to initiate a 30-day public comment period on the draft report in anticipation of returning in June with a final report – with or without amendments – for approval by the Commission.

b) Legislative Report

Staff provided the Commission with a report summarizing the California Legislature items under discussion for the second year of the 2011-2012 session affecting Local Agency Formation Commissions. The report was presented for discussion with possible direction for staff with respect to issuing comments. No action was taken.

9. EXECUTIVE OFFICER REPORT

The Commission was provided with a verbal report from the Executive Officer regarding the following items:

- CALAFCO Annual Staff Workshop, April 25-27, 2012 in Murphys
- Article Concerning Napa LAFCO's Proposed Amendments to G.C. Section 56133 in *Sphere*
- Island Annexation Program

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: June 4, 2012

The meeting was adjourned at 5:20 p.m. The next regular LAFCO meeting is scheduled for Monday, June 4, 2012 at 4:00 p.m.

Lewis Chilton, Chair

ATTEST: Keene Simonds
Executive Officer

Prepared by:

Kathy Mabry
Commission Secretary



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June 4, 2012

Agenda Item No. 5d (Consent/Action)

May 29, 2012

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Approval of Meeting Calendar for Second Half of 2012

The Commission will consider approving a meeting calendar for the second six months of 2012. It is recommended the Commission approve regular meeting dates for August 6th, October 1st, and December 3rd. No special meetings are proposed at this time.

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 must establish regulations to ensure meetings are conducted on a regular and orderly basis.

A. Discussion

LAFCO of Napa County's ("Commission") *Policy on Commission Meeting Calendar* was last amended on December 1, 2008 and calls for regular meetings to be scheduled for 4:00 P.M. 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. 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 projected workload justifies continuing to schedule regular meetings every other month for the remainder of the calendar year given the slowdown in proposal activity. Importantly, and as in the case currently, staff will take advantage of the slowdown by making progress on the Commission's adopted municipal service review and sphere of influence update study schedule. This includes preparing sphere of influence updates for the three special districts operating in the Lake Berryessa region. No special meetings are proposed at this time.

Lewis Chilton, Chair
Councilmember, Town of Yountville

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Vice 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, Commissioner
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

C. Recommendation

It is recommended the Commission approve regular meeting dates for August 6th, October 1st, and December 3rd.

D. Alternatives for Action

The following two alternatives are available to the Commission:

Alternative Action One (Recommended)

Approve the regular meeting dates as proposed by staff for the second half of 2012 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 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) *Policy on Commission Meeting Calendar*



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

Adopted: June 14, 2001
Amended: December 9, 2004
December 4, 2006
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.



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June 4, 2012

Agenda Item No. 5e (Consent/Information)

May 28, 2012

TO: Local Agency Formation Commission

FROM: Kathy Mabry, Secretary

SUBJECT: Report on 2012 CALAFCO Staff Workshop

The Commission will receive a report summarizing the CALAFCO Staff Workshop in Murphys, CA, April 25-27, 2012. The report is being presented to the Commission for information only.

A. Information

On April 25-27, 2012, the Commission Secretary attended the 2012 CALAFCO Staff Workshop held at Ironstone Vineyards and Conference Center in Murphys, CA. The Staff Workshop was hosted by Calaveras County LAFCO, and was well attended with 37 LAFCO's in attendance.

The program committee provided a range of sessions highlighted by an opening discussion involving shared services and/or the potential consolidation of local agencies, a topic many LAFCO's are becoming familiar with lately, based on attendee feedback. General sessions included topics covering protest proceedings, disadvantaged unincorporated communities, mapping/GIS and regional planning. The program committee agendaized several sessions aimed specifically at clerks; many of which were presented and/or moderated by Bay Area LAFCO clerks, and are listed below:

- *Technology for LAFCO Clerks* (Napa LAFCO's website was used as an example)
- *Records Management - Necessary Steps for Transparency, Compliance and Business Continuity Planning*
- *State Board of Equalization*
- *Regional Collaboration Amongst LAFCO's – "Friends with Benefits"*
- *Clerkin' Round the County: LAFCO Clerks and County Staff*

In addition, Napa LAFCO won 1st Place at the Mini Wine & Beer Competition in the White Wine category for its entry of John Anthony Vineyards 2011, Sauvignon Blanc.

As referenced, the topic of shared services and regional collaboration were central discussion points at the Staff Workshop. Many LAFCO's in attendance noted that cost-savings have become prominent factors for not only the local agencies they oversee, but also within their own agency due to the economy. This includes San Bernardino LAFCO sharing staffing resources with Orange and Riverside LAFCO's to help limit expenses.

Lewis Chilton, Chair
Councilmember, Town of Yountville

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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County of Napa Supervisor, 1st District

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

Brian J. Kelly, Commissioner
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

B. Commission Review

This item has been agendaized as part of the consent calendar for information only.

Attachment: 2012 CALAFCO Staff Workshop Program

2012 CALAFCO Staff Workshop

LAFcos in a Brave New World



April 25 – 27, 2012
Murphys, Calaveras County, CA



The Details

CALAFCO University

Murphys Suites
Shared Services and Service Efficiencies
 Tuesday, April 24, 2012*
 1:00 p.m. to 5:00 p.m.

Mobile Workshop

Visit the Historic Utica Power Authority
 Power and Water System
 Wednesday, April 25, 2012*
 7:45 a.m. – 1:30 p.m.

Workshop Registration

Tuesday, April 24, 2012
 Murphys Suites
 11:30 a.m. – 5:00 p.m.

Wednesday, April 25, 2012
 Murphys Suites
 7:00 a.m. – 10:00 a.m.
 Ironstone Vineyards
 11:00 a.m. – 5:00 p.m.

Thursday, April 26, 2012
 Ironstone Vineyards
 8:00 a.m. – Noon

Workshop Refreshments

Culinary Center – Ironstone Vineyards
Breakfast
 Thursday (7:00 – 8:00 a.m.)
 Friday (7:30 – 9:00 a.m.)

Lunch
 Thursday (12:30 – 1:45 pm)

CALAFCO Reception and Dinner
 Wednesday
 5:30 – 6:30
 Includes no host bar

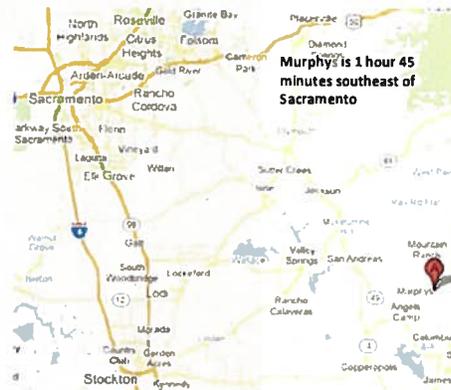
Mini Wine & Beer Competition Reception
 Thursday
 Murphys Suites – 5:00 – 6:30 pm
Dinner on your own

* Advanced registration and fee required

Murphys, California



Explore all Murphys has to offer at
www.visitmurphys.com



Special Thanks

Workshop Host
 Calaveras LAFCo & EO John Benoit

Program Committee
 Joyce Crosthwaite, Benjamin Legbandt,
 Clark Alsop, Marjorie Blom, Bob Braitman,
 David Church, SR Jones, Oxana Kolomitsyna,
 Amy Mickelson, Neelima Palacherla,
 Jennifer Stephenson, Lou Ann Texeira, Gary
 Thompson, Hedy Beltary, Holly O. Whatley,
 Emmanuel Abello, Kate Sibley, Paige
 Hensley, Debbie Schubert.

CALAFCO Staff
 Bill Chiat, Executive Director
 Jamie Szutowicz, Executive Assistant
 Lou Ann Texeira, Executive Officer

Front Cover Photo
 Beau Smith, Sculptor
 Copper Frog Panning for Gold
www.beautifulfrog.com

Wednesday, April 25th

7:45 a.m. – 1:30 p.m.

Mobile Workshop

Meet at Murphys Suites

1:30 p.m.

Workshop Welcome

Anita Paque, Calaveras LAFCo Chair
Supervisor Merita Callaway, Calaveras County

1:45 p.m. – 2:45 p.m.

Opening Session

"Earth has no sorrow that earth cannot heal."

The Pitfalls of Breaking Down Barriers

In an era of increased public scrutiny of collective bargaining agreements and the potential for LAFCo to play a major role in dissolutions and disincorporation, LAFCo staff must be informed of the issues and the potential pitfalls. The debate will explore the public policy implications of LAFCo's role in the renegotiation of employee benefit agreements as they pertain to shared services and/or the potential consolidation of local agencies.

Speaker: Nick Berardino
Moderator: Ben Legbandt
Location: Alhambra Music Room

3:00p.m. – 5:00 p.m.

Roundtable Discussions

Executive Officers Lou Ann Texeira
Alhambra Music Room

Legal Counsel Clark Alsop
Murphys Suites

Analysts Heritage Room

Clerks Candie Fleming
Placer Room

Associate Members Bruce Baracco

5:30 p.m.

Reception and Dinner

Culinary Center – Ironstone Vineyards

Thursday, April 26th

8:00 a.m. – 9:15 a.m.

Concurrent Sessions

"Few things are harder to put up with than the annoyance of a good example"

LAFCo Initiated Actions: Calaveras Sphere Success

This session will be a case study of a successful and collaborative SOI initiated by Calaveras LAFCo for the City of Angels Camp. Speakers will present their "take" on the issues.

Speakers: Beverly Burr, Burr Consulting,
David Hanham, Planning Director
City of Angels Camp, Tad Winans,
Landowner, and Anita Paque,
Calaveras LAFCo Chair

Moderator: John Benoit, Calaveras LAFCo

Location: Alhambra Music Room

"When we try to pick out anything by itself, we find it hitched to everything else in the Universe"

Protesting the Protest Provisions

The LAFCo protest proceedings are scattered throughout conflicting sections of State Law. The San Diego LAFCo staff volunteered to rewrite the confusing and troublesome statutes for CALAFCO. This workshop session will provide an update about this much needed legislative project.

Speakers: William D. Smith, Special Consultant
and Harry Ehrlich, Legislative
Director, San Diego LAFCo

Location: Heritage Room

"The power of imagination makes us infinite."

Technology for LAFCo Clerks

Jamie Spooner, Planeteria, will discuss design and technology elements to be considered in a LAFCo web site redesign and provide an overview on current trends in public agency web sites with special emphasis on ADA compliance. Joe Serrano will demonstrate the powerful features of Prezi, a new presentation software.

Speakers: Jamie Spooner, Joe Serrano
Moderator: Emmanuel Abello, Santa Clara
LAFCo

Location: Placer Room

9:30 a.m. – 10:45 a.m.

Concurrent Sessions

"The clearest way into the Universe is through a forest wilderness."

Mapping Matters: Creating and Maintaining Boundaries in GIS

Don't have digital maps for districts or cities? Have them but don't know if they are accurate or up to date? Learn about resources, partnerships and best practices for creating, verifying and maintaining boundaries in GIS. The session will demonstrate how Santa Clara LAFCo currently uses its mapping data and will highlight the potential for exciting new uses that further LAFCo's mission. You will see why mapping matters!

Speakers: Greg Bazhaw, Planner/GIS Administrator, Santa Clara County; Dunia Noel, Santa Clara LAFCo
 Moderator: Neelima Palacherla, Santa Clara LAFCo
 Location: Alhambra Music Room

"Not blind opposition to progress, but opposition to blind progress..."

The Hub or the Spoke – LAFCo's role in regional planning

A discussion of how LAFCo fits into the realm of regional planning. Following the descriptions of the regional planning duties of counties and councils of governments, an attorney knowledgeable of the planning obligations of local governments and LAFCo will provide a broad perspective on this increasingly timely issue.

Speakers: Patrick Roche, Contra Costa County Planning, Andy Chesley, San Joaquin COG; Michael Colantuono, Esq., Colantuono & Levin PC
 Moderator: Bob Braitman, Santa Barbara LAFCo
 Location: Alhambra Music Room

"One day's exposure to mountains is better than a cartload of books."

Records Management – Necessary Steps for Transparency, Compliance and Business Continuity Planning

As small independent agencies, LAFCos are often challenged by lacking guidelines on what records to keep and what to destroy from the filing system. Added to that, the sheer volume of electronic information exchange on a daily basis leaves obscurity for some as to what is even considered a record. Join us for an informative session covering:

- ♦ Legal definition of a record
- ♦ Addressing public records requests
- ♦ Instituting records policy; retention schedule
- ♦ Business continuity planning through digital records management

Speakers: Matthew Richardson, Best Best & Krieger LLP; Benjamin Legbandt, Orange County LAFCo; Hedy Belttary, Incrementum
 Location: Placer Room

11:00 a.m. – 12:30 p.m.

General Session

"No right way is easy in this rough world. We must risk our lives to save them"

Disadvantaged Unincorporated Communities

A brief legislative history on SB 244, followed by some examples of "boots on the ground" implementation of SB 244, including the challenges presented for full implementation and some best practices tips.

Speakers: Jim Glaser, San Joaquin LAFCo; Kathy Rollings McDonald, San Bernardino LAFCo; Brian Augusta, California Rural Legal Assistance
 Moderator: Holly Whately, Colantuono & Levin
 Location: Alhambra Music Room

Thursday, April 26th

2:00 p.m. – 3:15 p.m.

Concurrent Sessions

"God has to nearly kill us sometimes to teach us lessons."

New Normal: How the Economy is Affecting Service Provision

The session covers four issues: 1) the current economics in California as it relates to local governments, and trends and futures regarding revenue sources; 2) a case study from Plumas County examining fiscal challenges faced by local governments and the impact on service provision; 3) an overview of the Government Performance and Accountability Act initiative that, among other things, would provide new authority and incentives for integrated services intended to change the culture of governance in California by reengineering how budgets and policy decisions are made, implemented and kept accountable; and 4) innovative solutions to providing cost efficient services.

Speakers: Michael Coleman, League of California Cities, Supervisor Robert Meacher, Plumas County, Fred Silva, California Forward, Pete Peterson, Davenport Institute/Common Sense California

Moderator: Oxana Kolomitsyna & Jennifer Stephenson, Policy Consulting Associates

Location: Alhambra Music Room

"Few are altogether deaf to the preaching of pine trees."

Conditioning SOI – The New Future??

This session examines a case study with the City of Pismo Beach. An agreed upon MOA between the County and City and local policy provided the basis for adding conditions to the City's SOI. Among the conditions were establishing an adequate, reliable and sustainable water supply prior to an annexation application, prohibition on the use of a particular groundwater basin, documented safe yields on any other basins, phasing future annexation applications to encourage a logical and orderly development pattern, documenting existing build out potential, preserving open space and agricultural lands with conservation easements, and requiring a lot-line adjustment.

Speakers: David Church, AICP and Mike Prater, Analyst, San Luis Obispo LAFCo; and Jon Biggs, City of Pismo Beach, Community Development Director

Location: Heritage Room

"In every walk with nature one receives far more than he seeks."

State Board of Equalization

LAFCo clerks have frequent communication with the State Board of Equalization (BOE)—but what really is the BOE, and how does LAFCo work fit into that large department, which handles all taxes and fees for the State? In this session, Ralph Davis, Manager of the Tax Area Services Section of the Property and Special Taxes Department (this is where LAFCo comes in), will guide us through the intricacies of his section's work and answer questions about coming changes. Bring your probing questions!

Speakers: Ralph Davies, David Yeung, Nikkole Thorn, Anna Marie Price, State Board of Equalization

Moderator: Cynthia Olson, Sonoma LAFCo

Location: Placer Room

3:30 p.m. – 4:45 p.m.

Concurrent Sessions

"It is always sunrise somewhere"

SB 89 – Are Incorporations and Annexations Extinct?

The session will focus on the significant impact that SB 89 has had on city incorporations and annexations that have occurred since 2004, and for future incorporations and annexations as well as the status of legislative efforts to reverse those impacts. Additionally, the session will hear a firsthand report about how the newest city in California has been impacted by SB 89, and the challenges that this city now faces, including possible disincorporation after losing 40% of its General Fund revenue.

Speakers: Michael Coleman, League of California Cities, Steve Harding, City Manager, City of Jurupa Valley

Moderator: Gary Thompson, GST Consulting

Location: Alhambra Music Room

Friday, April 27th

"Wild ducks make a lot of noise, but they also have the sense to benefit from occasionally flying in formation"

Regional Collaboration Amongst LAFcos – "Friends with Benefits"

Regional collaboration among agencies may be nothing new – but innovative and "friendly" partnerships are proving to be essential in these tough economic times. Find out firsthand from your LAFco peers how they are collectively meeting together to: a) share best practices; b) discuss topics of common interest; and c) explore ways to leverage outside resources and expertise.

Speakers: Mona Palacios, Alameda LAFco; Sandy Hou, Alameda LAFco; Kathy Rollings McDonald, Executive Officer, San Bernardino LAFco

Moderator: Marjorie Blom, Stanislaus LAFco

Location: Heritage Room

Friday, April 27th

9:00 a.m. – 10:15 a.m.

Concurrent Sessions

"The mountains are calling and I must go."

Call for Leadership: Meeting adaptive challenges of organizational change

The new reality in which local agencies operate is opening innovative doors to collaboration and sharing services and resources amongst agencies. Conversations are beginning to occur amongst agencies that were unheard five years ago. And often LAFco serves as the catalyst or facilitator of those conversations for shared services, facilities and resources. These groundbreaking agreements help bring financial and service-level stability to local agencies, but they also require leadership practices which move people beyond solving technical problems. Join us as we explore the practices of adaptive leadership.

Speaker: Bill Chiat, CALAFco Executive Director

Location: Heritage Room

"The sun shines not on us but in us."

Special District Services: Best Practices for Reviewing Service Providers

The session examines tools and methodologies LAFcos use to evaluate the overall performance of small special districts. The Legislative Analyst's Office recently issued a report which concluded that in some cases smaller districts operate less efficiently and with less accountability than larger districts. It also concluded that while LAFcos are generally well positioned to review effectiveness and accountability, our general approach toward evaluation has limitations.

Speakers: Martha Poyatos, San Mateo LAFco; Kathy Rollings McDonald, San Bernardino LAFco

Moderator: SR Jones, Nevada LAFco

Location: Heritage Room

"I will follow my instincts, and be myself for good or ill."

Clerkin' Round the County: LAFco Clerks and County Staff

LAFcos are supposed to be independent of counties now—but how independent are we when we need those services that only county departments can provide? We will focus on the symbiotic relationships that LAFcos must by necessity have with various county departments. And then there are the LAFcos that are still embedded in their counties, sharing personnel, space, and equipment. Join a lively discussion about how to make the most of the partnerships.

Speakers: Marjorie Blom, Jerome Keene, Sharon Anderson

Moderator: Kate Sibley, Contra Costa LAFco

Location: Placer Room

10:30 a.m. – Noon

Legislative and CALAFco Update

"Between every two pines is a doorway to a new world."

The latest and greatest legislative news from Sacramento and what's happening with CALAFco, including the recruitment for a new executive director.

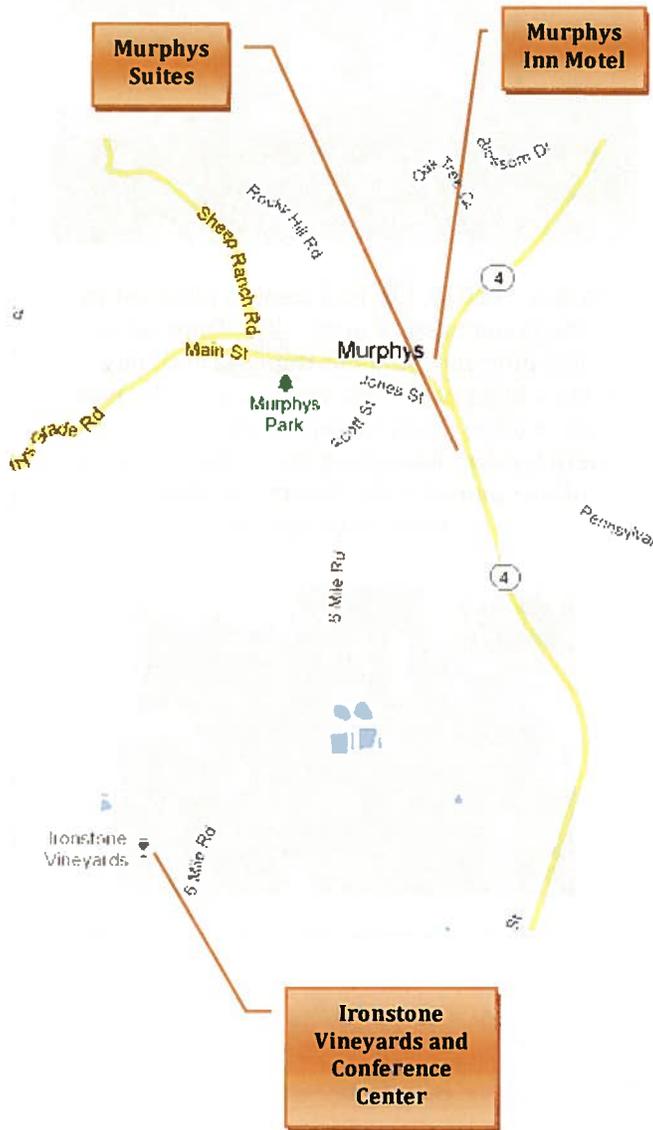
Speakers: Bill Chiat, Harry Ehrlich and Lou Ann Texeira

Location Map and Sponsors

Workshop Locations

Ironstone Vineyards is located 1.6 miles southwest of the Murphys Suites at 1894 6 Mile Road.

Outstanding shops and restaurants are located all along Main Street.



Workshop Sponsors

Thank you to the Sponsors who make the Workshop possible. Their support ensures quality educational workshops from CALAFCO.

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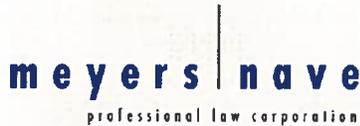


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Thank you for your support



BEST BEST & KRIEGER
ATTORNEYS AT LAW



In loving memory of Clarissa



In May of 2010, Clarissa went to join Cass in the green pasture in the sky. They were Murphys most famous donkeys and they were a huge part of the community. The pair were often referred to in guide books and were known throughout the region. Visitors often stopped with carrots and affection. They will be missed.



*Thanks for visiting Murphys
Have a safe trip home*

**See you at the CALAFCO Annual Conference
in Monterey on October 3-5, 2012**



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
<http://www.napa.lafco.ca.gov>

June 4, 2012

Agenda Item No. 5f (Consent/Information)

May 29, 2012

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 2, 2012 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 two active proposals on file with LAFCO of Napa County ("Commission"). A summary of these active proposals follows.

Formation of the Villa Berryessa Water District

This application has been submitted by Miller-Sorg Group, Inc. 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.

Lewis Chilton, Chair
Councilmember, Town of Yountville

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

Brian J. Kelly, Commissioner
Representative of the General Public

Joan Bennett, Commissioner
Councilmember, City of American Canyon

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

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

The City of St. Helena proposes the annexation of approximately 100 acres of unincorporated territory located northwest of the intersection of Silverado Trail and Zinfandel Lane. The affected 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 affected 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: Staff has completed its review of the proposal. 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 affected territory.

There are four potential new proposals that may be submitted to the Commission in the near future. A summary of these anticipated proposals follows.

Wilkins Avenue Annexation to the City of Napa

A representative for the landowner of a 0.77 acre unincorporated property has inquired about re-initiating annexation. This property was conditionally approved for annexation by the Commission on February 2, 2009. Staff on several occasions attempted to contact the landowner to request the outstanding conditions be fulfilled. 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.

Easum Drive 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 last year 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 their interest/willingness to reduce or waive their fees associated with adopting a resolution of application.

Imola Avenue/Tejas Drive Annexation to the City of Napa

An interested landowner within a substantially surrounded unincorporated island located near the intersection of Imola Avenue and Tejas Avenue in the City of Napa has inquired about annexation. The interested landowner owns an approximate 1.5 acre undeveloped lot and is interested in ultimately pursuing a development project, although no specific plans exist at this time. Staff recently mailed out a survey to the 19 adjacent properties within the affected island to gauge interest in potentially expanding the annexation proposal to either further reduce or outright eliminate the entire island area. The majority of responses from landowners and residents to the east of Tejas Avenue indicate general opposition to annexation. Landowners and residents to the west of Tejas Avenue responded more affirmatively to a potential annexation proposal involving their properties. Staff subsequently met with the interested landowner again to discuss options regarding potential annexation of variously sized portions of the island.

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 affected area includes the 58-space mobile home park adjacent to Moskowite 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.

B. Commission Review

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

Attachments: none



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June 4, 2012

Agenda Item No. 6a (Public Hearing)

May 29, 2012

TO: Local Agency Formation Commission

FROM: Budget Committee (Chilton, Kelly, and Simonds)

SUBJECT: Final Budget for Fiscal Year 2012-2013

The Commission will consider adopting a final budget for 2012-2013 nearly identical to the proposed version approved in April and subsequently circulated for review among local funding agencies. Proposed operating expenses total \$432,461 and represent a 1.0% increase over the current fiscal year. Proposed operating revenues total \$423,650 with the remaining shortfall (\$8,811) to be covered by drawing down on 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 adopts a finding the reduced costs will nevertheless allow the agency to fulfill its prescribed 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 earned.

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Councilmember, City of Napa

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

Keene Simonds
Executive Officer

Budget Related Policies

It is Commission policy to annually establish a Budget Committee (“Committee”) consisting of two appointed Commissioners and the Executive Officer. The Committee’s initial responsibility is to prepare and present a draft proposed budget for approval by the Commission in February before it is circulated for initial comment to each funding agency. The draft proposed budget, most notably, is the opportunity for the Committee to identify and propose related recommendations on any significant changes in baseline expenditures. 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 incorporates any comments received from the funding agencies during the initial review period along with updated cost/revenue projections into a proposed budget presented for adoption in April. The adopted proposed budget is subsequently circulated to the funding agencies for review and comment before the Committee presents a final budget for adoption in June. Significantly, 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.

Additionally, in budgeting for its own provisions, it is Commission policy to retain sufficient reserves to equal no less than three months or 25 percent of budgeted operating expenses in the affected fiscal year less any capital depreciation. This “reserve policy” was established in 2010-2011 along with several other pertinent amendments to the budget process to help improve the fiscal management of the agency. This included eliminating the practice of assigning credits – which were used as carryover funding – to each funding agency against their subsequent fiscal year contribution based on their proportional share of any remaining unexpended operating revenues collected during the previous fiscal year. Eliminating the crediting process, importantly, provides the funding agencies improved cost-certainty by receiving a more accurate appropriation charge at the beginning of each fiscal year and clarifies the Commission’s year-end financial statements in terms of available cash resources.

Draft and Proposed Budgets for 2012-2013

Draft Proposed Budget Approval

The 2012-2013 Committee (Chilton, Kelly, and Simonds) conducted a noticed public meeting on January 19, 2012 to review the Commission’s operating expenses and revenues for the upcoming fiscal year. The Committee’s review incorporated three interrelated budget factors. 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 changes in baseline agency costs are appropriate to accommodate changes in need or demand. Third, upon setting operating expenses, the Committee considered the amount of new revenues needed from the funding agencies and whether agency reserves should be utilized in lowering contribution requirements.

The Committee incorporated the three described factors – existing baseline costs, warranted changes in baseline costs, and revenue needs – in preparing and presenting a draft proposed budget at the Commission’s February 6, 2012 meeting. The draft represented a “status quo” in terms of maintaining existing service levels, including preserving present staffing levels at 2.5 full time equivalent employees, with operating expenses increasing over the current fiscal year by 0.7% and totaling \$431,252. Operating revenues in the draft also reflected an increase over the current fiscal year by 6.9% and totaling \$422,629 with the remaining shortfall (\$8,623) to be covered by drawing down on agency reserves. The Commission approved the draft as submitted and directed staff to seek comments from the funding agencies. Staff electronically mailed notice to all six funding agencies the following week inviting their review and comment on the approved draft through March 14th. No comments were received.

Proposed Budget Adoption

The Committee prepared and presented a proposed budget at the Commission’s April 2, 2012 meeting as part of a noticed public hearing. The proposed budget was substantively identical to the earlier approved draft with the exception of modest increases to both operating expenses and operating revenues tied to finalizing terms for a new office lease and recalculating current year-end costs; the end result being expenses and revenues increasing to \$432,001 and \$423,295, respectively. No public comments were received at the hearing. The Commission adopted the proposed budget as submitted and directed staff to seek comments from the funding agencies. Staff electronically mailed notice to all six funding agencies the following week inviting their review and comment on the adopted proposed budget though May 15th. No comments were received.

B. Discussion

The Committee returns with a final budget for consideration by the Commission as part of a noticed public hearing. The final budget is nearly identical to the proposed budget adopted in April with the exception of slight increases to both operating expenses and operating revenues to raise the total amounts to \$432,461 and \$423,650, respectively. Both increases, markedly, are directly tied to the County recalculating and raising the Commission’s charge for information technology services (ITS) by an additional \$1,760 relative to the earlier amount presented at the February and April meetings. The Committee, however, proposes absorbing close to three-fourths of the added ITS costs by cutting \$1,300 within the same affected expense account (informational technology) that had been previously allocated for programming edits to the agency website. The Committee proposes this action given the desire to limit increases to the funding agencies given several have already “budgeted” their upcoming allocation amount based on the amounts included in the April proposed budget. The Committee also anticipates any needed programming edits to the agency website during the next fiscal year will be relatively limited and could be covered by other expense accounts.

A detailed summary of the Committee’s final budget and the changes incorporated since the earlier proposed version was adopted in April follows.

Operating Expenses

The Committee proposes operating expenses increase from \$428,270 to \$432,461. This proposed amount represents a difference of \$4,192 or 1.0% over the current fiscal year. The Committee, as referenced in the preceding section and detailed in the accompanying footnote, has also slightly increased the total amount relative to the proposed budget presented in April by \$460 to accommodate a recalculated ITS service charge.¹

It is important to note, and irrespective of the total proposed expense amount being relatively similar to the current fiscal year, there are several individual expense line item changes – both increases and decreases – underlying the final budget. The majority of these line item changes are deemed non-discretionary and dictated by the Commission's current staff support services agreement with the County; an agreement covering employee salaries and benefits as well as legal and accounting services. Further, most of the County pass-throughs produce only minor to moderate cost increases equaling less than five percent over the current fiscal year and includes raises in salaries, benefits, and group insurance. A key exception involves post-employment benefits, which are rising by thirty percent as detailed in the accompanying footnote.²

With respect to notable changes in discretionary expenses, the most prominent change provided in the final budget involves a sizeable decrease in allocations within the property lease account given the recent office relocation to 1030 Seminary Street in Napa. This relocation was authorized by the Commission in February with the terms subsequently finalized by the Chair and Executive Officer in March. The finalized lease provides an annual and fixed rent charge of \$25,560 over the next five years with an option for an additional five year term. The annual and fixed charge represents an approximate 13% decrease or \$3,720 savings compared to the current fiscal year for office space at 1700 Second Street.³ Other substantive changes recommended by the Committee in discretionary line items included in the final budget are highlighted below.

- An approximate 35% decrease or \$3,200 is budgeted in the per diem expense account and reflects the expectation the Commission will continue its recent practice of holding regular meetings every other month. The end result is the affected expense account is projected to go from \$9,600 to \$6,400. The per diem payment remains at \$100 and would cover a total of seven regular/special meetings along with four committee meetings during the fiscal year.

¹ ITS originally calculated the Commission's service charge at \$20,249 in 2012-2013. ITS subsequently identified an error and recalculated the service charge to now total \$22,009. Overall, the revised service charge reflects a 8.6% increase compared to the current fiscal year. ITS reports the cost increase is due to passing along a cost-of-living adjustment along with changing their service charge methodology. Specifically, ITS' old allocation methodology used three inputs: number of employees, number of computers, and actual department expenditures. The new allocation methodology uses eliminates actual expenditures, which provides cost-savings to larger departments and cost-increases to smaller departments.

² The Commission's post-employment benefit costs are projected to increase by nearly one-third or \$2,798 over the current fiscal year as part of the County's revised 20 year amortization plan to fully cover retiree health insurance costs.

³ The Commission took possession of the new office space on April 1, 2012. The space was recently built and includes 800 square feet divided between three private offices, a conference room, and a reception area; dedications matching the current suite while eliminating 400 square feet of underutilized space. The new office suite also includes its own communications closet, which provides added and needed security for the Commission's network system.

- An approximate 12% increase or \$1,500 is budgeted in the office expense account and is tied to the referenced office relocation to 1030 Seminary Street and would fund the Commission’s annual electricity bill; all other utilities are covered by the building’s owners association. This utility could, presumably, be absorbed within the existing budget line, but the Committee proposes the increase as a contingency with the intent of revisiting the item next fiscal year.
- An approximate 250% increase or \$2,500 is budgeted in the special department expense account and is tied to establishing live video/audio streamlining of Commission meetings through the agency website. The one-time purchase would be with the County’s vendor for audio/video streaming (Granicus) and provide the Commission with a customized web page to transmit live as well as store audio/video recordings. The one-time purchase would also include staff training. The Committee believes this increase is warranted given it would help enhance the agency’s transparency and complement an earlier decision to contract with Napa Valley TV to rebroadcast agency meetings on Channel 28; live airing of agency meetings are not available due to other scheduling commitments.⁴

The Committee notes at least two other discretionary expense increases appear merited, but have not been included in the final budget to control overall costs and more specifically agency contributions in 2012-2013. Most notably, this includes purchasing iPads and related software for preparing/distributing electronic agenda packets at an estimated cost of \$6,000 to \$8,000. The Committee also believes the Commission would be better served by purchasing a software system to improve the preparation of meeting minutes. The software system currently utilized by most local governmental agencies – including the County – is operated by Granicus. The cost of Granicus’ software system, however, appears prohibitive given the upfront charge quoted is \$2,100 along with an annual license/support fee of \$4,380 to cover license/support. The Committee believes, however, these discretionary expenses should be revisited as appropriate.

The following table summarizes operating expenses proposed in the final budget for 20112-2013.

Expense Unit	Adopted FY11-12	Final FY12-13	Change %
1) Salaries/Benefits	307,780	311,287	1.1
2) Services/Supplies	116,559	117,243	0.6
3) Capital Replacement	3,931	3,931	0.0
	\$428,270	\$432,461	1.0

⁴ A related new annual expense of \$480 to cover license/support with Granicus is also budgeted within the information technology services line item.

Operating Revenues

The Committee proposes operating revenues increase from \$395,441 to \$423,650. This amount represents a total difference of \$27,845 or 7.1% over the current fiscal year. The Committee has also increased the total amount since the April draft by \$355 consistent with the earlier referenced rise in ITS charges.

Almost the entire total amount of budgeted operating revenues – \$409,574 – is to be drawn from agency contributions and would represent a composite increase of 6.9% or \$26,473 over the current fiscal year. The rationale for the increase in agency contributions is two-fold. First, as proposed, the Commission’s operating expenses would increase by \$4,192. Second, and most substantively, staff proposes reducing the amount of reserves the Commission would allocate for operating revenue next fiscal year by three-fourths from \$32,828 to \$8,811.⁵ This reduction follows similar decreases over the last few years in using reserves as offsetting revenues for the benefit of the local agencies as the Commission has gradually attempted to “catch-up” to its normal operating expenses after an extended vacancy in the analyst position artificially reduced agency contributions.⁶

Budgeted application fees and interest earned on the fund balance invested by the County Treasurer represent the remaining portion of revenues in the final budget. No changes in application fees have been made relative to the current fiscal year. A relatively sizeable increase, though, has been made to earned interest to reflect the current return rate on the Commission’s fund balance generated through the current fiscal year.

The following table summarizes operating revenues proposed in the final budget for 20112-2013.

Revenue Unit	Adopted FY11-12	Final FY12-13	Change %
1) Agency Contributions	383,101	409,574	6.9
(a) County of Napa	191,551	204,787	6.9
(b) City of Napa	126,330	136,583	8.1
(c) City of American Canyon	32,912	33,321	1.2
(d) City of St. Helena	12,997	14,153	8.9
(e) City of Calistoga	11,393	12,095	6.2
(f) Town of Yountville	7,917	8,635	9.1
2) Application Fees	10,000	10,000	0.0
3) Interest	2,340	4,076	0.0
Total	\$395,441	\$423,650	7.1

⁵ The amount of reserves – \$8,811 – included in the final budget as offsetting revenues represents a slight increase from the \$8,706 included in the draft approved in April. The slight increase is the result of recalculating the total amount to be invoiced to the agencies based on the revised total expenses less (a) budgeted service charges, (b) budgeted interest, and (c) one-fifth of the difference compared to the total agency allocations last year.

⁶ LAFCO’s budgeted allocation of reserves as offsetting revenues over the last two years totaled \$42,459 in 2010-11 and \$32,828 in 2011-12. The amount of reserves calculated for use in 2012-13 represents one-fifth of the total difference in agency contributions between the two affected fiscal years if no reserve were utilized.

C. Analysis

The final budget presented for 2012-2013 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 cost-increases. In particular, the final budget preserves present staffing levels the Committee believes are merited given the agency's prescribed duties along with budgeting a one-time special expense to begin live-streaming Commission meetings on the web. The final budget also incorporates the earlier and related approval of an office relocation to 1030 Seminary Street; a move providing the Commission with sufficient administrative space over the next five years at a fixed annual price while achieving a minimum net savings of \$10,000, which will be directly passed on to the funding agencies.⁷

Irrespective of the preceding comments, the Committee recognizes the final budgeted increases agency contributions by nearly seven percent over the current fiscal year from \$383,101 to \$409,574; an amount exceeding the current inflation rate for the San Francisco Bay Area region by over two-fold.⁸ The Committee, nevertheless, believes this increase is reasonable and justified as the Commission continues to adjust back to normal after an extended analyst vacancy artificially reduced the annual apportionments to a low of \$272,032 in 2007-2008. Specifically, since filling the analyst position on a permanent basis three years ago, the Commission has gradually increased its agency allocations back to normal over the this period by utilizing decreasing amounts of reserves as a means to limit the annual increase given the recession; the alternative option would have been to immediately adjust agency funding requirements back to normal in one year's period. The Committee believes this process of utilizing reserves as an offsetting measure should continue for the next fiscal year, albeit at a reduced level from \$32,828 to \$8,811 given the Commission is approaching its minimum three month operating level.

D. Recommendation

Adopt the attached resolution approving a final budget for 2012-2013 as submitted by the Committee with any desired changes.

⁷ The estimated \$10,000 in savings over the next five years associated with the office relocation involves a \$3,720 reduction in annual rent less \$1,500 in new budgeted office expenses tied to utility costs at 1030 Seminary Street. Moving costs are expected to be funded entirely out of the current fiscal year through cost-savings associated with limiting travel and training activities.

⁸ The current 12-month consumer price index for the San Francisco Bay Area region is 2.9 percent according to the United States Bureau of Labor Statistics as of January 2012.

E. Alternatives for Action

The following alternative actions are available to the Commission.

Alternative Action One (Recommendation):

Adopt the attached resolution provided as Attachment One approving the final budget within any desired changes. Direct the Executive Officer to work with the County Auditor's Office in issuing invoices to the funding agencies accordingly.

Alternative Action Two:

Continue consideration of the item to a special meeting scheduled no later than June 15, 2012 as required under LAFCO law relative to adopting a final budget.

F. Procedures for Consideration

This item has been agendized as part of a noticed public hearing. The following procedures are recommended with respect to Commission's consideration of this 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) Draft Resolution Adopting a Final Budget for FY 2012-13
- 2) Calculation of Agency Contributions for FY 2012-13

RESOLUTION NO. _____

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
ADOPTION OF A FINAL BUDGET
2012-2013 FISCAL YEAR**

WHEREAS, the Local Agency Formation Commission of Napa County (“Commission”) is required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to adopt an annual final budget for the next fiscal year no later than June 15th; and

WHEREAS, the Commission reviewed and adopted a proposed budget at its April 2, 2012 meeting; and

WHEREAS, at the direction of the Commission, the Executive Officer 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 proposed budget; and

WHEREAS, the Executive Officer prepared a report concerning the final budget, including recommendations thereon; and

WHEREAS, the Executive Officer’s report was 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 4, 2012; and

WHEREAS, the Commission determined the final budget projects the staffing and program costs of the agency 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 One is approved.
2. The overall operating costs provided in the final budget will allow the Commission to fulfill its regulatory and planning responsibilities as required under Government Code Section 56381(a).

The foregoing resolution was duly and regularly adopted by the Commission at a regular meeting held on June 4, 2012 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

ATTACHMENT TWO

2012-2013 Agency Contributions Calculation

Step 1		Total Agency Contributions		FY12-13	Difference	Difference		
		<u>FY11-12</u>	<u>FY-12-13</u>	<u>Adjusted</u>	<u>Dollar</u>	<u>Percentage</u>		
	Total	383,101.00	432,461.12	409,574.34	\$ 26,473.34	6.9%		
Step 2		Allocation Between County and Cities		FY12-13	Difference	Difference		
		<u>FY11-12</u>	<u>FY12-13</u>	<u>Dollar</u>	<u>Percentage</u>			
	50% to the County of Napa	\$ 191,550.50	\$ 204,787.17	\$ 13,236.67	6.9%			
	50% to the 5 Cities	\$ 191,550.50	\$ 204,787.17	\$ 13,236.67	6.9%			
Step 3a		Cities' Share Based on Total General Tax Revenues (FY2009-10)						
	<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	5,920,329.00	1,210,979.00	15,687,842.00	2,779,340.00	583,887.00	26,182,377.00	
	Voter Approved Indebtedness Property Tax	-	-	-	-	-	-	
	Other Property Tax	1,100,159.00	443,614.00	6,179,234.00	485,208.00	356,851.00	8,565,066.00	
	Sales and Use Taxes	1,434,084.00	499,545.00	8,393,151.00	1,631,540.00	477,717.00	12,436,037.00	
	Transportation Tax	-	-	-	-	-	-	
	Transient Lodging Tax	557,365.00	3,042,315.00	8,256,152.00	1,193,860.00	3,068,999.00	16,118,691.00	
	Franchises	547,297.00	156,811.00	1,610,107.00	153,392.00	70,840.00	2,538,447.00	
	Business License Taxes	151,538.00	123,799.00	2,508,457.00	147,517.00	7,440.00	2,938,751.00	
	Real Property Transfer Taxes	79,443.00	12,147.00	206,326.00	3,779.00	4,446.00	306,141.00	
	Utility Users Tax	-	-	-	-	-	-	
	Other Non-Property Taxes	493,590.00	171,363.00	2,516,680.00	446,419.00	165,870.00	3,793,922.00	
	Total	\$ 10,283,805	\$ 5,660,573	\$ 45,357,949	\$ 6,841,055	\$ 4,736,050	\$ 72,879,432	
	Percentage of Total Taxes to all Cities	14.1%	7.8%	62.2%	9.4%	6.5%	100%	
Step 3b		Cities' Share Based on Total Population**						
		<u>American Canyon</u>	<u>Calistoga</u>	<u>Napa</u>	<u>St. Helena</u>	<u>Yountville</u>	<u>All Cities</u>	
	Population	19,693	5,188	77,464	5,849	2,997	111,191	
	Population Percentage	17.71%	4.67%	69.67%	5.26%	2.70%	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	14.1%	7.8%	62.2%	9.4%	6.5%	100%	
	Portion of LAFCO Budget	11,558.77	6,362.36	50,981.33	7,689.19	5,323.22	40%	
	Cities' Share Based on Total Population	17.71%	4.67%	69.67%	5.26%	2.70%	100%	
	Portion of LAFCO Budget	21,761.87	5,733.03	85,602.07	6,463.47	3,311.85	60%	
	Total Agency Allocation	\$ 33,320.64	\$ 12,095.39	\$ 136,583.40	\$ 14,152.67	\$ 8,635.07	\$ 204,787.17	
	Allocation Share	16.2709%	5.9063%	66.6953%	6.9109%	4.2166%	100%	
Step 5		FY12-13 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>
		\$ 204,787.17	\$ 33,320.64	\$ 12,095.39	\$ 136,583.40	\$ 14,152.67	\$ 8,635.07	\$ 409,574.34
	Difference From FY11-12:	\$ 13,236.67	\$ 408.60	\$ 702.05	\$ 10,253.02	\$ 1,155.30	\$ 717.70	\$ 26,473.34
		6.91%	1.24%	6.16%	8.12%	8.89%	9.06%	6.91%



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

June 4, 2012

Agenda Item No. 6b (Public Hearing)

May 29, 2012

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 \$113 to \$118 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 for personnel and administrative overhead expenses associated with processing applications and other service requests. Two substantive changes highlighted the update. First, the fee schedule was reoriented to predominantly include fixed fees based on an estimate of total staff hours needed to process common applications. 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 and charging a composite hourly staff rate and resulted in an initial increase from \$50 to \$90.

Lewis Chilton, Chair
Councilmember, Town of Yountville

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Vice 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, Commissioner
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Recent Amendments

The Commission has subsequently increased the composite hourly staff rate in each of the last four fiscal years based on current budgeted costs and it presently totals \$113. The Commission also established a surcharge applicable to most applications and requests in June 2009 to help contribute to the costs in preparing municipal service reviews equal to 20% of the application fee.

B. Discussion

In anticipation of the new fiscal year, the Policy Committee (Luce, Rodeno, and Simonds) has reviewed the Commission's 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 2012-2013 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 five substantive amendments also proposed and summarized below for Commission consideration.

- **Increase Composite Hourly Staff Rate**

The fee schedule's current hourly staff rate is \$113. The Committee proposes a four percent increase to raise the rate to \$118 to reflect the changes in the Commission's anticipated personnel and administrative costs going forward. The proposed new rate has been calculated using the same method established in 2007 and incorporated in subsequent amendments. It also continues to assume the majority of billable work in processing applications and requests will be the responsibility of the Analyst.

<i>Current Hourly Rate</i>			
	Executive Officer	Analyst	Secretary
Salary/Benefit/Overhead Rate	\$133.66	\$98.30	\$103.26
Time Processing Applications	40%	55%	5%
\$112.69			

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

- **Establish Fixed Fees as Lead Agency for Annexations and Detachments**

The fee schedule currently assigns at-cost for time and material for annexation and detachment proposals in which the Commission serves as lead agency with respect to the California Environmental Quality Act (CEQA). This current at-cost assignment reflects a historical practice of the Commission generally serving as a reasonable agency under CEQA for annexations and detachments; a practice that has begun to change given recent trends. The Committee, accordingly, proposes amending the schedule to assign fixed fees as lead agency to process annexations and detachments based on the three types of possible documents: exemptions; initial studies; or environmental impact reports. Staff time for preparing an exemption would be one hour and increase to 15 hours for an initial study. Staff time for an environmental impact report would also be billed at 15 hours and represent the estimated amount of time needed to direct and review the work of the consultant contacted at the applicant's expense.

- **Eliminate Application Fees for City Island Annexations**

The fee schedule currently assigns a reduced fixed charge in the amount of \$500 for applications for city annexations involving unincorporated islands subject to expedited proceedings under California Government Code Section 56375.3. This amount was established by the Commission in 2001 as an incentive to eliminate the dozen plus unincorporated islands within the City of Napa. However, since this reduced fee was established, only one island annexation has been filed with the Commission.¹ This lack of activity appears attributed primarily to disinterest among affected landowners to incur any new costs tied to a process that does not provide any perceived benefits in the immediate horizon. With this in mind, and consistent with the recent Commission actions to focus more resources in eliminating islands, the Committee proposes waiving the application fee in its entirety as a stronger incentive for island landowners to seek annexation.

- **Prescribing Criteria in Considering Requests for Requesting Fee Waivers**

The fee schedule currently includes a general statement advising applicants they may submit written appeals for any fees or deposits. The Committee proposes amending the statement to specify the Commission will consider the merits of written requests relative to public interest and the agency's mission statement. Provided examples include, but not limited to, requests addressing public health or safety threats, affordable housing development, and community serving projects. The Committee also proposes specifying the Commission will consider requests for reduction in fees.

¹ On February 5, 2007, the Commission approved the City of Napa's proposal to annex an approximate 26 acre unincorporated island comprising two parcels located at 3075 and 3095 Laurel Street.

- **Establish a New Process to Charge Fees for Requests for Research**

The fee schedule currently provides a mechanism for staff to charge individuals, agencies, or related parties the hourly staff rate for requests for research. These types of requests typically number one to three per week and generally involve retrieving and reviewing archived files, identifying properties relative to agency boundaries, and discussing potential proposals. Most of these requests have clear ending points and usually require no more than one hour of staff time to complete. However, other inquiries, particularly discussing potential proposals, have less clear ending points and often require several hours of staff time over an extended period to complete. Given these dynamics, the Committee proposes amending the fee schedule to establish a new process in charging fees for requests for research anchored by providing up to two hours of free staff time for any inquiry with additional time billed at the hourly staff rate. The intent of this amendment is to provide clearer direction to staff and interested parties in determining when fees for requests for research apply. The amendment is also intended to ensure all members of the public have free access to consult with staff for a reasonable amount of time before any charges accrue.

C. Analysis

The Committee believes the proposed amendments to the fee schedule will improve the fiscal management of the Commission as well as provide a more user-friendly document to the public in understanding the costs tied to processing applications with the agency. This includes increasing the hourly staff rate to reflect the changes in the Commission's projected personnel and administrative costs in 2012-2013 and is consistent with members' expressed desire to maintain an appropriate level of cost-recovery through incremental adjustments. Amending the fee schedule to establish fixed fees for annexations and detachments in which the Commission serves as lead agency under CEQA also responds to recent application trends and provides more cost-certainty to applicants in budgeting projects requiring agency approval. Eliminating the fee for city island annexations, further, represents the strongest available tool to the Commission in encouraging landowners to initiate such proposals. Providing additional specificity with regards to the criteria the Commission will consider relating to fee waivers or reductions provides guidance to applicants as well as current and future Commissioners in considering the merits of individual requests in a consistent and fair manner. Finally, establishing a new fee process for research requests predicated on providing two free hours of staff time creates a clear and reasonable threshold in determining when charges accrue while helping to dissuade excessive exploratory inquiries.

D. Recommendation

The Committee recommends approval of the proposed amendments for reasons outlined in the preceding section 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.

E. Alternatives for Action

The following alternative actions are available to the Commission.

Alternative Action 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 Action Two

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

Option Action 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 Commission's consideration of this 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; Responsible Agency
- 5) Calculation for Fixed Hours for Annexations and Detachments; Lead Agency



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

Schedule of Fees and Deposits

Effective Date: ~~January 1, 2012~~ August 3, 2012

~~The policy of the Commission is:~~ 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 ~~fee~~-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 requests and applications and based on a number of predetermined staff hours. At-cost fees apply to less common requests and applications and based on the number of actual staff hours.

3. 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 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 an 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."

~~2-5~~ Applications will not be deemed complete until the initial fee has been collected by the Executive Officer as detailed in this schedule.

~~3-6~~ 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 an application.

~~4-~~ Initial fees include a fixed number of staff hours as detailed in the fee schedule or are designated as "at cost."

~~5-7~~ Additional ~~Commission~~ staff time shall be charged to the applicant at an hourly rate of ~~\$43~~ 118.00.

~~6-8~~ Applicants are responsible for any extraordinary administrative costs as determined by the Executive Officer and detailed for the applicant in a written statement.

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~~7-9.~~ Additional ~~Commission~~ staff time and administrative costs shall not be charged for city annexation applications ~~that are comprised solely of involving one or more,~~ entire unincorporated island ~~subject to California Government Code Section 56375.3.~~

~~8.~~ If the Executive Officer estimates a proposal will require more than 20 hours staff time to complete, he or she shall provide a written statement to that effect to the applicant and request a deposit in an amount sufficient to cover anticipated costs. ~~If this or any subsequent deposit proves insufficient, the Executive Officer shall provide an accounting of expenditures and request deposit of additional funds.~~

~~9-10.~~ If the processing of an application requires the Commission contract ~~from~~ with another agency ~~or from a private firm,~~ or individual for services ~~that are~~ beyond the normal scope of staff ~~work (such 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.

~~10-11.~~ The Executive Officer may stop work on any ~~proposal application~~ until the applicant submits a requested deposit.

~~11.~~ ~~Written appeal of fees and/or deposits, specifying the reason for the appeal, may be submitted to the Commission prior to the submission of an application or prior to the submission of a deposit requested by the Executive Officer. The appeal will be considered at the next regular meeting of the Commission.~~

12. Upon completion of ~~a project an at-cost application,~~ the Executive Officer shall issue to the applicant a statement detailing all billable expenditures from a deposit, ~~for additional time and materials and.~~ The Executive Officer shall ~~have a refund the~~ applicant for any remaining ~~funds monies remaining from the deposit issued to the applicant~~ 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. 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 applications. Any additional research time will be billed at the hourly rate provided in this schedule.

~~13-15.~~ The Commission shall annually review this schedule to help maintain an appropriate level of cost-recovery.

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INITIAL APPLICATION FEES

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

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Change of Organization or Reorganization: Annexations and Detachments

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<ul style="list-style-type: none"> Projects Exempt from California Environmental Quality Act 	
100% Consent from Landowners and Agencies and the Commission is Responsible <u>or Lead Agency</u>	\$4,068,248 (30 hours)
Without 100% Consent from Landowners and Agencies and the Commission is Responsible <u>or Lead Agency</u>	\$5,424,664 (40 hours)
<ul style="list-style-type: none"> Projects Not Exempt from California Environmental Quality Act / Negative Declaration 	
100% Consent from Landowners and Agencies and the Commission is Responsible Agency	\$4,746,956(35 hours)
<u>100% Consent from Landowners and Agencies and the Commission is Lead Agency</u>	\$7,080 (50 hours)
Without 100% Consent from Landowners and Agencies and the Commission is Responsible Agency	\$6,402,372(45 hours)
<u>Without 100% Consent from Landowners and Agencies and the Commission is Lead Agency</u>	\$8,496 (60 hours)
<ul style="list-style-type: none"> Projects Not Exempt from California Environmental Quality / Environmental Impact Rpt 	
100% Consent from Landowners and Agencies and the Commission is Responsible Agency	\$5,424,424 (40 hours)
<u>100% Consent from Landowners and Agencies and the Commission is Lead Agency</u>	\$7,080 (50 hours)
	plus consultant contract
Without 100% Consent from Landowners and Agencies and the Commission is Responsible Agency	\$6,7807,080 (50 hours)
<u>Without 100% Consent from Landowners and Agencies and the Commission is Lead Agency</u>	\$8,496 (60 hours)
	plus consultant contract

- * All initial application fees for annexation and detachment proposals include a 20% surcharge to contribute to the costs in preparing municipal service reviews.
- * Annexation or detachment proposals that involve boundary changes for two or more agencies and qualify as reorganizations will be charged an additional fee of \$565-90.(5 hours).
- * City annexations involving entire unincorporated islands and subject to California Government Code Section 56375.3 ~~will be charged a flat fee of \$500~~ shall not be charged a fee by the Commission.
- * ~~If the Commission is the Lead Agency and an Initial Study is needed to determine whether a Negative Declaration or Environmental Impact Report is appropriate, applicants will be charged at the hourly staff rate~~

Change of Organization or Reorganization: Other

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<ul style="list-style-type: none"> City Incorporations and Disincorporations 	at-cost
<ul style="list-style-type: none"> Special District Formations, Consolidations, Mergers and Dissolutions 	at-cost
<ul style="list-style-type: none"> Special District Requests to Activate or Deactivate Powers 	at-cost <u>plus 20% MSR surcharge</u>

Other Service Requests

• New or Extended Outside Service Request	*\$ 2,712 - 832 (20 hours)
• Request for Reconsideration	\$ 2,260 - 360 (20 hours)
• Request for Time Extension to Complete Proceedings	\$ 565 - 590 (5 hours)
• Municipal Service Reviews	at-cost
• Sphere of Influence Establishment/Amendment	at-cost

* includes a 20% MSR surcharge

Miscellaneous

• Special Meeting	\$800
• Alternate Legal Counsel	at-cost

OTHER APPLICATION FEES

These fees generally apply to applications 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 application, such as research and photocopying.

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Fees Made Payable to the County of Napa

• Assessor’s Mapping Service	\$125
• County Surveyor’s Review	\$165 hourly
• Elections’ Registered Voter List	\$55 hourly
• Clerk-Recorder’s Environmental Filing Fee	\$50
• Clerk-Recorder’s Environmental Document Fee	
.....Environmental Impact Report	\$2,919
.....Mitigated Negative Declaration	\$2,101.50
.....Negative Declaration	\$2,101.50

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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	\$113 - 118 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 4, 2012 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 4, 2012.

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 3, 2012 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 4, 2012, 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

Composite Hourly Staff Rate Calculation in 2012-2013

Step One: Calculating Hourly Input Rates

Input No. 1: Staff Salaries

<u>Budgeted Position</u>	<u>Hourly Rate</u>	
Executive Officer	\$	54.13 (Step Five 1.0 FTE)
Staff Analyst	\$	32.05 (Step Four: 1.0 FTE)
Secretary	\$	23.24 (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 (Pension)	\$	10.21	\$	5.82	\$	4.24
Retirement (OPEB)	\$	1.95	\$	1.95	\$	3.75
Medicare	\$	0.78	\$	0.46	\$	0.34
Health/Dental Insurance	\$	8.84	\$	4.24	\$	17.72
Workers Compensation	\$	0.19	\$	0.19	\$	0.38
Car Allowance	\$	2.54	\$	-	\$	-
Cell Phone Allowance	\$	0.43	\$	-	\$	-
Total	\$	24.94	\$	12.66	\$	26.42

Input No. 3: Administrative Overhead Costs

<u>Overhead</u>	<u>Total Budget</u>		<u>Hourly Cost</u>	
Office Space	\$	25,560	\$	12.29
Insurance	\$	153	\$	0.07
Communications	\$	3,770	\$	1.81
Legal Expense	\$	22,540	\$	10.84
ITS	\$	25,497	\$	12.26
EDMS Replacement	\$	3,931	\$	1.89
Auditing Services	\$	9,126	\$	4.39
Training	\$	4,000	\$	1.92
Transportation/Travel	\$	4,000	\$	1.92
Memberships	\$	2,248	\$	1.08
Private Mileage	\$	1,000	\$	0.48
Filing Fees	\$	850	\$	0.41
Publications/Notices	\$	1,500	\$	0.72
Special Dept. Expenses	\$	3,500	\$	1.68
Office Supplies	\$	13,500	\$	6.49
Total	\$	121,175	\$	58.26

* Total budget divided by the number of 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>	
Staff Pay	\$	54.13	\$	32.05	\$	23.24
Staff Benefit	\$	24.94	\$	12.66	\$	26.42
Overhead	\$	58.26	\$	58.26	\$	58.26
Total	\$	137.33	\$	102.97	\$	107.91

Step Three: Calculating a Weighted Hourly Staff Rate

<u>Factor</u>	<u>Executive Officer</u>		<u>Staff Analyst</u>		<u>Secretary</u>	
Staff Rate	\$	137.33	\$	102.97	\$	107.91
% Processing Proposal		40.0%		55.0%		5.0%
Weighted Staff Rate	\$		\$		\$	117.58





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

**Fixed Application Fee Calculation for Annexations and Detachments
 (LAFCO as Lead Agency)**

Step	Process	Staff Hours (CEQA: Exemption)		Staff Hours (CEQA: Initial Study/ND)		Staff Hours (CEQA: EIR/ND)	
		With	Without	With	Without	With	Without
		<u>100 % Consent</u>	<u>100% Consent</u>	<u>100% Consent</u>	<u>100% Consent</u>	<u>100% Consent</u>	<u>100% Consent</u>
1	Initial Consultation	1.0	1.0	1.0	1.0	1.0	1.0
2	Receive and Set Up Proposal File	0.5	0.5	0.5	0.5	0.5	0.5
3	Preliminary Proposal Review	1.0	1.0	1.0	1.0	1.0	1.0
4	CEQA Review and Document Preparation	1.0	1.0	15.0	15.0	15.0	15.0
5	Prepare and Circulate Agency Review	2.0	2.0	2.0	2.0	2.0	2.0
6	Prepare and Circulate Property Tax Exchange Notice	1.5	1.5	1.5	1.5	1.5	1.5
7	Prepare and Circulate Request for Registered Voter List	-	3.5	-	3.5	-	3.5
8	Prepare and Circulate Status Letter	2.0	2.0	2.0	2.0	2.0	2.0
9	Prepare and Post Hearing Notice	-	1.5	-	1.5	-	1.5
10	Prepare Staff Report and Resolution	10.0	10.0	12.0	12.0	14.0	14.0
11	Review and Finalize Staff Report and Resolution	2.0	2.0	2.0	2.0	2.0	2.0
12	Prepare and Circulate Certificate of Filing	1.0	1.0	1.0	1.0	1.0	1.0
13	Commission Meeting	0.5	1.0	0.5	1.0	0.5	1.0
14	Prepare and Record Environmental Document	1.5	1.5	1.5	1.5	1.5	1.5
15	Prepare and Circulate Notice of Commission Action	1.0	1.0	1.0	1.0	1.0	1.0
16	Conducting Authority Proceedings	-	5.0	-	5.0	-	5.0
17	Finalize Resolution	1.0	1.0	1.0	1.0	1.0	1.0
18	Prepare and Record Certificate of Completion	1.5	1.5	1.5	1.5	1.5	1.5
19	Prepare and File Boundary Change with SBE	2.0	2.0	2.0	2.0	2.0	2.0
20	Close Proposal File and Index Contents into EDMS	2.0	2.0	2.0	2.0	2.0	2.0
Total Staff Hours:		31.5	42.0	47.5	58.0	49.5	60.0
Total Staff Hours Rounded:		30.0	40.0	50.0	60.0	50.0	60.0

Proposed Fee
 (Applications in which LAFCO serves as a lead agency currently billed on an hourly rate)

Staff Hours @ \$118 Hourly Rate	3,540.00	4,720.00	5,900.00	7,080.00	5,900.00	7,080.00
20% Municipal Service Review Surcharge	708.00	944.00	1,180.00	1,416.00	1,180.00	1,416.00
	\$ 4,248.00	\$ 5,664.00	\$ 7,080.00	\$ 8,496.00	\$ 7,080.00	\$ 8,496.00



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

June 4, 2012

Agenda Item No. 6c (Public Hearing)

May 30, 2012

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Brendon Freeman, Analyst

SUBJECT: Devlin Road/South Kelly Road No. 2 Annexation to American Canyon
The Commission will consider a proposal from the City of American Canyon to annex approximately 1.1 acres of unincorporated territory located southwest of the intersection of Devlin and South Kelly Roads. The affected territory comprises a portion of a legal lot owned and developed with a train track by Southern Pacific Railroad. Staff recommends approval of the proposal with a discretionary amendment to concurrently detach the affected territory from County Service Area No. 4. Staff also recommends approval of a fee waiver request.

Local Agency Formation Commissions (LAFCOs) are responsible under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to regulate the formation and development of local governmental agencies and their municipal services. This includes approving or disapproving proposed changes of organization, such as boundary changes, consistent with adopted policies and procedures pursuant to California Government Code (G.C.) Section 56375. Two or more of these actions in a single proposal are referred to as a reorganization. LAFCOs are authorized with broad discretion in amending and conditioning change of organizations or reorganizations as long as the latter does not directly regulate land uses or subdivision requirements.

A. Discussion

Applicant

American Canyon was incorporated in 1992 as a general-law city. It is approximately 5.5 square miles in size and provides a full range of municipal services directly or through contracts with outside contractors with limited exceptions. American Canyon is the second largest municipality in Napa County and has been one of the fastest growing communities in the entire San Francisco Bay Area with an average annual population increase of 7.6% over the last 10 years. The California Department of Finance estimates American Canyon's population at 19,809 as of January 1, 2012.

Lewis Chilton, Chair
Councilmember, Town of Yountville

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Vice 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, Commissioner
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Applicant Proposal

LAFCO of Napa County (“Commission”) has received a proposal from the City of American Canyon requesting approval to annex approximately 1.1 acres lying within the designated Napa County Airport Industrial Area. The affected territory was added to American Canyon’s sphere of influence as part of a comprehensive update completed in June 2010 and consists of a portion of a legal lot owned by Southern Pacific Railroad and developed with a train track extending north to St. Helena.¹ The approximate center portion of the affected territory now underlies an overcrossing of the train track as part of the recently completed Devlin Road southern extension. The underlying and immediate purpose of the proposal is to eliminate an existing unincorporated corridor substantially surrounded by American Canyon and ensure the City has full control in operating and maintaining Devlin Road south of South Kelly Road.² American Canyon also requests a fee waiver given the proposed boundary change is relatively minor in scope.

Proposed Amendment: Detachment from County Service Area No. 4

In reviewing the application materials, and in consideration of adopted policies, staff has identified and evaluated the merits of one possible amendment to the proposal for Commission consideration. The proposed amendment enforces the policy of the Commission to require all annexations to cities to be reorganized to include concurrent detachment from County Service Area (CSA) No. 4 unless waived based on specific circumstances.^{3 4} The prescribed waiver involves a determination the affected territory has been, or is expected to be, developed to include planted vineyards totaling one acre or more in size. Staff has evaluated this policy relative to the proposal and concludes the waiver does not apply give there is no indication the land has or will be used for vineyard use; all of which substantiates there is no existing or expected connection between the affected territory and CSA No. 4 in providing local public farmworker housing services.

B. Analysis

G.C. Section 56375 delegates LAFCOs the responsibility to approve or disapprove, with or without amendments, proposals for changes of organization consistent with its adopted written policies, procedures, and guidelines. LAFCOs are also authorized to establish conditions in approving proposals as long as they do not directly regulate land uses. Underlying LAFCOs’ determination in approving or disapproving proposed changes of organization is to consider the logical and timely development of the affected agencies in context with statutory objectives and local circumstances.

¹ The County of Napa Assessor’s Office identifies the affected lot as 057-090-057.

² Although substantially surrounded by American Canyon, the affected territory does not qualify as an “island” for purposes of expedited annexation proceedings under LAFCO law given it was created after January 1, 2000.

³ CSA No. 4 was formed in 2002 and includes all unincorporated territory along with certain incorporated territory located within the Cities of Calistoga, Napa, St. Helena, and Yountville. The intent and function of CSA No. 4 is to sponsor a voter-approved assessment on all assessor parcels within its jurisdiction containing one acre or more of planted vineyards for the purpose of funding farmworker housing services.

⁴ Commission General Policy Determination VII/D/3(a).

Required Factors for Review

G.C. Section 56668 requires the Commission to consider certain factors anytime it reviews proposed changes of organization. No single factor is determinative. The purpose in considering these factors is to help inform the Commission in its decision-making process, including whether special conditions to approval are merited. An evaluation of these factors as it relates to the proposal follows.

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

The affected territory is 1.09 acres and undeveloped with respect to no buildings or structures. The affected territory, however, does include physical improvement consisting of an active train track owned and operated by Southern Pacific Railroad and is used to transport freight within the immediate region. There is no expectation that the affected territory will be developed for any other use in the foreseeable future. Topography is relatively flat with an elevation ranging from 42 to 46 feet above sea level. Actual slope has been calculated at less than one degree. The total assessed value is \$0 given the affected territory is owned and operated by a railroad utility and is therefore exempt from property taxes.

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

Public facilities and services currently available or provided within the affected territory are considered basic and include road and law enforcement services from the County and fire protection from the American Canyon Fire Protection District (ACFPD). The affected territory also receives basic services, directly and indirectly, from several countywide special districts relating to vector control, soil conservation, parks and open-space, and flood control.

The present and future need for elevated services within the affected territory is principally limited to elevated road services pertaining to the portion of the affected territory that includes the recently completed Devlin Road overpass. American Canyon appears best positioned compared to the County in providing an appropriate level of road services within the affected territory and is substantiated in the Commission's recently completed municipal service review of the south county region.

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

The proposal would strengthen the social and economic ties existing between the affected territory and American Canyon. These ties were recognized by the Commission in June 2010 in its decision to add the affected territory to American Canyon's sphere of influence as part of a comprehensive update.

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

The Commission has previously determined American Canyon is the logical land use and service provider for the affected territory by including the affected territory within the City's sphere of influence. The annexation and development of the affected territory represents an orderly extension of American Canyon's northern jurisdictional boundary by eliminating an existing unincorporated corridor. Further, annexation is not expected to induce any new development of the affected territory within the foreseeable future nor induce, facilitate, or lead to the conversion of open-space lands as defined under G.C. Section 56377.

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

The affected territory does not qualify as agricultural land under LAFCO law pursuant to G.C. Section 56016.

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

The affected territory comprises an existing and known unincorporated corridor substantially surrounded by American Canyon. The definiteness and certainty of the affected territory is reasonably depicted in the vicinity map prepared by LAFCO staff and attached to this report. Proposal approval would be conditioned on the receipt of a map and geographic description of the affected territory prepared in accordance with State Board of Equalization requirements.

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

The American Canyon General Plan designates the affected territory as *Industrial*. This designation contemplates a broad range of intensive urban uses, including manufacturing, aviation, business parks, agribusiness, warehouses, professional offices, supporting retail, and restaurants. These contemplated land uses are consistent with the County General Plan, which also designates the entire affected territory as *Industrial*. The proposed annexation is also consistent with the County's Airport Area Specific Plan (AIASP) given American Canyon has adopted a rezoning assignment fully incorporating the document's development and design standards for the affected territory.

The Metropolitan Transportation Commission's regional transportation plan (RTP) was updated in April 2009 and outlines specific goals and objectives to direct public transportation infrastructure in the Bay Area through 2035. Significantly, the RTP includes the southern extension of Devlin Road through the affected territory. Annexation approval, accordingly, is consistent with the RTP and expected to improve traffic circulation in the south county region.

8) The sphere of influence of any local agency applicable to the proposal.

The affected territory was added to American Canyon's sphere of influence as part of a comprehensive update adopted by the Commission in June 2010.

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

Staff electronically circulated a summary of the applicant's proposal to annex the affected territory to American Canyon along with accompanying materials for review to all subject local agencies on April 5, 2012. The summary also noted the likelihood staff would recommend amending the proposal to include the concurrent detachment from CSA No. 4. The following comments were received:

- **County of Napa**

Board Chairman Keith Caldwell filed written support for the proposed annexation and referenced the public benefit of ensuring all of the Devlin Road extension lies within one jurisdiction.

10) The ability of the newly formed or receiving entity to provide services, including the sufficiency of revenues.

Existing and contemplated long-term use of the affected territory is not expected to generate any new substantive financial demands on American Canyon. Further, information collected and analyzed in the Commission's recent municipal service review on the southeast county region indicates American Canyon has developed adequate financial resources and controls relative to its current service commitments. Accordingly, no additional analysis appears merited.

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

Existing and contemplated long-term use of the affected territory is not expected to generate any new water demands on American Canyon. No additional analysis appears merited.

12) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 of Chapter 3 of Division 1 of Title 7.

The proposal would not facilitate any new housing development given local land use policies and therefore will not have an impact on American Canyon or the County in meeting their future regional housing needs.

13) Information from landowners, voters, or residents of the affected territory.

The affected landowner – Southern Pacific Railroad – was provided notice of the annexation proposal by way of their parent company, Union Pacific Railroad. No comments were received.

14) Any information relating to existing land use designations.

The County and American Canyon both designate the affected territory as *Industrial*. The following table summarizes contemplated land uses and densities within these respective designations.

Category	American Canyon	County of Napa
Designation	.....Industrial	.....Industrial
Designation Uses	.....Manufacturing	.....Manufacturing
	.....Aviation	.....Warehouses
	.....Agribusiness	.....Processing Facilities
	.....Thematic Industrial	.....Administrative Facilities
	.....Business Park	.....Research Institutions
	.....Warehouses	.....Office/Commercial Uses
	.....Professional Offices	
	.....Supporting Retail	
	.....Restaurants	
	.....Financial Uses	
Lot Density	.....Minimum: N/A	.....Minimum: 0.5 to 40 Acres
Building Density	.....Maximum Coverage: 50%	.....Maximum Coverage: 50%

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

There is no documentation or evidence suggesting the proposal would have a measurable effect with respect to promoting environmental justice.

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

The proposal or any proposed amendments do not involve annexation to any special districts.

Terms and Conditions

Staff proposes the Commission apply standard terms and conditions to the proposal if approved. This includes requiring the applicant to prepare a final map and geographic description identifying the approved boundary changes consistent with the requirements of the State Board of Equalization. Other standard conditions include the applicant submitting a signed indemnification agreement and paying all outstanding fees tied to the proposal. A certificate of completion would not be recorded until all terms are satisfied.⁵ No special terms or conditions are proposed.

Prezoning Assignment

G.C. Section 56375(e) requires cities prezone territory as a precondition to annexation. Accordingly, American Canyon has prezoned the entire affected territory as *SP-2 Napa County Airport Industrial Area Specific Plan*. This prezoning assignment fully incorporates the development and design standards codified in the County's AIASP, including specifying a minimum lot requirement of 5.0 acres. American Canyon may not change the zoning for the affected territory in a manner that does not conform to the prezoning at the time of annexation for a period of two years unless the City Council makes special findings at a noticed public hearing.

Property Tax Agreement

California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement by the affected local agencies before LAFCO can consider any change of organization irrespective of current values. Accordingly, American Canyon and the County have agreed by resolution of their respective boards to a property tax exchange agreement applicable to the proposed action. The agreement specifies American Canyon and the County shall each receive 47.5% of the property tax increment tied to the affected territory with the remaining 5.0% dedicated to ACFPD.

Environmental Review

Discretionary actions by public agencies are subject to the California Environmental Quality Act (CEQA) any time an underlying activity will result in a direct or indirect physical change to the environment. A lead agency has the principal responsibility for carrying out or approving a project consistent with the provisions of CEQA. This includes determining whether the underlying activity qualifies as a project under CEQA.

⁵ State law requires all terms and conditions be satisfied within one calendar year of approval unless a time extension is requested and approved by the Commission. There is no time limit on the length of the extension.

If the activity is determined to be a project, the lead agency must determine if an exemption applies or if additional environmental review is needed, such as preparing an initial study. A responsible agency is accountable for approving an associated aspect of the underlying activity and must rely on the lead agency's determination in making its own CEQA finding.

In adopting a resolution of application, American Canyon designated the County of Napa as lead agency with respect to assessing the environmental impacts tied to the proposal's underlying activity: annexation of the affected territory to the City to assume ongoing maintenance of the Devlin Road overpass. This includes American Canyon finding the underlying activity is consistent with the *Napa Commerce Center Project Initial Study/Addendum* (January 7, 2009) to the *Beringer Wine Estates / Devlin Road Facility Environmental Impact Report* (April 9, 2002). On behalf of the Commission and its duties as a responsible agency, staff has reviewed American Canyon's finding and believes the City has made an adequate determination in considering the impacts tied to the proposal. Accordingly, if the Commission approves the proposal, staff will file a notice of determination with the County Clerk-Recorder's Office.

Conducting Authority Proceedings

The affected territory qualifies as uninhabited and the affected landowner – Southern Pacific Railroad – has not provided any objection to the proposal. Importantly, the Commission is authorized to waive conducting authority proceedings (i.e., protest) for this proposal under G.C. Section 56663(c)(1) so long as the subject agencies (American Canyon and CSA No. 4) do not object and the following two factors are satisfied:

- The Commission has considered the proposal as part of a noticed public hearing.
- Southern Pacific Railroad has not submitted written opposition prior to the conclusion of the Commission's noticed public hearing.

D. Recommendation

Staff recommends the Commission approve the proposal to annex the affected territory to American Canyon with the referenced discretionary amendment to also detach the affected territory from CSA No. 4. Most notably, the recommended reorganization would provide a logical and sensible northern boundary for American Canyon and ensure the City has complete control over ongoing maintenance for the recently completed Devlin Road extension. Staff also recommends the Commission waive its application fee as requested by American Canyon. This latter recommendation is justified given the reorganization represents relatively minor boundary changes and the necessary analysis under State law and local policy has not required the same level of staff resources compared to typical proposals.

E. Alternatives for Commission Action

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

Alternative Action One (Recommended):

Approve the proposal as submitted to annex the affected territory to American Canyon with standard conditions with an amendment to detach the territory from CSA No. 4 and waive the application fee.

Alternative Action Two:

Continue consideration of the item to a future meeting and provide direction for more information if needed.

Alternative Action Three:

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

F. Procedures for Consideration

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

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

Respectfully submitted,

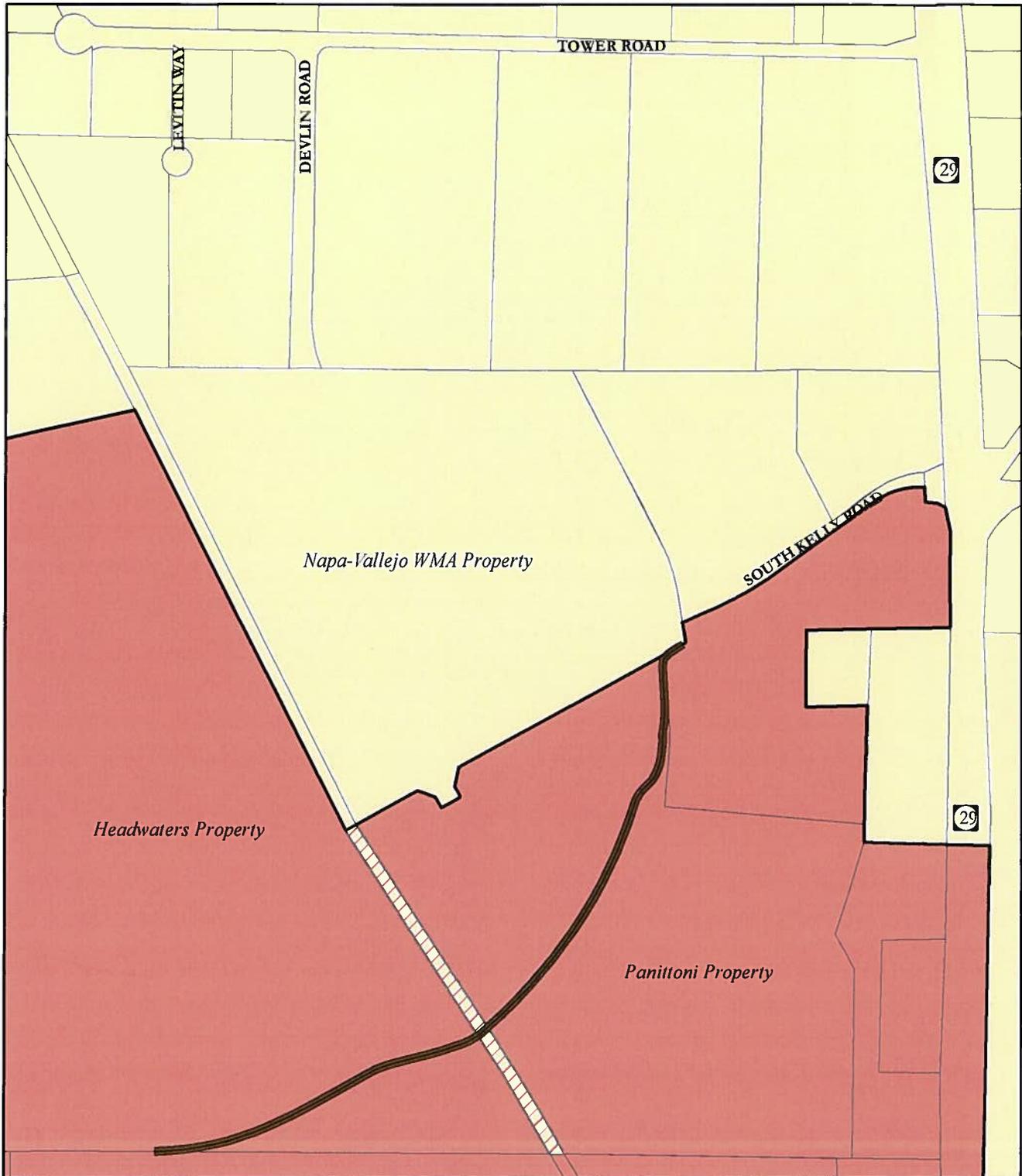
Keene Simonds
Executive Officer

Brendon Freeman
Analyst

Attachments:

- 1) Vicinity Map
- 2) Draft Resolution of Approval
- 3) Application Materials
- 4) Letter of Support from the County of Napa
- 5) Environmental Documents (electronic)

PROPOSED CITY OF AMERICAN
Portion of APN 057-090-05 /



LEGEND

-  City of American Canyon Jurisdictional Boundary
-  City of American Canyon Sphere of Influence
-  Affected Territory
-  Devlin Road Extension (Approximate Location)

Longitude/Latitude	
NW Point :	38.208655 / -122.265494
NE Point :	38.208642 / -122.265317
SW Point :	38.204665 / -122.262922
SE Point :	38.204761 / -122.26729



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

RESOLUTION NO. _____

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

DEVLIN ROAD/SOUTH KELLY ROAD NO. 2 REORGANIZATION

WHEREAS, the City of American Canyon, by resolution of application, has filed a proposal with the Executive Officer of the Local Agency Formation Commission of Napa County, hereinafter referred to as the “Commission,” pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000;

WHEREAS, the proposal seeks annexation of 1.09 acres of land to the City of American Canyon, which represents a portion of a legal lot identified by the County of Napa Assessor’s Office as 057-090-057;

WHEREAS, the Executive Officer reviewed the proposal and prepared a report with recommendations;

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

WHEREAS, the Commission heard and fully considered all the evidence presented at a public meeting held on the proposal on June 4, 2012; and

WHEREAS, the Commission considered all the factors required by law under Government Code Section 56668 and adopted local policies and guidelines.

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

1. The Commission, as responsible agency, certifies it has reviewed and considered the environmental determinations prepared by the designated lead agency – County of Napa – concerning potential impacts associated with the proposal in accordance with the California Environmental Quality Act (CEQA). This specifically involves the County of Napa adopting the *Napa Commerce Center Project Initial Study/Addendum* (January 7, 2009) to the *Beringer Wine Estates/Devlin Road Facility Environmental Impact Report* (April 9, 2002), which assessed the environmental impacts tied to the annexation of the affected territory to the City of American Canyon to assume ongoing maintenance of the Devlin Road overpass. The adoption of the Addendum readopts the CEQA findings contained in County of Napa Resolution No. 02-72. The Commission hereby makes and incorporates by reference the environmental determinations of the County of Napa as set forth in the referenced resolution. The Commission’s findings are based on its independent judgment and analysis. The records upon which these findings are made are located at the Commission office at 1030 Seminary Street, Suite B, Napa, California.
2. The proposal is APPROVED with the following modification:

- a) The affected territory (1.09 acre portion of 057-090-057) is concurrently detached from County Service Area No. 4.
3. The proposal is assigned the following distinctive short-term designation:
- DEVLIN ROAD/SOUTH KELLY ROAD NO. 2 REORGANIZATION**
4. The affected territory is shown in the vicinity map provided in Exhibit “A”.
5. The affected territory is uninhabited as defined in Government Code Section 56046.
6. The City of American Canyon utilizes the regular assessment roll of the County of Napa.
7. Upon effective date of the proposal, the affected territory will be subject to all previously authorized charges, fees, assessments, and taxes that were lawfully enacted by the City of American Canyon. The affected territory will also be subject to all of the rates, rules, regulations, and ordinances of the City.
8. The Commission authorizes conducting authority proceedings to be waived in accordance with Government Code Section 56663(c)(1).
9. The Commission waives the application fee associated with the proposal.
10. Recordation is contingent upon receipt by the Executive Officer of the following:
- (a) A map and geographic description of the affected territory determined by the County Surveyor to conform to the requirements of the State Board of Equalization for annexation to the City of American Canyon.
 - (b) Payment of any outstanding fees owed to other agencies involved in the processing of this proposal.
 - (c) An indemnification agreement signed by the City of American Canyon in a form provided by the Commission Counsel.
11. The effective date shall be the date of recordation of the Certificate of Completion.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on June 4, 2012, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

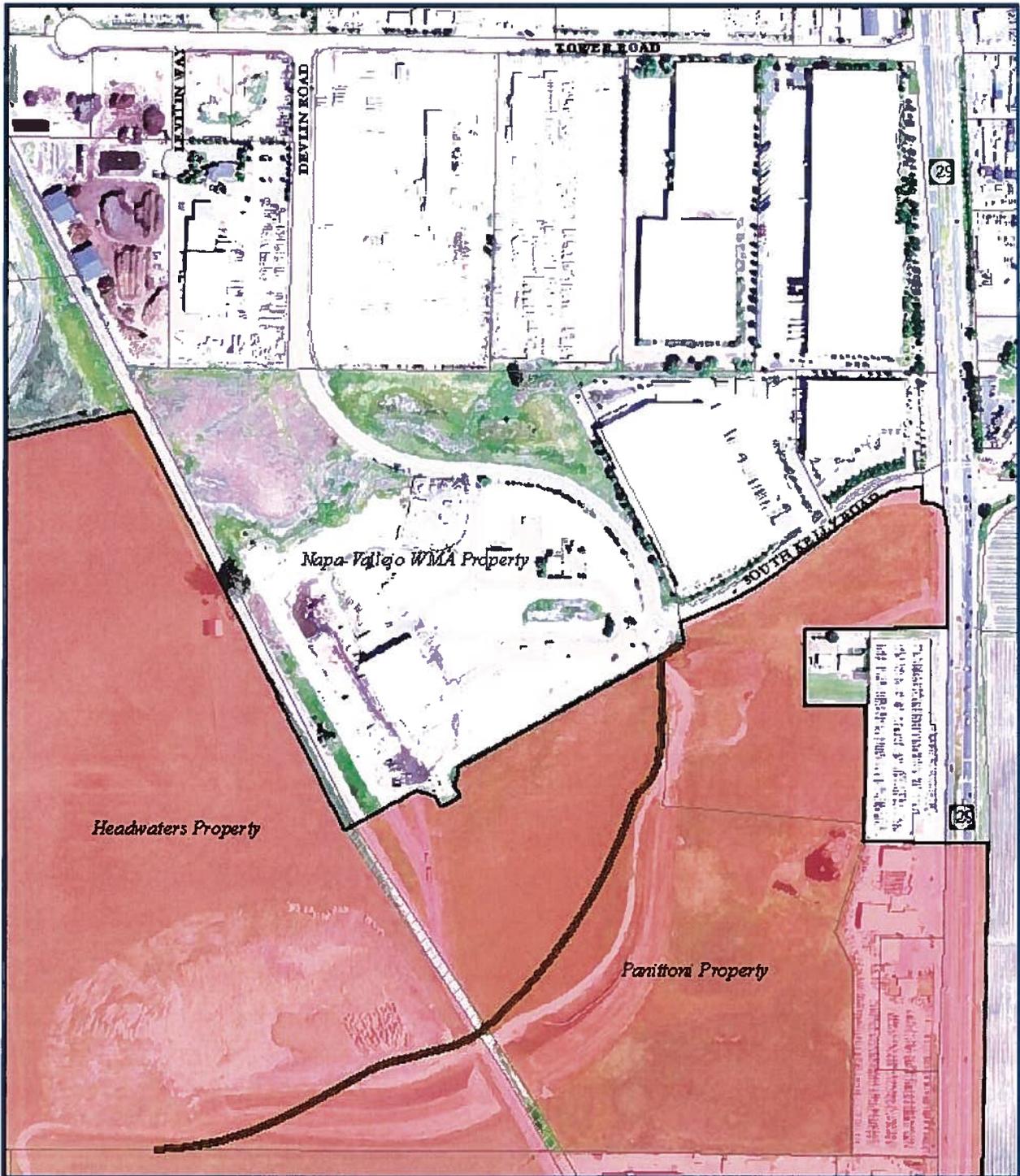
ABSTAIN: Commissioners _____

ABSENT: Commissioners _____

ATTEST: Keene Simonds
Executive Officer

Recorded by: _____
Kathy Mabry
Commission Secretary

EXHIBIT A



DRAFT

RESOLUTION #2012- 19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AMERICAN CANYON AUTHORIZING AN APPLICATION TO THE NAPA COUNTY LOCAL AGENCY FORMATION COMMISSION (LAFCO) TO ANNEX 1,200 FEET OF RAILROAD PROPERTY (APPROXIMATELY 1.09 ACRES) BISECTED BY DEVLIN ROAD IN THE NAPA AIRPORT INDUSTRIAL PARK (PORTION OF APN 057-090-057)

WHEREAS, In July 2008, the City of American Canyon and Napa County entered into an agreement whereby the City of American Canyon agreed to streamline its water service regulations in return for the County's agreement to amend the City's Rural-Urban Limit Line and support City annexation of the Panattoni, Headwaters, and Atkins properties; and

WHEREAS, the Union Pacific Railroad is located between the Headwaters and Panattoni property; and

WHEREAS, Devlin Road has been constructed across the Headwaters and Panattoni properties and an overpass has been built at the location Devlin Road crosses the railroad property; and

WHEREAS, annexation of 1,200 feet of railroad property would add 1.09 acres to the City and American Canyon Fire Protection District; and

WHEREAS, annexing the railroad property that separates the Headwaters and Panattoni property would simplify a Union Pacific Railroad agreement that allows Devlin Road to cross over railroad property by designating the City and not the County as the jurisdiction responsible for the railroad overcrossing; and

WHEREAS, Napa County has provided written support for the proposed annexation; and

WHEREAS, annexation of the railroad property is consistent with an Addendum to the Beringer Wine Estates EIR certified on 4/9/02 and 1/7/09.

NOW, THEREFORE, the City Council of the City of American Canyon does hereby RESOLVE AS FOLLOWS:

SECTION 1. ANNEXATION APPLICATION

That staff is authorized to submit an application to the Napa County Local Agency Formation Commission to request annexation of approximately 1.09 acres of Union Pacific Railroad property into the City of American Canyon (portion of APN 057-090-057).

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of American Canyon on March 20, 2012 by the following vote:

- MAYOR GARCIA:**
- VICE MAYOR COFFEY:**
- COUNCILMEMBER B. BENNETT:**
- COUNCILMEMBER J. BENNETT:**
- COUNCILMEMBER JOSEPH:**

Yes
Yes
Yes
Yes
Yes

Leon Garcia
Leon Garcia, Mayor

ATTEST:

Rebekah Barr
Rebekah Barr, MMC,
City Clerk

APPROVED AS TO FORM:

William D. Ross
William D. Ross,
City Attorney

FORM D

Date Filed: _____
 Received By: _____

JUSTIFICATION OF PROPOSAL
 Change of Organization/Reorganization

I. APPLICANT INFORMATION

A. Name: BRENT COOPER, COMMUNITY DEVELOPMENT DIRECTOR, CITY OF AMERICAN CANYON
 Contact Person Agency Business (If Applicable)

Address: 4381 BROADWAY STREET, #201, AMERICAN CANYON CA 94503
 Street Number Street Name City Zip Code

Contact: 707-647-4352 3400REL@CITYOFAMERICANCANYON.ORG
 Phone Number Facsimile Number E-Mail Address

B. Applicant Type: (Check One)

Local Agency Registered Voter Landowner

II. PROPOSAL DESCRIPTION

A. Affected Agencies:

CITY OF AMERICAN CANYON / 4381 BROADWAY STREET, #201, AMERICAN CANYON CA, 94503
 Name Address

AMERICAN CANYON F.P.D. / 911 DOWNSBORO WAY, AMERICAN CANYON, CA 94503
 Name Address

Name Address

Use Additional Sheets as Needed

B. Proposal Type: (Check as Needed)

Annexation Detachment City Incorporation District Formation

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

C. Purpose Statement: (Specific)

AMERICAN CANYON PROPOSES THE CONCURRENT ANNEXATION OF AN APPROXIMATE 1.09 ACRE STRIP OF A CEVAL PARCEL (#057-090-057) TO THE CITY + DISTRICT TO COORDINATE PLANNING / MAINTENANCE OF THE PEVLIN ROAD EXTENSION. AFFECTED LAND IS LOCATED IN BOTH CITY + DISTRICT'S SPHERES.

III. GENERAL INFORMATION

A. Location:

Street Address: _____ Assessor Parcel Number: PORTION OF 057-090-057 Acres: 1.09 1/2

Street Address: _____ Assessor Parcel Number: _____ Acres: _____

Street Address: _____ Assessor Parcel Number: _____ Acres: _____

Street Address: _____ Assessor Parcel Number: _____ Acres: _____

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

B. Landowners:

(1) Assessor Parcel Number : 057-090-057 Name: SOUTHERN PACIFIC R/R
Mailing Address: 36 BOX 2500 BLOOMFIELD CO 80038-2500

Phone Number: _____ E-mail: _____

(2) Assessor Parcel Number : _____ Name: _____

Mailing Address: _____

Phone Number: _____ E-mail: _____

(3) Assessor Parcel Number : _____ Name: _____

Mailing Address: _____

Phone Number: _____ E-mail: _____

(4) Assessor Parcel Number : _____ Name: _____

Mailing Address: _____

Phone Number: _____ E-mail: _____

Use Additional Sheets As Needed

C. Population:

(1) Total Number of Residents: _____ 0

(2) Total Number of Registered Voters: _____ 0

IV. GOVERNMENTAL SERVICES AND CONTROLS

A. Plan For Providing Services:

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

CITY + DISTRICT WILL ASSUME LAND USE + EMS
PROVISION FOR AFFECTED TERRITORY, INCLUDING
25-FOOT BRIDGE THAT WILL FLY-OVER AREA AS PART
OF THE SOUTHERN EXTENSION OF DEVLIN ROAD

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

CONSISTENT W/ EXISTING SERVICE LEVELS PROVIDED
BY CITY + DISTRICT FOR SURROUNDING LANDS

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

IMMEDIATELY UPON ANNECTION

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

THE PLANNED + CURRENT EXTENSION OF DEVLIN
ROAD WILL PROVIDE THE CITY + DISTRICT WITH
VEHICLE ACCESS TO AFFECTED TERRITORY.

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

CURRENT CONSTRUCTION OF THE DEVLIN ROAD EXTENSION -
INCLUDING 25 FT FLYOVER BRIDGE ON AFFECTED TERRITORY -
← BEING FINANCED THROUGH DEVELOPER FEES.

V. ENVIRONMENTAL INFORMATION

A. Environmental Analysis

(1) Lead Agency for Proposal: AMERICAN CANYON
Name

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

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

w/ ADDENDUM = COUNTY EIR/
BERINGER WINE ESTATES
4/1/02 + 1/7/09

Provide Copies of Associated Environmental Documents

VI. ADDITIONAL INFORMATION

A. Approval Terms and Conditions Requested For Commission Consideration:

Use Additional Sheets As Needed

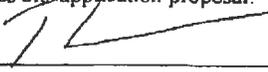
B. Identify Up to Three Agencies or Persons to Receive Proposal Correspondence:

- (1) Recipient Name: BREAST COOPER, CITY OF AMERICAN CANYON
Mailing Address: 1331 BROADWAY STREET, #29, AMERICAN CANYON, CA 94933
E-Mail: BCOOPER@CITYOFAMERICANCANYON.CA.GOV
- (2) Recipient Name: GLENN WEEKS, AMERICAN CANYON F.D.D
Mailing Address: 911 DOWNSON WAY, AMERICAN CANYON, CA 94933
E-Mail: GLENNW@AMCANFIRE.COM
- (3) Recipient Name: _____
Mailing Address: _____
E-Mail: _____

VII. CERTIFICATION

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

Signature:



Printed Name:

Brent Cooper

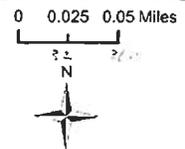
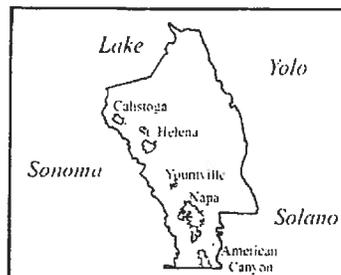
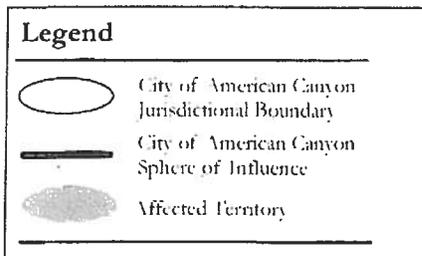
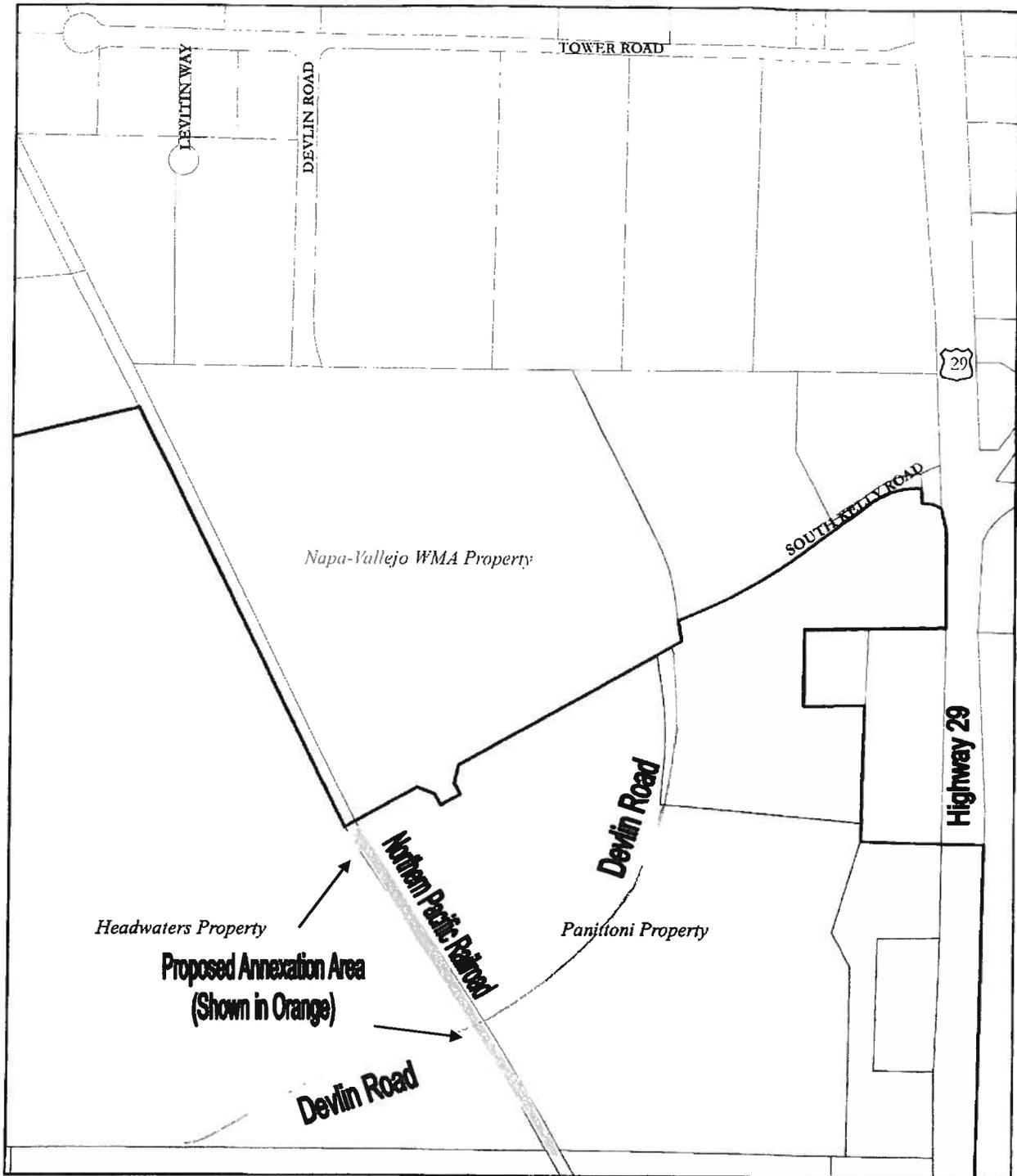
Title:

Community Development Director

Date:

1/24/12

PROPOSED ANNEXATION Portion of APN 057-090-057



LAFCO of Napa County
 1700 Second Street, Suite 268
 Napa, California 94559
<http://napa.lafco.ca.gov>

ATTACHMENT FOUR



A Tradition of Stewardship
A Commitment to Service

Board of Supervisors
1195 Third St.
Suite 310
Napa, CA 94559
www.countyofnapa.org

Main: (707) 253-4421
Fax: (707) 253-4176

Keith Caldwell
Chairman

March 1, 2012

Ms. Dana Shigley
City Manager
4381 Broadway, Suite 201
City of American Canyon, CA 94503

Subject: Proposed LAFCO application by American Canyon to annex 1.09 acres of railroad property in the Napa Airport Industrial Park

Dear Ms. Shigley:

It has come to our attention that when the Napa County Local Agency Formation Commission (LAFCO) certified the annexation of the Headwaters and Panattoni properties in the Napa Airport Industrial Area, it excluded the railroad property that separates these two properties. Now that Devlin Road has been constructed south of South Kelley Road, the at-grade roadway is in the City, but the bridge over the railroad remains in the County. The combined city/county designation of Devlin Road complicates the roadway overpass agreement with Union Pacific Railroad Company.

To remedy this problem, we understand that the City intends to submit an annexation to LAFCO to annex approximately 1.09 acres of railroad property to eliminate the gap in city boundary between the Headwaters and Panattoni properties. We support the City's efforts to submit a LAFCO application to clean up the border between the City and County. In addition, the Board of Supervisors is scheduled on March 13 to consider a modification to the City/County revenue tax sharing agreement to include the 1.09 acres of railroad property.

If you have any questions, please contact Larry Florin, Director of Community and Intergovernmental Affairs, at (707) 253-4621.

Sincerely,

Handwritten signature of Keith Caldwell in black ink.

Keith Caldwell, Chairman
Napa County Board of Supervisors

cc: Keene Simonds, Napa County LAFCO

Brad Wagenknecht
District 1

Mark Luce
District 2

Diane Dillon
District 3

Bill Dodd
District 4

Keith Caldwell
District 5



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

1030 Seminary Street, Suite B
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<http://www.napa.lafco.ca.gov>

June 4, 2012

Agenda Item No. 6d (Public Hearing)

May 29, 2012

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Brendon Freeman, Analyst

SUBJECT: Municipal Service Review on Countywide Law Enforcement Services
The Commission will consider formally accepting a final report on its scheduled municipal service review on countywide law enforcement services. The report examines the availability and adequacy of local law enforcement services relative to the Commission's mandates to facilitate orderly growth and development. This includes making determinative statements on specific governance and service factors prescribed under law. No substantive changes have been made to the report since its draft presentation in April. The Commission will also consider adopting a resolution confirming the determinative statements in the report.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 directs Local Agency Formation Commissions (LAFCOs) to prepare municipal service reviews every five years to inform their other planning and regulatory activities. This includes, most notably, preparing and updating all local agencies' spheres of influence as needed. Municipal service reviews vary in scope and can focus on a particular agency, service, or geographic region as defined by LAFCOs. Municipal service reviews may also lead LAFCOs to take other actions under its authority such as forming, consolidating, or dissolving one or more local agencies. Municipal service reviews culminate with LAFCOs making determinations on a number of governance-related factors that include addressing infrastructure needs or deficiencies, growth and population trends, and financial standing consistent with California Government Code Section 56430.

A. Discussion

Countywide Law Enforcement Services

Consistent with LAFCO of Napa County's ("Commission") adopted study schedule, staff has been working on a municipal service review on law enforcement services provided throughout Napa County. The municipal service review's principal objective is to develop and expand the Commission's knowledge and understanding of the current and planned provision of local law enforcement services relative to present and projected needs throughout the county. This includes, in particular, evaluating the availability and adequacy of law enforcement services provided – directly or indirectly – by the six

Lewis Chilton, Chair
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County of Napa Supervisor, 1st District

Brian J. Kelly, Commissioner
Representative of the General Public

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Councilmember, City of American Canyon

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

principal local service providers operating in Napa County subject to Commission oversight. These agencies include: (a) City of American Canyon; (b) City of Calistoga; (c) City of Napa; (d) City of St. Helena; (e) Town of Yountville; and (f) County of Napa. The Commission will use the municipal service review to inform its decision-making as it relates to performing future sphere updates for the affected agencies as well as evaluating future jurisdictional changes throughout the county.

Final Report

Staff has completed a final report on the municipal service review for Commission acceptance. The final report is nearly identical to an earlier draft presented for discussion at the April 2, 2012 meeting and subsequently circulated for a 30-day public review period. One formal comment was received on the draft from the County of Napa providing a technical clarification regarding the planned development of a new jail facility and addressed accordingly in the final report. Other informal comments – including from the affected agencies – were also provided on the draft and published in local newspaper articles. Copies of these comments are attached to the final report.

B. Analysis / Summary

With regards to central issues identified, and as detailed in the Executive Summary, the final report asserts local law enforcement services are effectively managed and largely responsive in meeting current community needs; needs that distinctively vary throughout the region based on policies, preferences, and demographics. The final report notes overall crime levels in Napa County are trending downward and the most serious offenses – violent – have decreased by nearly 20% over the last five reported years. Nonetheless, the final report identifies three prominent issues underlying local law enforcement services directly relevant to the Commission’s mandates in facilitating orderly municipal growth and development as summarized below.

- **Approaching Tipping Point**

The final report substantiates there is an increasing fiscal pressure on local law enforcement agencies in keeping up with baseline costs; costs that are predominantly dependent on an increasingly scarce source of general tax revenues. This dynamic – funding rising baseline costs through stretched general fund monies – suggests there may be an approaching “tipping point” in which current service levels will no longer be sustainable given agencywide considerations. This latter comment is particularly applicable to the two north county cities – Calistoga and St. Helena.

- **Growth Matters**

The final report demonstrates there are two important correlations between growth and crime in Napa County. First, crime totals over the last five reported years for each of the six affected agencies generally correspond with resident population changes. This point is highlighted by American Canyon having experienced relatively matching changes in both population (32%) and crime (40%). Put another way, more growth brings more crime. Second, higher densities generally produce higher crime rates. This point is illustrated by comparing Calistoga and St. Helena given both have relatively similar resident population amounts, but have averaged dramatically different annual crime totals at 30 and 18 reported incidents for every 1,000 residents, respectively. The exceedingly high number of average annual crimes in Calistoga compared to St. Helena appears most attributed to the former's resident density being nearly double the latter.

- **More than Economies of Scale**

The final report draws attention to significant geographic distinctions in local law enforcement services between north and south county cities relative to costs, demands, and other key considerations; distinctions that appear fueled in part, *but not exclusively*, by economies of scale (emphasis added). These distinctions include the north county cities – Calistoga and St. Helena – averaging between 60% and 100% more in sworn staffing expenditures and service calls than the two south county cities – American Canyon and Napa – on a per capita measurement. Average clearance rates overall in the south county cities are also notably higher.

Additionally, and drawing from the three preceding central issues, the final report includes measured recommendations aimed at generating additional discussion on perceived opportunities to improve local law enforcement services going forward. These recommendations fall short of prescribing specific actions, but memorialize areas the Commission believes warrant further review with the intention of reevaluating if and when considering any future boundary/service changes involving the affected communities. This includes – most notably – encouraging collaboration between Calistoga and St. Helena as it relates to animal control, dispatch, and eventually looking at merging their respective law enforcement services through a joint-authority or contracting with the County Sheriff.

C. Recommendation

Staff recommends the Commission formally accept the final report with any desired changes or edits as identified by members. Staff also recommends the Commission adopt the attached draft resolution confirming the determinative statements in the report. Markedly, in doing so, the Commission will make explicit policy statements encouraging Calistoga and St. Helena to begin working towards the consolidation of law enforcement services along with other matters summarized in the preceding section.

D. Alternatives for Action

The following alternative actions are available to the Commission.

Alternative Action One (Recommended)

Approve a motion to formally accept the final report with any desired changes and adopt the attached draft resolution confirming the determinative statements contained therein.

Alternative Action Two

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

E. Procedures for Consideration

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

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

Respectfully submitted,

Keene Simonds
Executive Officer

Brendon Freeman
Analyst

Attachments:

- 1) ~~Final Report~~ (Please visit the "Staff Reports" or "Studies" page to view the Final Report)
- 2) Draft Resolution Approving Determinative Statements in Final Report



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June 4, 2012
Agenda Item No. 7a (Action)

May 29, 2012

TO: Local Agency Formation Commission

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

SUBJECT: Continuation: Proposed Strategic Plan for 2012-2014

The Commission will continue consideration of a two-year strategic plan prepared by the Policy Committee. The strategic plan outlines goals and implementing strategies based on Commissioner comments provided at the most recent biennial workshop. The strategic plan was initially presented at the April meeting and continued to allow for public review. No comments were received.

Local Agency Formation Commissions (LAFCOs) are political subdivisions of the State of California responsible for regulating the formation and development of local governmental agencies under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Commonly exercised regulatory powers include creating and expanding cities and special districts for purposes of facilitating orderly urban growth. LAFCOs are required to inform their regulatory actions through various planning activities, namely preparing municipal service reviews and sphere of influence updates every five years. All regulatory actions undertaken by LAFCOs may be conditioned and must be consistent with their written policies and procedures.

A. Background

LAFCO of Napa County (“Commission”) held a special meeting to conduct its biennial workshop at the Yountville Town Hall on November 21, 2011. The workshop’s single agenda item was to discuss the current and future role of the Commission for purposes of informing the subsequent development of the agency’s first strategic plan. Specific focus included discussing the Commission’s core objectives, key challenges, and near-term goals over the next two years. An outside consultant – Alta Mesa Group – facilitated the discussion. All Commissioners and staff were present with the exception of then Vice Chair Chilton due to an excused absence.

A written summary of the central comments made at the biennial workshop was presented to the Commission at its February 6, 2012 regular meeting. The Commission received the written summary without requesting any changes or clarifications. The Commission also directed the Policy Committee (Luce, Rodeno, and Simonds) to prepare a two-year strategic plan for consideration at a future meeting.

Lewis Chilton, Chair
Councilmember, Town of Yountville

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

Brian J. Kelly, Commissioner
Representative of the General Public

Joan Bennett, Commissioner
Councilmember, City of American Canyon

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. Discussion

The Committee has prepared the attached proposed two-year strategic plan for Commission approval. The strategic plan was initially presented at the April 2, 2012 meeting and continued by the Commission to allow for public review and comment. Accordingly, staff circulated a 30-day notice of review on the strategic plan to all local governmental agencies. Staff also posted the notice of review on the Commission website. No comments were received.

The Committee returns to the Commission with the proposed strategic plan for approval. The strategic plan is entirely intact from its initial presentation at the April meeting and comprises three interrelated sections divided between (a) vision statement, (b) near-term goals, and (c) implementing strategies. A summary of the principal components underlying each of these three sections follows.

- **Vision Statement**

This section orients the Commission to focus its “footprint” in administering LAFCO law in a manner responsive to local character and conditions. This section also outlines three core values – professional, principled, and reasonable – in directing and evaluating all Commission actions.

- **Near-Term Goals**

This section identifies five near-term goals paired with “big-picture” action statements in supporting the vision statement. The first goal directs the Commission to focus its activities – external and internal – on improving service efficiencies. The second goal directs the Commission to proactively expand the use and relevance of the municipal service reviews in tackling issues of local interest/importance. The third goal directs the Commission to emphasize partnering with local agencies in coordinating planning activities. The fourth and fifth goals direct the Commission to participate in regional and statewide discussions impacting local agencies and services as well as improve the general public’s understanding of the agency and its various functions.

- **Implementing Strategies**

This section identifies implementing strategies in achieving all five near-term goals. A total of 10 strategies are listed; all of which have been drafted with particular focus on performance measurement. A summary follows.

Improve Service Efficiencies

- Prepare a cost-analysis to transition agenda packets to electronic tablets.
- Expand website to allow for online applications and updates.

Expand Use and Relevance of Municipal Service Reviews

- Establish formal process in soliciting scoping comments on studies.
- Conduct scoping workshop for pending study on central county region.

Renew and Strengthen Coordination with Local Governmental Agencies

- Invite local agencies to present current/future planning activities.
- Present updates to local agencies on current/planned activities.
- Prepare an informational report on local school districts and boards.

Anticipate and Evaluate Regional/Statewide Issues

- Prepare an informational report on private water companies.
- Provide annual reports on relevant ABAG and MTC's activities.

Improve the Public's Understanding the Commission

- Prepare annual agency newsletters for public distribution.

C. Analysis

The Committee believes the proposed strategic plan provides an effective map for the Commission over the next two years in guiding agency activities in a manner consistent with the collective preference of the *current* members (emphasis added). Moreover, the proposed strategic plan helps to establish a public performance measurement for the Commission in reconciling goals with actions for review and reset at the agency's biennial workshops. This includes, among other items, producing two reports at the end of the affected period aimed at expanding the Commission's informational base as it relates to tying local school resources and private water services with facilitating orderly municipal growth and development.

D. Alternatives for Action

The following alternative actions are available to the Commission.

Alternative Action One (Recommended):

Approve the proposed strategic plan with any desired changes as identified by members.

Alternative Action Two:

Continue consideration of the item to a future meeting with any additional information as requested by members.

Alternative Action Three:

Take no action.

E. Recommendation

It is recommended the Commission adopt the proposed strategic plan as contemplated in the preceding section as Alternative One. The adoption of the proposed strategic plan is consistent with the expressed preferences of the Commission in exercising its regulatory and planning duties in a proactive and transparent manner.

F. Procedures for Consideration

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

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

Respectfully submitted on behalf of the Committee,

Keene Simonds
Executive Officer

Attachments:

- 1) Memorandum on Strategic Planning Workshop
- 2) Proposed Strategic Plan



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

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

MEMORANDUM

June 4, 2012

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Report on the Strategic Planning Workshop

The Commission held its biennial workshop at the Yountville Town Hall on November 21, 2011. The purpose of the workshop was to discuss the current and future role of the Commission and inform the subsequent development of the agency's first strategic plan. The workshop was divided into five overlapping exercises. The first two exercises served as orientation activities with participants sharing personal lessons on leadership followed by identifying expectations for the workshop. Significantly, with regards to the latter activity, there appeared to be general consensus among participants to begin using the biennial workshops to "map" or "vision" agency objectives as part of reoccurring two-year strategic plans. The last three exercises consumed the majority of the workshop and involved participants identifying what they believe the Commission's (a) core objectives, (b) key challenges, and (c) near-term goals to be over the next two years. A summary of the comments provided during these three latter exercises follows.

Core Objectives

Participants were asked to identify what they believe should be the Commission's core objectives in administering LAFCO law in Napa County. The following responses (paraphrased) were recorded sequentially.

- Role should be similar to a credit rating agency; identify what works; identify what does not work; and identify what could work better.
- Continue to provide independent oversight; value/strengthen independent role.
- Think "big picture."
- Focus on service efficiencies in studies.
- Emphasize service sustainability/resiliency in studies; ask "what if" questions.
- Particular attention is needed in overseeing small unincorporated communities in Napa County given the lack of community resources.
- Studies should explore more reorganization (structural and functional) opportunities to make governmental services more efficient and resilient.
- Facilitate cooperation and mediate conflict among local agencies.
- Resolve local conflicts with a set of higher standards and priorities.

Lewis Chilton, Chair
 Councilmember, Town of Yountville

Joan Bennett, Commissioner
 Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner
 Councilmember, City of Napa

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

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 County of Napa Supervisor, 2nd District

Brian J. Kelly, Commissioner
 Representative of the General Public

Gregory Rodeno, Alternate Commissioner
 Representative of the General Public

Keene Simonds
 Executive Officer

Key Challenges

Participants were asked to identify what they believe are the key challenges in the Commission fulfilling its core objectives in Napa County. The following responses (paraphrased) were recorded sequentially.

- Wearing a “LAFCO” hat; considering actions before the Commission involving members’ appointing authorities.
- Navigating through local conflicts.
- Balancing “processes” with “outcomes.”
- Scaling problem solving efforts to address fixable issues; avoid “black-holes.”
- Staying flexible; knowing when to defer to local conditions.
- Avoid breaking in bending to local conditions; precedents matter.
- Staying on course; need a consistent vision for the agency; ground rules need to be set and maintained to guide local agencies and general public.

Near-Term Goals

Participants were asked to identify near-term goals for the Commission consistent with its core objectives and perceived challenges as discussed earlier in the workshop. The following responses (paraphrased) were recorded sequentially.

- Expand the use and relevance of municipal service reviews by focusing how local governmental services can be more efficient and resilient.
- Proactively explore opportunities for governmental organizational changes (structural and functional) under LAFCOs authority; law enforcement cited.
- Establish more “anticipatory” discussions between Commissioners and staff in preparing studies with respect to key policy, service, and governance issues; utilize Commissioners in preparing determinations.
- Prioritize water and transportation issues; serve as a leader in these areas.
- Schedule study/informational sessions with local agencies; invite land use authorities to give presentations on key planning activities.
- Consider orienting spheres of influence to time-horizons (i.e., 5, 10, 20 years).
- Improve coordination with school districts.



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

Strategic Plan 2012-2014

Vision Statement

Provide effective oversight of local government agencies and their municipal service consistent with the tenets and ideals of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and in a manner responsive to local character and circumstances. The Commission will strive diligently to achieve this vision by emphasizing the following core values at all times.

a) Professional

The Commission will be accountable and transparent in developing, implementing, and communicating its policies, procedures, and programs.

b) Principled

The Commission will maintain a higher set of standards in fulfilling its prescribed duties and responsibilities with integrity and fairness in facilitating orderly growth.

c) Reasonable

The Commission will be objective in its decision-making with particular focus in considering the “reasonableness” of all potential actions before the agency.

Goals and Strategies

The Commission’s goals supporting its vision statement along with corresponding implementation strategies for the 2012-2014 planning period follow.

1. Improve Service Efficiencies

The Commission shall focus its prescribed duties and responsibilities in assisting local governmental agencies in pursuing efficiencies relative to available resources to reduce costs and enhance services. The Commission, accordingly, will lead by example and use creativity and innovation in improving its own service efficiencies by doing more with less for the benefit of both local funding agencies and the general public. This includes:

- a) Prepare a cost-benefit analysis for the Commission to purchase electronic tablets for purposes of converting all agenda packets to digital-only copies.
- b) Expand the use of the Commission website to allow applicants to submit all required proposal forms on-line. The website should also be expanded to allow each applicant to log-in with a personal password to check the status of their proposal.

2. Expand Use and Relevance of Municipal Service Reviews

The Commission shall proactively expand the use and relevance of municipal service reviews by focusing on issues of local significance within each affected community. This includes:

- a) Formally invite all affected local agencies and the general public to submit comments on governance and service related issues for consideration before the start of each scheduled municipal service review. Include a summary of the comments received along with staff responses in the final report.
- b) Conduct a scoping workshop for the pending central county municipal service review (City of Napa, Napa Sanitation District, Silverado Community Services District, and Congress Valley Water District) to help inform the report's direction and focus on specific areas of analysis as it relates to potential sphere of influence changes.

3. Renew and Strengthen Coordination with Local Governmental Agencies

The Commission shall fulfill its prescribed duties and responsibilities in partnership with local governmental agencies. To this end, and given the significant change in boards, councils, directors, and senior staff over the last several years, the Commission shall make a concerted effort to renew and strengthen its coordination with local agencies to help ensure appropriate communication relative to current and planned activities exists. This includes:

- a) Invite the County of Napa, cities, and special districts to make individual presentations to the Commission summarizing their current and future planning activities. Presentations will be scheduled by the Executive Officer and subject to the Chair's approval.
- b) Present formal updates to the County of Napa, cities, and special districts on current and future activities relevant to the affected agency. Updates should be scheduled in consultation with the affected agency's director/manager.
- c) Prepare a report for Commission use on local school districts and boards. The report shall be prepared in consultation with the affected agencies and address, among other items, the relationship between current/planned growth and school resources. The report shall also be distributed to all local agencies for review and file.

4. Anticipate and Evaluate Regional and Statewide Issues Impacting Municipalities and their Services

The Commission shall participate and provide, as appropriate, its expertise and perspective in regional and statewide discussions on critical issues that have the potential for significantly affecting local municipalities and their services. The Commission shall also, as appropriate, assume a leadership role in convening discussions among multiple stakeholders on critical service and growth issues affecting Napa County. This includes:

- a) In conjunction with Assembly Bill 54, prepare a report on private water companies operating in Napa County. The report shall be limited initially to identifying the location, service area, and general service capacity/demand of each private water company and distributed to all local agencies for their review and file.
- b) Actively follow the Association of Bay Area Governments and Metropolitan Transportation Commission. Provide annual reports on these agencies' current and planned activities as it relates to issues of interest to the Commission.

5. Improve the Public's Understanding of the Commission

The Commission shall make a concerted effort to improve the public's awareness and understanding of the agency's responsibilities and activities. This includes:

- a) Actively utilize print and social media resources in expanding the public's understanding of the role and function of the Commission.
- b) Prepare an annual newsletter for public distribution summarizing recent and planned Commission activities. The annual newsletter will be made available on the Commission website and directly e-mailed out through the agency's distribution list.



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Napa, California 94559
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June 4, 2012
Agenda Item No. 7b (Action)

May 29, 2012

TO: Local Agency Formation Commission

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

SUBJECT: Approving a Commission Tagline

The Commission will consider the Policy Committee's recommendation to approve an official tagline to more effectively convey the agency's core responsibilities to the public. Five alternative taglines are identified in the Committee's report and presented for Commission consideration.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 delegates the California Legislature's authority to regulate and plan the formation and development of cities and special districts to independent commissions located in all 58 counties. These commissions have been defined since their initial creation in 1963 as "local agency formation commissions," and more commonly known through the acronym "LAFCO."

A. Background

On November 18, 2011, LAFCO of Napa County's ("Commission") Executive Officer formally requested the California Association of LAFCOs' (CALAFCO) Legislative Committee formally explore interests and options in renaming/redefining commissions. The Legislative Committee agreed with the request and the underlying argument the current name – LAFCO – is antiquated with no meaningful connection to present day responsibilities and muddles the public's understanding of commissions. Towards this end, the Legislative Committee appointed a five-member working group with direction to begin outreach to all 58 LAFCOs to solicit feedback and preferences with regards to an alternative name subject to Board approval. The Board, however, voted against the working group proceeding with any formal activities at its February 10, 2012 meeting in deference to prioritizing other legislative issues at this time. The Board also suggested individual LAFCOs develop and use their own tagline as a preferred alternative to seeking new legislation on a formal name change.

Lewis Chilton, Chair
Councilmember, Town of Yountville

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

Brian J. Kelly, Commissioner
Representative of the General Public

Joan Bennett, Commissioner
Councilmember, City of American Canyon

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. Discussion

The Policy Committee (Luce, Rodeno, and Simonds) proposes the Commission approve a tagline to more effectively convey the agency's core responsibilities to the public and other governmental agencies. The Committee believes a tagline is merited to readily clarify the Commission's principal tasks given they have measurably expanded over the last 50 years to increasingly emphasize post-formation activities. Examples of post-formation activities now commonly undertaken by the Commission include annexations, detachments, municipal service reviews, and sphere of influence updates; all of which are not conveyed in the term "LAFCO."

With the preceding factors in mind, the Committee has drafted five alternative taglines for Commission consideration. Each alternative is written in an active tense and promotes variations in the Commission's core functions and objectives. Each alternative also includes an option to start each phrase with a "we" to serve as a more explicit action statement. The five alternatives are identified as "A," "B," "C," "D," and "E" and listed in order of Committee preference below.

Alternative A

"(We) Oversee Local Government Boundaries and Evaluate Municipal Services"

Alternative B

"(We) Manage Local Government Boundaries to Promote Sustainable Growth"

Alternative C

"(We) Plan Logical and Orderly Municipal Growth"

Alternative D

"(We) Protect Agriculture and Open Space Resources for Future Generations"

Alternative E

"(We) Protect Against Premature Losses of Agriculture and Open Space Resources"

C. Analysis

The Committee believes all five alternative taglines identified in the preceding section would be advantageous in effectively conveying the Commission's core responsibilities and objectives with variations in emphasis. Alternatives A, B, and C emphasize the Commission's function in facilitating smart urban growth. Conversely, Alternatives D and E emphasize the Commission's role in protecting agricultural and open space resources. Markedly, to help initiate discussion, the Committee has identified Alternative A as its preferred option given it emphasizes the Commission's dual role as both a regulating (i.e., overseeing boundary lines) and planning (i.e., evaluating services) agency. It would also be the preference of the Committee to make this or any other alternative tagline more action oriented by premising the phrase with "we."

D. Alternatives for Action

The following alternative actions are available to the Commission.

Alternative Action One (Recommended)

Approve by motion an official tagline for the agency. Committee recommends the tagline identified as Alternative A in the preceding sections.

Alternative Action Two:

Continue by motion consideration of the item to a future meeting with any additional information as requested by members.

Alternative Action Three:

Take no action.

E. Recommendation

It is recommended the Commission take actions consistent with Alternative One and establish an official tagline. Significantly, if approved, the Commission would be the first LAFCO in California to have an official agency tagline.

F. Procedures for Consideration

This item has been agendaized as part of the action calendar. The following procedures are recommended with respect to the Commission's consideration of this item:

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

Respectfully submitted on behalf of the Committee,

Keene Simonds
Executive Officer

Attachments:

- 1) Request by Executive Officer to CALAFCO to Consider a Formal Name Change, November 18, 2011
- 2) Initial CALAFCO Working Group Report on Name Change, January 20, 2012
- 3) CALAFCO Board Meeting Minutes, February 10, 2012



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October 25, 2011

TO: Bill Chiat, Director, CALAFCO
 Legislative Committee, CALAFCO

FROM: Keene Simonds, Napa Executive Officer

SUBJECT: **Amending California Government Code Section 56027**
 Changing the assigned/defined name of commissions

I respectfully request CALAFCO's Legislative Committee consider the merits of amending Government Code Section 56027. This code section was enacted as part of the Knox-Nisbet Act of 1963 and assigns the formal name of commissions as "local agency formation commissions;" more commonly known through the acronym "LAFCO." It appears this name assignment was – by all accounts – relatively appropriate at the time given the original charge to commissions was to focus on regulating the formation of cities and special districts. However, while the statutes governed by commissions have dramatically evolved and expanded over the last 40 plus years to include increasing emphasis on regulating and planning post-formation agency activities, the assigned name remains the same. Markedly, and put another way, the current name is antiquated with no meaningful connection to present day responsibilities and helps muddle the public's understanding of commissions.

With the preceding comments in mind coupled with commissions' approaching 50th anniversary, it would seem reasonable and timely for the Legislative Committee to convene a working group to vet and bring forward potential name changes for future consideration. If approved by the Committee, it would be ideal for the working group to make use of CALAFCO's recent reorganization and include at least one representative from the four geographic regions. A potential task-outline for the working group follows:

- Prepare and solicit suggestions from all 58 commissions on potential name changes.
- Review solicited name change suggestions provided by all 58 commissions and prepare a report summarizing the results along with incorporating the collected information into a recommend list of preferred alternatives for Committee review.

Thank you for considering this request.

Lewis Chilton, Vice Chair
 Councilmember, Town of Yountville

Joan Bennett, Commissioner
 Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner
 Councilmember, City of Napa

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

Brad Wagenknecht, Commissioner
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January 20, 2012

TO: CALAFCO Legislative Committee

FROM: 56027 Working Group
 - Keene Simonds, Napa (Facilitator)
 - Bob Braitman, Santa Barbara
 - Kay Hosmer, Colusa
 - Mike Ott, San Diego
 - Paul Novak, Los Angeles

SUBJECT: Renaming Commissions

The Legislative Committee will receive an update from the working group tasked with (a) soliciting membership input and (b) making related recommendations on renaming commissions for future consideration.

A. Background

At its November 18, 2011 meeting, the Legislative Committee established a working group to explore interest and options in renaming commissions under Government Code Section 56027; a statute that defines commissions as “local agency formation commissions.” Premising the working group’s establishment is a shared belief by several Committee members the current name – “LAFCOs” – is antiquated with no meaningful connection to present day responsibilities and muddles the public’s understanding of commissions. The working group was appointed five volunteer members and assigned two distinct tasks:

- perform outreach to all 58 commissions with respect to querying interest and suggestions for an alternative name; and
- prepare a report summarizing the results of the outreach and, based on input received, offer a recommended list of preferred alternatives names for Committee review.

B. Discussion

The working group has developed the attached draft survey for distribution among all 58 commissions. The survey is divided into three distinct sections. The first two sections gauge the importance and preference, respectively, of a potential name change based on specific questions and measured on a five-point scale ranging from no/dislike to yes/like. The third and final section solicits up to three alternative name suggestions.

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 County of Napa Supervisor, 2nd District

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 Representative of the General Public

Gregory Rodeno, Alternate Commissioner
 Representative of the General Public

Keene Simonds
 Executive Officer

The working group believes, given the significance of the underlying topic and in consultation with Bill Chiat, it would be appropriate to delay circulating the survey to all 58 commissions until after the next scheduled CALAFCO Board meeting on February 10, 2012. Assuming the Board is agreeable with or without further modifications, the working group proposes the survey be circulated for a two-month period to help ensure all members have an opportunity to present the item for formal discussion/action by their respective commissions.

D. Committee Review

The working group respectfully requests the Committee review the attached survey and offer any suggestions with regards to improvements in anticipation of the Board's review at its February 10, 2012 meeting.

Attachment: draft survey

CALAFCO LEGISLATIVE COMMITTEE MEMBERSHIP SURVEY

The CALAFCO Legislative Committee is interested in determining the level of interest within the membership to consider new legislation to redefine/rename “Local Agency Formation Commissions” to an alternative name. Towards this end, the Legislative Committee respectfully requests each CALAFCO member to complete and return the following survey by **Friday, May 8, 2012**. The Legislative Committee asks for responses to be returned by e-mail to Keene Simonds at ksimonds@napa.lafco.ca.gov.

*For each question below, please identify with an **X** mark in the cell
best fitting your commissions’ opinion on the importance/preference of the issue under consideration*

Question	Scale of Importance				
	No	Leaning No	Neutral	Leaning Yes	Yes
How important is it for the name of the agency to accurately describe its duties and responsibilities?					
Do you believe the current name “Local Agency Formation Commissions” is an accurate description of the commission’s actual duties/activities and responsibilities?					
Do you believe there can be a more accurate and descriptive name for Local Agency Formation Commissions?					
How important do you believe an easy-to-say acronym is with respect to considering an alternative name for commissions?					
Do you believe there would be any substantive objection from your local agencies if commissions were given a new name?					
Do you support an effort by CALAFCO to consider and potentially propose a new name for commissions for future legislative action?					
Question	Scale of Preferences				
	Dislike	Leaning Dislike	Neutral	Leaning Like	Like
If an alternative name is considered by CALAFCO, do you have preferences with regard to the inclusions of any of the following words or phrases?					
“Local”					
“Agency”					
“Governance”					
“Government”					
“Governmental”					
“Formation”					
“Development”					
“Boundary”					
“Municipal Services”					
“Growth Management”					
“Organization”					
“Oversight”					
“Commission”					
Continued...					

If interested, please provide up to three alternative title suggestions you would like the Legislative Committee to consider if the membership is agreeable with pursuing legislation. Alternative title suggestions should be listed in order of preference.

1. Alternative Name Suggestion	
2. Alternative Name Suggestion	
3. Alternative Name Suggestion	

Responding Commission:

**California Association of Local Agency Formation Commissions
Board of Directors**

**Draft Minutes – Meeting of Friday, 10 February 2012
(IRVINE)**

Board Directors Present

Jerry Gladbach, **Chair**, District (LA)
 Ted Novelli, **Vice Chair**, County (Amador)
 Mary Jane Griego, **Secretary**, County (Yuba)
 John Leopold, **Treasurer**, County (Santa Cruz)
 Julie Allen, Public (Tulare)
 Patricia Bates, County (Orange)
 Louis Cunningham, Public (Ventura)
 Larry R. Duncan, District (Butte)*
 Jon Edney, City (Imperial)
 Juliana Inman, City (Napa)*
 Gay Jones, District (Sacramento)*
 Cathy Schlottmann, District (Santa Barbara)
 Stephen Souza, City (Yolo)*
 Josh Susman, Public (Nevada)
 Andy Vanderlaan, Public (San Diego)

Eugene Montanez, City (Riverside)

*Participated by Phone

Staff Present

William Chiat, CALFACO Executive Director
 Clark Alsop, Legal Counsel, BBH&K
 Lou Ann Texeira, CALAFCO EO
 June Savala, CALAFCO Deputy EO
 Steve Lucas, CALAFCO Deputy EO*
 Marjorie Blom, CALAFCO Deputy EO

Guests

Carolyn Emery, OC LAFCo
 George Spiliotis, Riverside LAFCo
 Jeff Moorhouse, Santa Barbara LAFCo
 Paul Novak, LA LAFCo
 Kathy Rollings-McDonald, San Bernardino LAFCo
 Sergio Prince, OC LAFCo

Board Members/Staff Absent

Kay Hosmer, City (Colusa)

Call to Order and Establish Quorum

Chair Jerry Gladbach called the meeting to order at 10:02 A.M. and a quorum was declared. Chair Gladbach then led an introduction of Board Members, Staff and Guests.

Legal Counsel Clark Alsop requested an addition to the Agenda (9a) for an amicus brief request regarding a Huntington Beach annexation.

CONSENT**1. Minutes, November 4, 2011 Board Meeting**

On motion of Director Vanderlaan, seconded by Director Schlottmann, and carried unanimously, the minutes were approved.

ACTION**2. Appointment of Board Member to Fill Vacancy**

Executive Director Chiat informed the Board that at the November 2011 general election, Board Member Jon Edney of Imperial LAFCo lost his reelection bid to his City Council seat. As a result, a vacancy was created on the CALAFCO Board for a city member from the Southern Region. The CALAFCO By-laws provides the Board with the authority to fill the position by appointment for the balance of the term. The Southern Region has nominated Riverside LAFCo Commissioner and Corona Mayor Eugene Montanez to fill the vacated seat.

On motion of Director Susman, seconded by Director Bates, the Board appointed Commissioner Eugene Montanez of Riverside LAFCo to fill the vacant city Board seat from the Southern Region.

Following the vote, Chair Gladbach stated that Cathy Schlottmann (Coastal Region) was not reappointed effective March 1, 2012. He said that the Board was losing a very good member, and then presented outgoing member Schlottmann with a Certificate of Recognition. Executive Director Chiat informed the Board that an appointment to fill the Coastal Region Board position is expected at the May Board meeting.

3. FY 2011-12 CALAFCO Quarterly Financial Report

Executive Officer Texeira provided a summary of the second quarterly report to the Board. She noted that the Association is in good financial shape at the end of the (second) quarter of FY 2011-12. Director Leopold (Treasurer) noted that the budget is well managed by staff, and that there were a number of related budgetary items on today's agenda. Staff also discussed that the Association will likely end FY 2011-2012 with limited carry over funds, and as a result, the Board may look towards budget cuts and/or increases in conference/workshop registration for next Fiscal Year 2012-13.

On motion of Director Schlottmann, seconded by Director Duncan, the Board received the Second Quarter Financial Report for FY 2011-12.

Director Souza joined the meeting by phone at 10:14 a.m.

4. Investment and Bank Account Report

Executive Officer Texeira provided a summary of the CALAFCO investment bank account report. Director Schlottmann asked a question concerning a possible typographical error on the Staff report regarding the LAIF Account. Executive Officer Texeira stated that the amount should read \$248,991, and that the spreadsheet for Agenda Item No. 3 (page 11) had the correct figure.

On motion of Director Schlottmann, seconded by Director Leopold, the Board unanimously accepted the report.

5. Adopt 2012 CALAFCO Legislative Policies

Director Novelli arrived at 10:24 a.m.

Executive Director Chiat noted that CALAFCO policy calls for the Board to approve their legislative policies and priorities on annual basis. He stated that the Legislative Committee has recommended adding language to reflect interest in supporting shared services (draft policy 5.5). He noted that Monterey LAFCo has requested language specific to support of the Williamson Act and restore program funding through State subvention payments, which is included as draft policy 3.5. The Board discussed CALAFCO Legislative Policies, including the issues of interest with regards to flood control, including security of the delta, levee districts, and clarifying the language if necessary.

On motion of Director Novelli, seconded by Director Leopold, the Board voted to add new sections 3.5 (Williamson Act) and 5.5 (shared services) and approve the 2012 CALAFCO Legislative Policies. Director Bates abstained from the vote, stating the need for more staff review.

6. Legislative Committee Report

Executive Director Chiat provided an overview of the Legislative Committee report and highlighted certain legislative items, including there may be follow-up legislation regarding SB 244 – Disadvantaged Unincorporated Communities and to SB 89, Vehicle License Fee (VLF) shift. He also stated that the Legislative Committee has been working very hard on bringing clarity and consistency to the protest provisions in the C-K-H Act; and thanked former San Diego LAFCo and County Counsel Bill Smith and San Diego LAFCo Staff for their efforts to retool the protest provisions so that they are all in one place in the law.

Further, the Legislative Committee is working on three additional initiatives: 1) transfer of Principal County for sphere of influence changes; 2) allow LAFCo's to be eligible to apply for Strategic Growth Council Grants; and 3) streamline the waiver of notice and protest proceedings for county service area proposals.

The Board then discussed two issues from the Legislative Committee:

- a. Section 56133 Extension of Services Proposal – The Board reviewed the feedback from several LAFCo's (five in support, one opposed, one watch, and one with a “not support” position), as well as considered the letter received from the Environmental Defense Center requesting more input from stakeholders. The Board, recognizing the importance of receiving feedback from stakeholders, requested Staff to initiate conversations with environmental and agricultural communities with the goal of introducing the new language regarding 56133 in 2013.
- b. LAFCo Name Change – upon consideration of seeking a name change for LAFCo's, the Board felt that there were many pending legislative issues and found no sufficient justification to spend the time and/or resources on this matter.

On motion of Director Leopold, seconded by Director Allen, the Board received and filed the report.

7. CALAFCO 2012-13 Member Dues

Following the report by Executive Director Chiat, the Board discussed whether or not to proceed with a dues increase for FY 2012-13. It was noted that the Board has voted not to implement an increase in the Association dues for the past three years, because of the economic crisis. The Board also reviewed the CALAFCO By-laws which call for the dues to be increased annually to reflect changes in the Consumer Price Index (CPI). Due to increasing costs, and limited reserves, a 2.2 percent dues increase was approved for FY 2012-2013

On motion of Director Duncan, seconded by Director Vanderlaan, the Board directed Staff to notify the membership of the 2.2 percent dues increase for FY 2012-2013. (Director Bates, voted no.)

8. CALAFCO Policy on Guests at Conferences and Workshops

Executive Director Chiat noted that at the recent CALAFCO conference in Napa, a question was raised regarding the transferability of registration and/or meal tickets to guests. He then provided an overview of the current policy to charge guests the actual costs of meals at conferences and/or workshops. The Board discussed the current policy and reiterated that guests should pay for their meals.

On motion of Director Leopold, seconded by Director Novelli, the Board voted to maintain the current policy of charging guests the costs of their meals and not allow transfers of meal tickets or conference registrations to guests.

9. Proposal to Consider a Name Change for LAFCo

The Commission reviewed the preliminary report from the Legislative Committee's "56027 Working Group" regarding redefining the current name of "LAFCo's". As discussed by the Board in Item 6 b, the Commission reiterated their concern for spending limited staff time to pursue a name change for LAFCo. It was mentioned that individual LAFCo's could use "tag line" if they so chose.

On Motion of Director Novelli, seconded by Director Schlottmann, the Board voted unanimously to not proceed with pursuing a name change for LAFCo.

Directors Bates and Montanez left at 12:00 noon.

Matters Too Late for the Agenda:

9a. Amicus Brief Support Request

Clark Alsop, CALAFCO Legal Counsel stated that the attorney representing the City of Huntington Beach has requested for CALAFCO to provide a brief in support of an annexation to the City. The Board reviewed the matter, and agreed that since the affected LAFCo did not request support, the request should be denied.

On motion of Director Leopold, seconded by Director Vanderlaan, the Board voted unanimously not to support the request.

INFORMATION

10. Legislative Analyst Office Report on Special Districts and LAFCo

Executive Director Chiat provided the Board with an overview of the recently released LAO report on Special Districts. He noted that Legislative Committee will be looking into potential policy questions raised by the Report with regards to LAFCo's.

11. 2012 Staff Workshop Update

Executive Officer Texeira provided the Board with an update on the CALAFCO Staff Workshop, scheduled for April 25-27, 2012 in Murphys.

12. 2012 Annual Conference Update

Deputy Executive Officer Blom noted that Kate McKenna, Monterey LAFCo EO, is in the beginning stages of putting together a Mobile Workshop for the annual conference to be held October 3-5, 2012. Director Schlottmann noted that she had been on the Conference Awards Committee in the past, and that someone else may want to serve on the Awards Committee due to her departure from the Board. Director Cunningham stated he would like to be on the Conference Committee.

13. CALAFCO University Update

Deputy Executive Officer June Savala provided an update on the upcoming CALAFCO University Course, entitled "Shared Services and Service Efficiencies", to be held Tuesday, April 24, 2012.

14. CALAFCO/OPR White Paper on CEQA

Executive Officer Teixeira stated that CALAFCO staff and the Governor's Office of Planning and Research (OPR) have completed an update to the white paper "LAFCo's, General Plans and City Annexations"; and is now available on the CALFACO web site.

15. 2012 Conflict of Interest Reports

CALAFCO Counsel Alsop noted that no new disclosures were reported, and requested that the Board receive and file the report.

16. Board Member Reports and Announcements

Director Allen inquired as to whether or not other CALAFCO regions communicate through a newsletter. Director Vanderlaan mentioned that the Board has a CALAFCO Quarterly Report and noted his involvement with the southern California coalition group. Director Cunningham noted that it is hard for his region to meet due to travel distances. Director Susman stated he liked the regional list serve.

17. Executive Director's Report

Executive Director Chiat announced he would be retiring after eight years of service with CALAFCO, and noted that he would stay through the annual CALAFCO Conference in October. He also announced that Executive Assistant, Jamie Szutowicz, would be leaving CALAFCO in October with Bill.

EXECUTIVE SESSION

18. Annual Performance Review of Executive Director – Chair Gladbach

The Board adjourned to closed session.

Following closed session, the Board returned to the meeting and Chair Gladbach announced that he will head up a committee to oversee the recruitment of a new Executive Director, and that an RFP should be released in the spring.

Director Vanderlaan stated that he felt Bill did an amazing job for CALAFCO, especially with regards to legislative issues and that Bill was extremely effective in Sacramento. He then expressed his heartfelt thanks to Bill and wished him Godspeed.

Director Leopold noted that it was tough to be the Executive Director when the Agency had been a state of flux, but with the new regional base, and financial stability it has made a big difference, and thanked Bill for his years of service.



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June 4, 2012
Agenda Item No. 7c (Action)

May 29, 2012

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Consideration of a Fee Waiver Request for a Pending Proposal to Form a New Special District to Serve the Cappell Valley Estates

The Commission will consider a request to waive the agency's application fees tied to processing a pending proposal to form a new special district to assume water and sewer services for the Cappell Valley Estates. The total value of the fee waiver is estimated at \$9,000.

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

LAFCO of Napa County's ("Commission") fee schedule was comprehensively updated in June 2007 and has been amended in each subsequent fiscal year to help ensure an appropriate level of cost-recovery. The fee schedule is premised on applying a composite hourly staff rate to either "fixed" or "at-cost" proposals. Fixed fees represent reasonable cost estimates for processing common proposals and based on a number of predetermined staff hours. Fixed fees typically range in cost between \$4,000 and \$7,000 and include annexations, detachments, and outside service extensions. At-cost fees apply to more complex proposals requiring additional analysis and based on the number of actual staff hours. Markedly, although not an absolute, at-cost proposals are expected to exceed \$7,000 and include special district formations, consolidations, and dissolutions.

Lewis Chilton, Chair
Councilmember, Town of Yountville

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Vice 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, Commissioner
Representative of the General Public

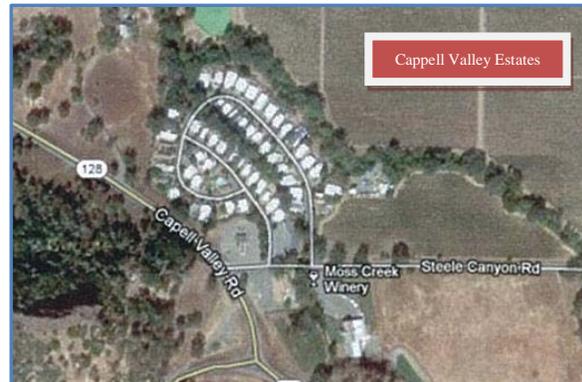
Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

B. Discussion

Pending Proposal to Form a Special District

The Commission has received a written request from Robert Joe for a fee waiver in anticipation of submitting a proposal to form a special district to assume water and sewer services for the Cappell Valley Estates Mobile Home Park located at 6001 Monticello Road near Steele Canyon Road.¹ Mr. Joe is the owner and operator of the mobile home park and its private water and sewer systems, which currently serve 58 units as well as an



adjacent a commercial center known as “Moskowite Corners.” Mr. Joe asserts the central goal in forming a special district is to improve the financial solvency for both the water and sewer systems by having access to government subventions and low/no interest loans to fund needed improvements; improvements Mr. Joe states cannot be easily absorbed through rate increases given residents are predominately on low and fixed incomes.²

Estimated Proposal Costs

The Commission’s application fee for forming a special district is designated at-cost and necessitates the payment of an initial deposit as determined by the Executive Officer. Staff estimates it has already expended approximately 10 billable hours assisting Mr. Joe in identifying and discussing options tied to forming a special district relative to his stated interests. This includes attending a community meeting to discuss the possibility of forming a special district with residents and interested parties.³ The Executive Officer estimates an additional 80 hours of billable staff time would be needed to process a special district application and result in a total charge of approximately \$9,000 under the current fee schedule; an approximate 4.0% increase in the fee schedule is expected to become effective August 3, 2012 and would raise the total estimated cost of the application to \$9,440.⁴ This includes preparing an initial study as well as processing a concurrent municipal service review/sphere of influence establishment as required under LAFCO law. The Executive Officer has provided this estimate to Mr. Joe along with an initial deposit request of \$2,825 to cover the first 25 hours of staff time.

¹ At the recommendation of staff, Mr. Joe has agreed to petition for the formation of a community services district if he chooses to go forward and submit an application with the Commission. This type of district would – if approved – be authorized to provide only water and sewer services with all other authorized powers designated as latent and could only be activated upon future Commission approval. Governance of the special district would be delegated to registered voters.

² Residents at Cappell Valley Estates Mobile Home Park currently pay \$550 in monthly rent. Tenets also pay a combined \$50 a month for water and sewer service.

³ The community meeting was held on January 18, 2012 and attended by approximately 30 residents and interested parties. Commissioner Dodd was also in attendance given the affected territory lies within his supervisorial district.

⁴ The Commission will consider adopting the proposed increase to the fee schedule as part of Agenda Item No. 6b.

It is pertinent to note there are several “third-party” costs tied to processing a special district formation proposal. Most notably, this includes preparing a map and description of the affected territory, holding an election, and filing an environmental determination with California Fish and Game. Staff estimates the total third-party cost for processing a special district formation is approximately \$6,000 to \$8,000 with the difference dependent on whether Fish and Game would approve a separate fee waiver request.

Request for a Fee Waiver

Mr. Joe has submitted a formal written request for the Commission to waive all of its related fees and deposits tied to his pending application to form a special district for the Cappell Valley Estates community. Mr. Joe justifies the request by noting the limited means of the private water and sewer systems to absorb the application costs given its narrow operating margin and challenge in raising rates due to residents’ low-income status. Mr. Joe also justifies the request by noting approval would measurably lessen the financial impact tied to covering the estimated \$8,000 in third-party costs.

C. Analysis

The Commission’s policies and practices provides members abundant discretion in considering whether to approve or disapprove Mr. Joe’s request to waive all fees and deposits tied to his pending application to form a special district. In particular, the Commission’s existing policies do not provide any guidance in considering the merits of proposed fee waiver requests and staff has not identified any comparable requests on record to serve as appropriate precedents for consideration. The Policy Committee (Luce, Rodeno, and Simonds), however, is proposing amendments to the Commission’s fee schedule as part of a separate agenda item for today’s meeting to provide basic and uniform criteria to members in considering fee waiver requests. This includes directing members to consider the merits of fee waiver requests relative to (a) public interest and (b) agency mission with specific cited examples including, but not limited to, addressing public health or safety threats, affordable housing, and community serving projects.

It appears there is reasonable merit for the Commission to approve Mr. Joe’s fee waiver request based on the proposed policy criteria referenced in the preceding paragraph. This statement is largely predicated on tying the request to the Commission’s prescribed mission to support low income housing in the course of promoting orderly development as outlined under Government Code Section 56001. This statement, however, is uninformed with respect to the Commission determining whether the location of the low income housing is orderly given Senate Bill 375 and other land use principles the agency is tasked with facilitating/promoting.⁵ It is also important to note the decision on whether to approve the fee waiver request will establish a precedent going forward.

⁵ Senate Bill 375 (Steinberg) became effective on January 1, 2009 and directs regional and local agencies to reduce greenhouse gas emissions by aligning transportation, land use, and housing activities.

D. Alternatives for Action

The following alternative actions are available to the Commission.

Alternative Action One (Disapprove)

Disapprove by motion the fee waiver request.

Alternative Action Two (Approve)

Approve by motion the fee waiver request.

Alternative Action Three (Approve with Condition for Third-Party Fee Deposit)

Approve by motion the fee waiver request with a condition the petitioner submit a deposit to cover all or a portion of the estimated \$8,000 in third-party costs.

Alternative Action Four (Continuance)

Approve by motion to continue the item to the next regular meeting and direct staff and or the petitioner to provide additional information as needed.

E. Recommendation

Staff recommends the Commission consider the fee waiver request relative to determining whether it is consistent with the agency's mission and public interest as well as precedent considerations. If the Commission determines the request is appropriate, staff respectfully suggest approval be conditioned on Mr. Joe submitting a deposit sufficient to cover either all or a specific portion of the estimated \$8,000 in third-party costs needed to complete a successful special district formation (Alternative Three). Staff believes conditioning an approval in this manner is appropriate and would serve to protect the Commission's "investment" in allocating agency resources by helping to ensure sufficient funds are available to complete the formation process if approved.

F. Procedures for Consideration

This item has been agendaized as part of the action calendar. The following procedures are recommended with respect to the Commission's consideration of this item:

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

Respectfully,

Keene Simonds
Executive Officer

Attachment:
1) Letter from Robert Joe

**ROBERT V. JOE
CAPELL VALLEY ESTATES, INC.
PO BOX 5003
WALNUT CREEK, CA 94596
PH/FX: (925) 939-7444**

MAY 15 2012
NAPA COUNTY
LAFCO

5/11/12

Mr. Lewis Chilton, Commission Chair
Napa LAFCO
1030 Seminary Street, Ste B
Napa, CA 94559

Dear Mr. Chilton,

As owner of Capell Valley Estates MHP, I am interested in applying to become a Special District to benefit this disadvantaged mobile home community. Currently we provide potable water for 64 connections in this small community as well as providing sewer and waste water treatment to the residents and a handful of outside businesses.

Although our potable water treatment plant had a major ARRA upgrade last year we need to make major improvements to our potable water and waste water distribution lines as well as making major improvements to the community's waste water treatment infrastructure.

The community's disadvantaged designation was established through the ARRA project with help from Rural Community Assistance Corporation that did the actual income surveys of the MHP residents.

The sole purpose and goals for becoming a SD is that we will be in a better position to apply for Grants and zero interest/low interest funding so that we can make the required improvements to our community with a goal of lowering the current water and sewer rates.

Because this is a disadvantaged community it would be extremely hard to increase any rates to our residents for the associated LAFCO fees. Waiving the LAFCO fees would be a tremendous benefit and service to this disadvantaged community. I am hopeful that you will give this request your utmost consideration.

Very truly yours,



Robert Joe

Cc: Keene Simonds
Richard Zaragoza, Don MacKenzie



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
<http://www.napa.lafco.ca.gov>

June 4, 2012

Agenda Item No. 8a (Discussion)

May 29, 2012

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Brendon Freeman, Analyst

SUBJECT: Update on Island Annexation Program

The Commission will receive a report summarizing staff's activities to date in developing an island annexation program aimed at eliminating unincorporated pockets within the City of Napa. The report is being presented to the Commission for discussion and feedback.

Local Agency Formation Commissions (LAFCOs) are responsible for regulating the formation and development of local governmental agencies and their municipal services under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH"). This includes approving, with or without amendments, boundary changes proposed by local agencies, landowners, and residents. All boundary changes approved by LAFCOs must be consistent with their written policies and procedures. LAFCOs may also condition approval as long as they do not directly regulate land use.

A. Background

Legislation

On January 1, 2001, Assembly Bill 2838 (Hertzberg) was enacted and significantly expanded the objectives, powers, and procedures underlying LAFCOs and their ability to coordinate logical growth and development while preserving agricultural and open space resources. This included establishing an expedited process for cities to annex unincorporated pockets that are either entirely or substantially surrounded by their jurisdictional boundaries, which are commonly referred to as "islands." This expedited process is currently codified under Government Code Section 56375.3 and allows cities to annex unincorporated islands under certain conditions while avoiding protest proceedings. The expedited process also curtails LAFCOs' discretion by directing annexation approval if the island – among other conditions – is less than 150 acres, does not comprise prime agricultural land, and is substantially developed or developing. The sunset date for cities to make use of the expedited process is January 1, 2014 in terms of filing proposals with LAFCO; the statute does not prescribe a deadline for LAFCOs to act on island proceedings submitted by this date.

Lewis Chilton, Chair
Councilmember, Town of Yountville

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

Brian J. Kelly, Commissioner
Representative of the General Public

Joan Bennett, Commissioner
Councilmember, City of American Canyon

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

Islands in Napa County

There are a total of 20 islands in Napa County. This includes islands meeting LAFCO of Napa County's ("Commission") definition of "substantially surrounded," which applies to land located within the affected city's sphere of influence with at least 66.7% of its perimeter bordered by its jurisdiction. All of the islands are either entirely (eleven) or substantially (nine) surrounded by the City of Napa ("City"). Staff estimates there are 2,308 residents residing within these 20 islands. This amount represents nearly 3.0% of Napa's current resident population. A map depicting the City islands is attached.

Initial Interest in an Annexation Program

In 2008, the Commission received a proposal from the City seeking the annexation of a single residential parcel located in an established substantially surrounded island located near the intersection of Imola Avenue and Parrish Road.¹ In initially reviewing the proposal, and in response to Commissioner input, staff communicated to the City the Commission's interest in pursuing more proactive measures in eliminating entire unincorporated islands rather than continuing the practice of incremental reductions. The City responded affirmatively to the Commission and pledged its commitment to partner with the Commission on an island annexation program while noting its preference for the proposal on file move forward given timing considerations for the affected landowner. The Commission ultimately agreed to move forward and approved the proposal on February 2, 2009 with the stated expectation City and Commission staff would begin work on a joint island annexation program for future presentation.

B. Discussion / Analysis

On December 7, 2009, the Commission conducted a biannual workshop in which it received a presentation from staff outlining a proposed island annexation program consistent with earlier direction; a program predicated on educating landowners and residents with respect to the benefits, costs, and related issues tied to annexation. The Commission expressed support for moving forward with the program in measured phases to allow for periodic updates to assess responses. This included directing staff to initially focus its outreach efforts within the eleven entirely surrounded islands.

Drawing from the initial direction from the Commission, and over the course of four distinct outreach phases, staff prepared and mailed informational packets to all landowners/residents within the eleven entirely surrounded islands and nine substantially surrounded islands. The informational packets included letters to the landowners/residents explaining the Commission's duties and responsibilities along with outlining the governance and service inefficiencies associated with islands. The letters were accompanied by flyers summarizing key benefits and invited landowners/residents to contact staff to discuss their interests in annexation. The following table summarizes the order of the four mailings and their responses.

¹ The affected territory proposed for annexation is located at 2138 Wilkins Avenue.

Category	First Mailing March 2010 (Islands # 6-10)	Second Mailing May 2010 (Islands # 3-5)	Third Mailing March 2011 (Islands # 1-2)	Fourth Mailing January 2012 (Islands # 11-20)
Properties/ Recipients	18	26	567	288
Total Responses	4	5	13	26
- Positive	0	3	5	12
- Negative	4	2	8	14

Maps for all 20 islands surveyed showing individual responses are attached.

Outreach efforts to date have generated responses from approximately five percent of the contacted island landowners/residents.² The relatively low number of responses to the mailings seemingly indicates most island landowners/residents are indifferent towards annexation and presumably would remain neutral if an application is proposed and there are no costs. Furthermore, with regards to the island landowners/residents responding to the mailings, the breakdown is relatively close between those opposing (58%) and supporting (42%) annexation.

Staff believes an appropriate next step is to move forward in cooperation with the City and initiate annexation proceedings for an island with the highest probability of success based on our outreach efforts to date. Specifically, moving forward and annexing one island now would build needed momentum in demonstrating to other island landowners/residents the ease and practicality tied to the jurisdictional change.

With the preceding in mind, and as previously discussed during the last update, it appears the island with the highest probability of annexation success is located off of Easum Drive in Westwood. The “Easum Island” comprises three parcels all of which are developed and include two single-family residences and one bed/breakfast lodge.³ Two of the three affected landowners have expressed strong support in participating in an annexation; the third affected parcel recently changed ownership and it is not known whether the new landowner is agreeable to an annexation. However, the two affected landowners in the Easum Island who are agreeable to annexation premise their support with the qualification they would not be responsible for any direct or indirect application fees. Towards this end, the Commission is expected to waive the direct fees tied to processing an island annexation as part of a recommended amendment to the fee schedule calendared for separate consideration as part of today’s meeting. Waiving indirect fees, however, remains an outstanding issue and will specifically require the external cooperation of the following agencies:

² Over two-fifths of the responding landowners/residents have expressed support for annexation. The remaining three-fifths of contacted landowners/residents oppose annexation with nearly all citing general misgivings regarding subjectivity to additional government. More specific reasons cited by these opposing landowners/residents have included concerns regarding potential property losses tied to sidewalk construction and the long-term ability to keep animals on site.

³ The referenced bed/breakfast lodge is the Stahlecker House.

- It is the policy of the City to require an underlying applicant deposit \$5,000 to cover time and material expenses tied to preparing, presenting, and adopting a resolution of application; a necessary action given the expedited island annexation proceedings under G.C. Section 56375.3 must be initiated by a city.
- State law requires maps and geographic descriptions depicting the affected territory for all changes of organization or reorganizations. Preparing these documents lies outside the expertise of staff and would require the assistance of the County's Public Works Department and subject to their current hourly rate of \$165. It is estimated the total cost for Public Works these documents for the Easum Island would be \$825 and cover five hours of staff time.
- State law requires the Commission file all approved boundary changes with the County Assessor's Office. The current fee is \$125.

Staff will continue to work with the City and County in proactively identifying opportunities to address and mitigate the indirect fees tied to moving forward with the Easum Island. One partial solution already being pursued is for staff to assist the City and County in preparing some of the source documents needed in producing a resolution of application and map and geographic description, respectively. Additionally, a separate and related alternative would be to formally request the City and County waive their respective fees tied to moving forward with the island annexations – beginning with the Easum Island – given the underlying public benefits to both agencies.

C. Commission Review

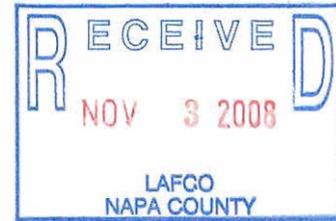
Commissioners are encouraged to discuss and provide feedback on the update. This includes providing direction to staff with respect to formally requesting the City and County waive their respective fees tied to processing island annexations.

Attachments: (Please visit "Staff Reports" page for full version with all attachments)

- ~~1) Single Map of All City Islands~~
- ~~2) Maps for All 20 Islands Surveyed Showing Individual Responses~~
- ~~3) Copy of Informational Packet Mailed to Island Landowners/Residents~~
- 4) Letter from City Pledging Support for an Island Annexation Program



Dana Smith
ASSISTANT CITY MANAGER
Development Services
955 School Street, P.O. Box 660
Phone: (707) 257-9530 FAX 707-257-9522
Napa, CA 94559-0660



October 30, 2008

Mr. Keene Simons
LAFCO of Napa County
1700 Second Street, Suite 268
Napa, California 94559

Dear Keene,

Thank you for your recent letter requesting the City to participate with you on an island annexation program. I applaud your proactive approach and believe the goal of eliminating unincorporated islands is beneficial to the County, the City, and ultimately to the residents themselves through enhanced service provision and in some cases lower utility rates – such as water.

The City Manager's office is committed to pursuing opportunities with LAFCO and the County to develop a comprehensive islands educational program designed towards developing accurate service information, identifying benefits for citizens, and how land use provisions might change for residents who now live in the islands. We would like to explore with you creative incentives that would encourage residents to consider initiation of annexation on their own. After the first of the year, the City will be in a better position to commit staff time to work with you on the development of a comprehensive islands program. And, following fruitful discussions and direction from the LAFCO Commission, Council and Board, we would direct further resources towards this worthwhile effort.

Again, I appreciate your forward thinking and we look forward to working with you on this islands program.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dana M. Smith".
Dana M. Smith

CC: Michael Parness, City Manager
Mayor and Council



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

June 4, 2012

Agenda Item No. 8b (Discussion)

May 29, 2012

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Legislative Report

The Commission will receive a report on the second year of the 2011-2012 session of the California Legislature as it relates to items directly or indirectly effecting Local Agency Formation Commissions. The report is being presented for discussion with possible direction for staff with respect to issuing comments on specific items.

The Local Agency Formation Commission (LAFCO) of Napa County has two appointed members on the California Association of LAFCOs' ("CALAFCO") Legislative Committee: Juliana Inman and Keene Simonds. 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.

A. Discussion and Analysis

The Committee is currently tracking 22 active bills with direct or indirect impacts on LAFCOs as part of the second year of the 2011-2012 session. Importantly, this amount represents a measurable reduction from the number under review and discussed at the April meeting as several initial bills of interest have either died or been amended. Furthermore, none of the remaining bills under review would appear to pose any measurable impacts on LAFCOs with the exception of Assembly Bill 2238, which is summarized below.

- **Assembly Bill 2238 (Perea): Municipal Service Reviews**

This legislation is sponsored by the California Rural Legal Assistance and is expected to be substantively amended within the next few weeks as a result of negotiations with several stakeholders, including CALAFCO. This legislation would – assuming the negotiated amendments are added – reinforce existing language in municipal service review law to explicitly encourage LAFCOs to study consolidation opportunities for all water and sewer providers. The legislation would also direct the State Department of Public Health to first consult with any affected LAFCOs and their municipal service reviews before approving funding for any improvements for community water systems.

Lewis Chilton, Chair
Councilmember, Town of Yountville

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

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Keene Simonds
Executive Officer

CALAFCO initially adopted an “oppose” position on AB 2238 given the original focus of the bill was to make two separate discretionary provisions in the municipal service review process become mandatory. First, the bill originally sought to amend the municipal service review process to no longer encourage but mandate LAFCOs study governance alternatives to improve service efficiency and affordability anytime it reviews a water or sewer provider. Second, and similarly, the bill originally sought to no longer encourage but mandate LAFCOs make their own determinations with respect to whether affected agencies are complying with the California Safe Drinking Water Act. However, and in response to stakeholder push-back, the author has agreed to change both of these proposed revisions to the municipal service review process back from “shall” to “may.” This and other changes have prompted the Committee to recommend the Board change its position to “support” if the agreed upon amendments are made.

Staff believes the anticipated amendments to AB 2238 – specifically requiring the Department of Public Health to consult with LAFCOs before issuing grants or loans to community water systems – would strengthen the municipal service review process. In particular, cities and special districts would need to respond affirmatively to concerns and related issues identified in municipal service reviews in seeking State funding for improvements to their water systems.

As referenced, no other current bills under review by the Committee would appear to pose any significant impacts on LAFCOs. This statement is particularly evident now that Senate Bill (SB) 1498 (Emerson) appears dead. Significantly, SB 1498 was introduced on behalf of the League of Cities and sought to fully enact the changes proposed by the Commission to CALAFCO in expanding existing authority under Government Code Section 56133 in approving new and extended outside services beyond agencies’ spheres of influence. The bill, however, would have also removed provisions of LAFCO law enacted at the beginning of this calendar year prohibiting cities from annexing territory greater than 10 acres if adjacent to a disadvantaged unincorporated community unless a separate annexation proposal is filed. This latter component of the bill proved problematic among several stakeholders – including Chair Louis Wolk of the Assembly Committee on Local Government – and necessitated the author recently agreeing to withdraw the bill from further consideration.

Irrespective of the SB 1498’s status, staff remains hopeful CALAFCO will agree to sponsor a bill next year to enact the Commission’s proposed changes to Government Code Section 56133. It appears an important factor in the Board deciding whether to move forward on this legislation will be based on feedback generated at the upcoming CALAFCO Annual Conference in Monterey on October 3-5. Notably, in addition to possible changes on the Board, a panel discussion on the proposed amendments to the statute is being planned at which time the main proponents (Napa) and opponents (Ventura) are expected to make their case directly to the membership.

B. Commission Review

Commissioners are encouraged to discuss and provide feedback on the report. This includes providing direction to staff with respect to making comments on any legislative items of interest or concern to the Commission.

Attachments:

- 1) CALAFCO Legislative Policies
- 2) CALAFCO Status Report on Current Legislation



CALAFCO 2012 Legislative Policies

Adopted by the Board of Directors on 10 February 2012

1. LAFCo Purpose and Authority

- 1.1. Support legislation which enhances LAFCo authority and powers to carry out the legislative findings and authority in Government Code §56000 et. seq.
- 1.2. Support authority for each LAFCo to establish local policies to apply Government Code §56000 et. seq. based on local needs and conditions, and oppose any limitations to that authority.
- 1.3. Oppose additional LAFCo responsibilities which require expansion of current local funding sources. Oppose unrelated responsibilities which dilute LAFCo ability to meet its primary mission.
- 1.4. Support alignment of responsibilities and authority of LAFCo and regional agencies which may have overlapping responsibilities in orderly growth, preservation, and service delivery, and oppose legislation or policies which create conflicts or hamper those responsibilities.
- 1.5. Oppose grants of special status to any individual agency or proposal to circumvent the LAFCo process.
- 1.6. Support individual commissioner responsibility that allows each commissioner to independently vote his or her conscience on issues affecting his or her own jurisdiction.

2. LAFCo Organization

- 2.1. Support the independence of LAFCo from local agencies.
- 2.2. Oppose the re-composition of any or all LAFCos without respect to the existing balance of powers that has evolved within each commission or the creation of special seats on a LAFCo.

- 2.3. Support representation of special districts on all LAFCos in counties with independent districts and oppose removal of special districts from any LAFCo.
- 2.4. Support communication and collaborative decision-making among neighboring LAFCos when growth pressures and multicounty agencies extend beyond a LAFCo's boundaries.

3. Agricultural and Open Space Protection

- 3.1. Support legislation which clarifies LAFCo authority to identify, encourage and insure the preservation of agricultural and open space lands.
- 3.2. Encourage a consistent definition of agricultural and open space lands.
- 3.3. Support policies which encourage cities, counties and special districts to direct development away from prime agricultural lands.
- 3.4. Support policies and tools which protect prime agricultural and open space lands.
- 3.5. Support the continuance of the Williamson Act and restore program funding through State subvention payments.

4. Orderly Growth

- 4.1. Support the recognition and use of spheres of influence as the management tool to provide better planning of growth and development, and to preserve agricultural, and open space lands.
- 4.2. Support adoption of LAFCo spheres of influence by other agencies involved in determining and developing long-term growth and infrastructure plans.
- 4.3. Support orderly boundaries of local agencies and the elimination of

islands within the boundaries of agencies.

- 4.4. Support communication between cities, counties, and special districts through a collaborative process that resolves service, housing, land use, and fiscal issues prior to application to LAFCo.
- 4.5. Support cooperation between counties and cities on decisions related to development within the city's designated sphere of influence.

5. Service Delivery and Local Agency Effectiveness

- 5.1. Support the use of LAFCo resources to prepare and review Regional Transportation Plans and other growth plans to ensure reliable services, orderly growth, sustainable communities, and conformity with LAFCo's legislative mandates.
- 5.2. Support LAFCo authority and tools which provide communities with local governance and efficient service delivery options, including the authority to impose conditions that assure a proposal's conformity with LAFCo's legislative mandates.
- 5.3. Support the creation or reorganization of local governments in a deliberative, open process which will fairly evaluate the proposed agency's long-term financial viability, governance structure and ability to efficiently deliver proposed services.
- 5.4. Support the availability of tools for LAFCo to insure equitable distribution of revenues to local government agencies consistent with their service delivery responsibilities.
- 5.5. Support collaborative efforts among agencies and LAFCOs that encourage opportunities for sharing of services, staff and facilities to provide more efficient and cost effective services. Support proposals which provide LAFCo with additional tools to encourage shared services.

2012 Legislative Priorities

Primary Issues

Viability of Local Governments	Support legislation that maintains or enhances LAFCo's ability to review and act to assure the efficient and sustainable delivery of local services and the financial viability of agencies providing those services to meet current and future needs. Support legislation which provides LAFCo and local communities with options for local governance and service delivery, including incorporation as a city or formation as a special district. Support efforts which provide tools to local agencies to address fiscal challenges and maintain services.
Authority of LAFCo	Support legislation that maintains or enhances LAFCo's authority to condition proposals to address any or all financial, growth, service delivery, and agricultural and open space preservation issues.
Agriculture and Open Space Protection	Preservation of prime agriculture and open space lands that maintain the quality of life in California. Support policies that recognize LAFCo's ability to protect and mitigate the loss of prime agricultural and open space lands, and that encourage other agencies to coordinate with local LAFCOs on land preservation and orderly growth.
Water Availability	Promote adequate water supplies and infrastructure planning for current and planned growth. Support policies that assist LAFCo in obtaining accurate and reliable water supply information to evaluate current and cumulative water demands for service expansions and boundary changes including impacts of expanding private and mutual water company service areas on orderly growth.

Issues of Interest

- Housing** Provision of territory and services to support affordable housing and the consistency of regional land use plans with local LAFCo policies.
- Transportation** Effects of Regional Transportation Plans and expansion of transportation systems on future urban growth and service delivery needs, and the ability of local agencies to provide those services.
- Flood Control** The ability and effectiveness of local agencies to maintain and improve levees and the public safety of territory proposed for annexation to urban areas which is at risk for flooding. Support legislation that includes security of the delta and assessment of agency viability in decisions involving new funds for levee repair.
- Adequate Municipal Services in Inhabited Territory** Expedited processes for inhabited annexations should be consistent with LAFCo law and be fiscally viable. Funding sources should be identified for extension of municipal services to disadvantaged unincorporated communities, including option for annexation of contiguous disadvantaged unincorporated communities.

CALAFCO Daily Legislative Report as of 5/25/2012

1

[AB 2238](#) (Perea D) Public water systems: drinking water.

Current Text: Amended: 5/1/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Last Amended: 5/1/2012

Status: 5/16/2012-In committee: Set, first hearing. Referred to APPR. suspense file.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Calendar:

5/25/2012 Upon adjournment of Session - State Capitol, Room 4202

ASSEMBLY APPROPRIATIONS SUSPENSE, FUENTES, Chair

Summary:

Current law requires the State Department of Public Health to administer programs to fund improvements and expansion of small community water systems using specified priorities. Current law requires the department to encourage the consolidation of small community water systems that serve disadvantaged communities if consolidation will help the affected agencies and the state meet specified goals. Current law allows funding of studies regarding the feasibility of consolidating 2 or more community water systems, at least one of which is a small community water system that serves a disadvantaged community. Current law requires the department to give funding priority to projects involving physical restructuring of 2 or more community water systems into a single, consolidated system when it is shown that the consolidation would further specified goals. This bill would require the department to promote the consolidation of small community water systems that serve disadvantaged communities, as specified, and would require the studies performed prior to a construction project to include the feasibility of consolidating public water systems , unless the department makes a determination that consolidation is not feasible . This bill , if the local agency formation commission (LAFCO) conducted a study or service review of the consolidation within the previous 5 calendar years and found that consolidation was feasible , would require the department to consider the LAFCO's findings during the department's assessment of feasibility . This bill would also require the department to give priority to funding projects involving consolidation of two or more community water systems when the consolidation would further specified goals. This bill contains other related provisions and other current laws.

Attachments:

[CALAFCO Opposition Letter - March 2012](#)

[CALAFCO Opposition Letter - Amended Bill - April 19 2012](#)

Position: Oppose

Subject: Water, Municipal Services

CALAFCO Comments: This bill, sponsored by California Rural Legal Assistance, would require LAFCo to determine the feasibility of consolidations, reorganizations and other service efficiency alternatives in every water and wastewater MSR, regardless whether it affects disadvantaged unincorporated communities. We believe it will result in spending hundreds of thousands of dollars on useless studies. It also makes LAFCo eligible to apply for grants to fund the studies, but whether the funds can be used for MSRs, LAFCo eligibility, and the likelihood that it would actually receive any funds are significant questions. The bill also makes a number of changes to laws on grants and loans to local agencies for water and wastewater facilities in an attempt to direct more

funds to DUCs. It would require state agencies to consider LAFCo MSR and other studies when evaluating grants. We anticipate more amendments to this bill.

[AB 2624](#) (Smyth R) Sustainable communities.

Current Text: Introduced: 2/24/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Status: 5/24/2012-Referred to Com. on N.R. & W.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, an initiative measure approved by the voters at the November 7, 2006, statewide general election makes about \$5,400,000,000 in bond funds available for safe drinking water, water quality and supply, flood control, natural resource protection, and park improvements. Current law establishes the Strategic Growth Council and appropriated \$500,000 from the funding provided by the initiative to the Natural Resources Agency to support the council and its activities. The council is required to manage and award grants and loans to a council of governments, metropolitan planning organization, regional transportation planning agency, city, county, or joint powers authority for the purpose of developing, adopting, and implementing a regional plan or other planning instrument to support the planning and development of sustainable communities. This bill would make a local agency formation commission eligible for the award of financial assistance for those planning purposes.

Attachments:

[CALAFCO Support Letter - April 2012](#)

Position: Support

Subject: Sustainable Community Plans

CALAFCO Comments: Makes LAFCo an eligible agency to apply for Strategic Growth Council grants. Sponsored by CALAFCO.

[AB 2698](#) (Committee on Local Government) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Current Text: Amended: 4/30/2012 [pdf](#) [html](#)

Introduced: 3/21/2012

Last Amended: 4/30/2012

Status: 5/21/2012-In Senate. Read first time. To Com. on RLS. for assignment.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, sets forth the powers and duties of a local agency formation commission, including, among others, the power to approve the annexation of a contiguous disadvantaged community, under specified circumstances. Current law provides that an application to annex a contiguous disadvantaged community is not required if the commission finds that a majority of the residents within the affected territory are opposed to annexation. This bill would provide that an application to annex a contiguous disadvantaged community is not required if the commission finds that a majority of the registered voters within the affected territory are opposed to annexation. This bill contains other related provisions and other current laws.

Attachments:

[CALAFCO Support Letter - 1 May 2012](#)

Position: Sponsor

Subject: CKH General Procedures

CALAFCO Comments: CALAFCO-sponsored annual CKH Omnibus bill. Amended on April 30th to include CALAFCO protest provision and waiver of notice and hearing language.

SB 1498 (Emmerson R) Local agency formation commission: powers.

Current Text: Introduced: 2/24/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Status: 5/11/2012-Failed Deadline pursuant to Rule 61(b)(6). (Last location was S. G. & F. on 3/22/2012)

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 authorizes a city or district to provide new or extended services by contract or agreement outside its jurisdictional boundaries if the city or district requests and receives permission to do so from the local agency formation commission in the affected county. Current law authorizes the commission to authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization, or outside its sphere of influence to respond to an current or impending threat to the public health or safety of the residents of the affected territory, under specified circumstances. This bill would additionally authorize the commission to authorize a city or district to provide new or current services outside its jurisdictional boundaries and outside its sphere of influence to support current or planned uses involving public or private properties, subject to approval at a noticed public hearing, in which certain determinations are made. The bill would also authorize the commission to delegate to its executive officer the approval of certain requests to authorize a city or district to provide new or extended services outside its jurisdictional boundaries or outside its sphere of influence, as described above, under specified circumstances. The bill would also make certain technical, nonsubstantive, and conforming changes. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Disadvantaged Communities, Municipal Services

CALAFCO Comments: Sponsored by the League of Cities, this bill does two things: 1) it includes the CALAFCO proposed language on expanding out-of-agency service authority (56133) and 2) removes the annexation requirements from SB 244. Those provisions require a city to apply to annex a disadvantaged unincorporated community if they apply to annex adjacent uninhabited territory. It is anticipated this bill will be completely gutted and amended and changed to Senator Wolk as the author. The anticipated direction is to further amend the definition of a disadvantaged unincorporated community. The League is continuing its efforts to remove or significantly modify the DUC annexation requirements when a city applies for an uninhabited annexation adjacent to a DUC.

SB 1566 (Negrete McLeod D) Vehicle license fees: allocation.

Current Text: Amended: 4/10/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Last Amended: 4/10/2012

Status: 5/24/2012-Held in committee and under submission.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Current law requires that a specified amount of motor vehicle license fees deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund be allocated by the Controller, as specified, to the Local Law Enforcement Services Account

in the Local Revenue Fund 2011, for allocation to cities, counties, and cities and counties. This bill would instead require, on and after July 1, 2012, that those revenues be distributed first to each city that was incorporated from an unincorporated territory after August 5, 2004, in an amount determined pursuant to a specified formula , second to each city that was incorporated before August 5, 2004, in an amount determined pursuant to a specified formula , and third to the Local Law Enforcement Services Account in the Local Revenue Fund 2011, for allocation to cities, counties, and cities and counties . By authorizing within the Motor Vehicle License Fee Account in the Transportation Tax Fund, a continuously appropriated fund, to be used for a new purpose, the bill would make an appropriation. This bill contains other related provisions and other current laws.

Attachments:

[CALAFCO Support Letter](#)

Position: Support

Subject: Annexation Proceedings, Tax Allocation

CALAFCO Comments: This problem would correct the VLF problem created by last year's budget bill SB 89, and restore VLF to recent incorporations and inhabited annexations.

2

[AB 46](#) (John A. Pérez D) Local government: cities.

Current Text: Amended: 6/28/2011 [pdf](#) [html](#)

Introduced: 12/6/2010

Last Amended: 6/28/2011

Status: 8/29/2011-Read third time. Refused passage. (Ayes 13. Noes 17. Page 2084.).

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, sets forth the procedures for incorporations and changes of organizations of cities, including procedures for disincorporation. This bill would provide that every city with a population of less than 150 people as of January 1, 2010, would be disincorporated into that city's respective county as of 91 days after the effective date of the bill, unless a county board of supervisors determines, by majority vote within the 90-day period following enactment of these provisions, that continuing such a city within that county's boundaries would serve a public purpose if the board of supervisors determines that the city is in an isolated rural location that makes it impractical for the residents of the community to organize in another form of local governance. The bill would also require the local agency formation commission within the county to oversee the terms and conditions of the disincorporation of the city, as specified. This bill contains other related provisions.

Position: None at this time

Subject: Disincorporation/dissolution

CALAFCO Comments: As written this bill applies only to Vernon, California. It bypasses much of the C-K-H disincorporation process, leaving LAFCo only the responsibility of assigning assets and liabilities following disincorporation.

[AB 781](#) (John A. Pérez D) Local government: counties: unincorporated areas.

Current Text: Amended: 8/29/2011 [pdf](#) [html](#)

Introduced: 2/17/2011

Last Amended: 8/29/2011

Status: 8/30/2011-Measure version as amended on August 29 corrected.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, sets forth the procedures for incorporations and changes of organizations of cities, including procedures for disincorporation. This bill would authorize the board of supervisors of a county in which a city that will be disincorporated pursuant to statute is located to vote to continue that city if, after receipt of an audit conducted by the State Auditor, the board of supervisors determines that the territory to be disincorporated is not expected to generate revenues sufficient to provide public services and facilities, maintain a reasonable reserve, and pay its obligations during the 5 years following disincorporation. The bill would require a city that is audited pursuant to these provisions to reimburse the State Auditor for the costs incurred to perform the audit, thereby imposing a state-mandated local program. This bill contains other related provisions and other current laws.

Position: Watch**Subject:** Disincorporation/dissolution, Special District Principle Acts**CALAFCO Comments:** This bill was gutted and amended on 20 June to create a CSD in any unincorporated area that was previously a city and was disincorporated by the legislature. It is specifically targeted at Vernon. It also contains language directing LAFCo on the terms and conditions of the disincorporation.**AB 2208 (Perea D) Drinking water.****Current Text:** Amended: 4/16/2012 [pdf](#) [html](#)**Introduced:** 2/23/2012**Last Amended:** 4/16/2012**Status:** 5/24/2012-Referred to Com. on E.Q.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Calendar:

6/18/2012 1:30 p.m. - Room 112 SENATE ENVIRONMENTAL QUALITY, SIMITIAN, Chairman

Summary:

Current law, the California Safe Drinking Water Act, requires the State Department of Public Health to administer provisions relating to the regulation of drinking water to protect public health. Current law, the Safe Drinking Water State Revolving Fund Law of 1997, establishes the Safe Drinking Water State Revolving Fund, which is continuously appropriated to the department for the provision of grants and revolving fund loans for the design and construction of projects for public water systems that will enable suppliers to meet safe drinking water standards. Current law prohibits the department from approving applications for this funding unless the department determines the proposed study or project meets specified criteria. This bill would state the intent of the Legislature to require the department to consider regional solutions when awarding grant money to provide clean water to underserved communities. This bill would authorize the department to combine proposed studies and projects from multiple applicants to enable these applicants to meet safe drinking water standards in a cost-effective manner. This bill would require the department to give priority to those proposed studies or projects that consolidate services, especially in unincorporated communities, as specified.

Position: Watch**Subject:** Water**CALAFCO Comments:** While currently this bill does not directly affect LAFCos it is sponsored by the same people at AB 2238 (CRLA) and is in many ways tied to that bill. The current amendments do affect water and wastewater agencies which may be of

concern to LAFcos and CALAFCO. It is also likely this bill will be significantly amended but at this time we don't know where it is going.

AB 2210 (Smyth R) County assessors: notification.

Current Text: Amended: 5/21/2012 [pdf](#) [html](#)

Introduced: 2/23/2012

Last Amended: 5/21/2012

Status: 5/22/2012-Re-referred to Com. on APPR.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Calendar:

5/25/2012 Upon adjournment of Session - State Capitol, Room 4202

ASSEMBLY APPROPRIATIONS, FUENTES, Chair

Summary:

Current law requires a county assessor, upon the request of the governing body of the jurisdiction where the assessor performs the duty of assessing taxes, to furnish an estimate of the assessed valuation of property within the jurisdiction for the succeeding fiscal year. This bill would require the assessor, upon a request by the board of supervisors to furnish an estimate of the assessed valuation of property within the county for the succeeding fiscal year, to estimate whether property valuations have decreased by 3% or more and, if so, require the assessor to issue a written report to the board of supervisors within 30 days. This bill would require the assessor to , within 15 days of notifying the board of supervisors, also notify the Department of Finance and all cities and affected school districts within the county .

Position: None at this time

Subject: Annexation Proceedings

CALAFCO Comments: Placeholder bill on property tax exchange agreements.

AB 2418 (Gordon D) Health districts.

Current Text: Amended: 5/1/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Last Amended: 5/1/2012

Status: 5/16/2012-In committee: Set, first hearing. Referred to APPR. suspense file.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Calendar:

5/25/2012 Upon adjournment of Session - State Capitol, Room 4202

ASSEMBLY APPROPRIATIONS SUSPENSE, FUENTES, Chair

Summary:

Current law, the Local Health Care District Law, authorizes a local health care district to generate revenue through an annual assessment on real and personal property within the district . This bill would require a health care district to spend at least 95% of the revenue derived from an annual general tax levy on current community health care benefits, as specified. The bill would expressly exclude from the definition of community health care benefits the salaries paid and benefits provided to staff of the districts and benefits provided to board members, among other items. By increasing the duties of local officials, this bill would impose a state-mandated local program . This bill contains other related provisions and other current laws.

Position: Watch

Subject: Special District Principle Acts

CALAFCO Comments: Limits the amount of general tax levy revenue a healthcare district may spend on administrative costs. Excludes the costs of staff/board salaries and benefits. Specifies what tax levy revenues may be spent on, including powers authorized by LAFCo.

ACA 17 (Logue R) State-mandated local programs.**Current Text:** Introduced: 2/15/2011 [pdf](#) [html](#)**Introduced:** 2/15/2011**Status:** 4/14/2011-Referred to Com. on L. GOV.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, the state is required to provide a subvention of funds to reimburse the local government. With regard to certain mandates imposed on a city, county, city and county, or special district that have been determine to be payable, the Legislature is required either to appropriate, in the annual Budget Act, the full payable amount of the mandate, determined as specified, or to suspend the operation of the mandate for the fiscal year. The California Constitution provides that the Legislature is not required to appropriate funds for specified mandates.

Position: None at this time**Subject:** LAFCo Administration

CALAFCO Comments: Changes state mandate law in a proposed constitutional amendment. Included is specific language that releases mandate responsibility if the local agency can change an individual or applicant for the cost of providing the mandated service. Would likely exempt some mandates to LAFCo from state funding.

SB 46 (Correa D) Public officials: compensation disclosure.**Current Text:** Amended: 6/2/2011 [pdf](#) [html](#)**Introduced:** 12/9/2010**Last Amended:** 6/2/2011**Status:** 8/22/2011-In Assembly. Read first time. Held at Desk.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Current provisions of the Political Reform Act of 1974 require certain persons employed by agencies to file annually a written statement of the economic interests they possess during specified periods. The act requires that state agencies promulgate a conflict of interest code that must contain, among other topics, provisions that require designated employees to file statements disclosing reportable investments, business positions, interests in real property, and income. The act requires that every report and statement filed pursuant to the act is a public record and is open to public inspection. This bill would, commencing on January 1, 2013, and continuing until January 1, 2019, require every designated employee and other person, except a candidate for public office, who is required to file a statement of economic interests to include, as a part of that filing, a compensation disclosure form that provides compensation information for the preceding calendar year, as specified. This bill contains other related provisions and other current laws.

Attachments:[CALAFCO Opposition Letter](#)**Position:** Oppose**Subject:** LAFCo Administration

CALAFCO Comments: Similar to a 2010 bill, this would require all those who file a Form 700 to also file an extensive compensation and reimbursement disclosure report. Would require all local agencies, including LAFCo, to annually post the forms on their website.

SB 191 (Committee on Governance and Finance) Validations.**Current Text:** Amended: 5/16/2011 [pdf](#) [html](#)**Introduced:** 2/8/2011**Last Amended:** 5/16/2011**Status:** 6/6/2011-Ordered to inactive file on request of Senator Wolk.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

This bill would enact the First Validating Act of 2011, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

Attachments:[CALAFCO Support Letter](#)**Position:** Support**Subject:** LAFCo Administration**CALAFCO Comments:** One of three annual acts which validate the boundaries of all local agencies.**SB 192 (Committee on Governance and Finance) Validations.****Current Text:** Amended: 5/16/2011 [pdf](#) [html](#)**Introduced:** 2/8/2011**Last Amended:** 5/16/2011**Status:** 8/30/2011-Ordered to inactive file on request of Senator Wolk.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

This bill would enact the Second Validating Act of 2011, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

Attachments:[CALAFCO Support Letter](#)**Position:** Support**Subject:** LAFCo Administration**CALAFCO Comments:** One of three annual acts which validate the boundaries of all local agencies.**SB 804 (Corbett D) Health care districts: transfers of assets.****Current Text:** Amended: 1/4/2012 [pdf](#) [html](#)**Introduced:** 2/18/2011**Last Amended:** 1/4/2012**Status:** 4/19/2012-Referred to Coms. on HEALTH and L. GOV.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Calendar:

6/12/2012 1:30 p.m. - State Capitol, Room 4202 ASSEMBLY HEALTH, MONNING, Chair

Summary:

Current law authorizes a health care district to transfer, for the benefit of the communities served by the district, in the absence of adequate consideration, any part of the assets of the district to one or more nonprofit corporations to operate and maintain the assets. Current law deems a transfer of 50% or more of the district's assets to be for the benefit of the communities served only upon the occurrence of

specified conditions. This bill would include among the above-described conditions the inclusion within the transfer agreement of the appraised fair market value of any asset transferred to the nonprofit corporation, as specified. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Special District Principle Acts

CALAFCO Comments: Current law allows the transfer of Health Care District assets to a non profit to operate and maintain the asset. This bill would include in the transfer, the transfer of the fair market value of the asset.

SB 1084 (La Malfa R) Local government: reorganization.

Current Text: Introduced: 2/14/2012 [pdf](#) [html](#)

Introduced: 2/14/2012

Status: 5/11/2012-Failed Deadline pursuant to Rule 61(b)(6). (Last location was S. RLS. on 3/1/2012)

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Current law, for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, makes various legislative findings and declarations regarding the use of local government reorganization. This bill would make a technical, nonsubstantive change to that provision.

Position: None at this time

CALAFCO Comments: This is a placeholder bill.

SB 1090 (Committee on Governance and Finance) Local government: omnibus bill.

Current Text: Amended: 4/11/2012 [pdf](#) [html](#)

Introduced: 2/15/2012

Last Amended: 4/11/2012

Status: 5/17/2012-Referred to Com. on L. GOV.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Calendar:

6/27/2012 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, SMYTH, Chair

Summary:

Current law sets forth the boundary descriptions of every county in the state, including the Counties of Fresno and Merced. This bill would revise the boundary descriptions for the Counties of Fresno and Merced. This bill contains other related provisions and other current laws.

Position: None at this time

CALAFCO Comments: Senate Omnibus bill. At this time it does not contain any LAFCo -related legislation.

AB 1266 (Nielsen R) Local government: Williamson Act: agricultural preserves: advisory board.

Current Text: Introduced: 2/18/2011 [pdf](#) [html](#)

Introduced: 2/18/2011

Status: 7/14/2011-From consent calendar. Ordered to third reading. Ordered to inactive file at the request of Senator La Malfa.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Current law, the Williamson Act, authorizes a city or county to enter into contracts to establish agricultural preserves. Current law also authorizes the legislative body of a city or county to appoint an advisory board to advise the legislative body on agricultural preserve matters. This bill would specify matters on which the advisory board may advise the legislative body of a county or city. This bill would also state that the advisory board is not the exclusive mechanism through which the legislative body can receive advice on or address matters regarding agricultural preserves.

Position: None at this time

Subject: Ag Preservation - Williamson

CALAFCO Comments: Specifies additional responsibilities for the county or city Williamson Act advisory board. May also be a placeholder for more significant modifications to the Williamson Act.

AB 1902 (Jones R) Publication: newspaper of general circulation: Internet Web site.

Current Text: Introduced: 2/22/2012 [pdf](#) [html](#)

Introduced: 2/22/2012

Status: 5/11/2012-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. L. GOV. on 4/18/2012)

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Current law requires that various types of notices are provided in a newspaper of general circulation. Current law requires a newspaper of general circulation to meet certain criteria, including, among others, that it be published and have a substantial distribution to paid subscribers in the city, district, or judicial district in which it is seeking adjudication. This bill would provide that a newspaper that is available on an Internet Web site may also qualify as a newspaper of general circulation, provided that newspaper meets certain criteria.

Position: None at this time

Subject: LAFCo Administration

CALAFCO Comments: Allows posting of notices in a web-based newspaper.

AB 2452 (Ammiano D) Political Reform Act of 1974: online disclosure.

Current Text: Amended: 5/8/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Last Amended: 5/8/2012

Status: 5/21/2012-In Senate. Read first time. To Com. on RLS. for assignment.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

The Political Reform Act of 1974 requires specified candidates, committees, slate mailer organizations, and lobbyists, lobbying firms, and lobbyist employers to file campaign statements and reports online or electronically with the Secretary of State, as specified. The act requires certain of these entities to also file campaign statements and reports with local filing officers, as specified. This bill, with certain exceptions, would authorize a local government agency to require an elected officer, candidate, committee, or other person required to file specified statements, reports, or other documents to file those statements, reports, or other documents online or electronically with a local filing officer. The bill would prescribe criteria that must be satisfied by a local government

agency that requires online or electronic filing of statements, reports, or other documents, as specified, including, among others, that the system be available free of charge to filers and to the public for viewing filings, and that the system include a procedure for filers to comply with the requirement that they sign statements and reports under penalty of perjury. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: LAFCo Administration

CALAFCO Comments: Allows on-line filing of Political Reform Act documents with local agencies.

SB 878 **(DeSaulnier D) Regional planning: Bay Area.**

Current Text: Amended: 6/9/2011 [pdf](#) [html](#)

Introduced: 2/18/2011

Last Amended: 6/9/2011

Status: 4/26/2012-Referred to Coms. on L. GOV. and NAT. RES.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Calendar:

6/13/2012 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, SMYTH, Chair

Summary:

The Metropolitan Transportation Commission Act creates the Metropolitan Transportation Commission as a regional agency in the 9-county Bay Area with comprehensive regional transportation planning and other related responsibilities, including development of a regional transportation plan with a sustainable communities strategy. Current law requires a joint policy committee of the commission, the Association of Bay Area Governments, the Bay Area Air Quality Management District, and the San Francisco Bay Conservation and Development Commission to coordinate the development and drafting of major planning documents prepared by the 4 agencies. This bill would require the joint policy committee to submit a report to the Legislature by January 31, 2013, on, among other things, methods and strategies for developing and implementing a multiagency set of policies and guidelines relative to the Bay Area region's sustainable communities strategy, including recommendations on organizational reforms for the regional agencies. The bill would require preparation of a work plan for a regional economic development strategy to be submitted to the Legislature on that date. The bill would also require the member agencies to report on public outreach efforts that they individually or jointly perform. The bill would require public meetings in each of the region's 9 counties and creation of advisory committees, as specified. By imposing new duties on local agencies, the bill would impose a state-mandated local program. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Sustainable Community Plans

CALAFCO Comments: Provides legislative direction to the Bay Area counties on development of their sustainable communities strategy and requires the "joint committee" to report back to the Legislature by 1 January 2013.

SB 1149 **(DeSaulnier D) Bay Area Regional Commission.**

Current Text: Amended: 5/15/2012 [pdf](#) [html](#)

Introduced: 2/21/2012

Last Amended: 5/15/2012

Status: 5/21/2012-Set, first hearing. Hearing canceled at the request of author.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Enrolled	Vetoed	Chaptered

2Year Dead	1st House	2nd House	Conf. Conc.		
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Summary:

Current law creates the Metropolitan Transportation Commission, the Bay Area Toll Authority, the Bay Area Air Quality Management District, and the San Francisco Bay Conservation and Development Commission, with various powers and duties relative to all or a portion of the 9-county San Francisco Bay Area region with respect to transportation, air quality, and environmental planning, as specified. Another regional entity, the Association of Bay Area Governments, is created as a joint powers agency comprised of cities and counties under current law with regional planning responsibilities. Current law provides for a joint policy committee of certain regional agencies to collaborate on regional coordination. Current law requires regional transportation planning agencies, as part of the regional transportation plan in urban areas, to develop a sustainable communities strategy coordinating transportation, land use, and air quality planning, with specified objectives. This bill would create the Bay Area Regional Commission with specified powers and duties, including the powers and duties previously exercised by the joint policy committee. The bill would require the regional entities that are funding the joint policy committee to continue to provide the same amount of funding as provided in the 2012-13 fiscal year, as adjusted for inflation, but to provide those funds to the commission rather than to the committee. The bill would provide for the Bay Area Toll Authority to make contributions to the commission, as specified, in furtherance of the exercise of the authority's toll bridge powers. The bill would require federal and state funds made available to the Metropolitan Transportation Commission for purposes of transportation planning to be budgeted to the Bay Area Regional Commission. The bill would specify the powers and duties of the commission relative to the other regional entities referenced above, including the power to approve the budgets of those regional entities and to develop an integrated budget for the commission and the regional entities. The bill would provide for the commission's executive director to develop a regional reorganization plan, with consolidation of certain administrative functions of the regional entities under the commission, with a final plan to be adopted by the commission by June 30, 2016. The bill would require organization of the regional entities as divisions of the commission, and would require the executive director to recommend candidates for vacant executive director positions at the regional entities as these positions become vacant. The bill would require the commission to adopt public and community outreach policies by October 31, 2015. The bill would require the commission to review and comment on policies and plans relative to the transportation planning sustainable communities strategy of the regional entities under Senate Bill 375 of the 2007-08 Regular Session, and beginning on January 1, 2017, the bill would provide for the commission to adopt or seek modifications to the functional regional plan adopted by each regional entity in that regard and would provide that the commission is responsible for ensuring that the regional sustainable communities strategy for the region is consistent with Senate Bill 375 of the 2007-08 Regular Session. The bill would require the commission to prepare a 20-year regional economic development strategy for the region, to be adopted by December 31, 2015, and updated every 4 years thereafter. The bill would require any changes proposed by the commission with respect to bridge toll revenues managed by the Bay Area Toll Authority to be consistent with bond covenants, and would prohibit investment in real property of toll revenues in any reserve fund. This bill contains other related provisions and other current laws.

Position: Watch**Subject:** Sustainable Community Plans**[SB 1305](#) ([Blakeslee R](#)) **Regional open-space district: County of San Luis Obispo.******Current Text:** Introduced: 2/23/2012 [pdf](#) [html](#)**Introduced:** 2/23/2012

Status: 5/11/2012-Failed Deadline pursuant to Rule 61(b)(6). (Last location was S. G. & F. on 3/8/2012)

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary:

Current law permits proceedings for the formation of a regional park and open-space district in specified counties of the state to be initiated by resolution of the county board of supervisors adopted after a noticed hearing, and specifies the contents of the resolution. This bill, in addition, would permit the formation of a regional open-space district in the County of San Luis Obispo to be initiated by resolution of the county board of supervisors after a noticed hearing, if the boundaries of a proposed district are coterminous with the exterior boundaries of the County of San Luis Obispo. The bill would specify the contents of the resolution, including a requirement to call an election, as prescribed.

Position: None at this time

Subject: Special District Principle Acts

CALAFCO Comments: Allows the creation of an open space district in San Luis Obispo County and circumvents the LAFCo process.

SB 1337 (DeSaulnier D) Zone 7 Water Agency Act.

Current Text: Amended: 5/1/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Last Amended: 5/1/2012

Status: 5/15/2012-Hearing postponed by committee. (Refers to 5/7/2012 hearing)

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary:

Current law, the Alameda County Flood Control and Water Conservation District Act, establishes the Alameda County Flood Control and Water Conservation District and grants to the district authority relating to, among other things, flood control and stormwater. Under the district law, the Board of Supervisors of Alameda County serves as the Board of Supervisors of the Alameda County Flood Control and Water Conservation District. This bill would create the Zone 7 Water Agency, as prescribed, with specified authorizations, powers, and duties. This bill would permit the Alameda County Local Agency Formation Commission to exclude some or all of the agency's territory from the boundaries of the district and would eliminate from the district act provisions relating to the governance of a zone lying, in whole or in part, in Pleasanton or Murray Townships. This bill would authorize the agency to continue to impose any special taxes based upon assessed value or any other special taxes, assessments, or charges imposed by or on behalf of the former Zone 7, would authorize the agency to impose new special taxes or levy assessments, as prescribed, and would require any taxes or assessments to be levied and collected together with taxes for county purposes, as specified. This bill would also authorize the agency to designate the county treasury as its treasury, as prescribed. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Water

CALAFCO Comments: CALAFCO typically opposes legislation which circumvents the LAFCo process. This is a slightly different situation where the legislature is being asked to change an old special act district (which would have previously circumvented the LAFCo process) with some complex changes.

SB 1380 (Rubio D) Environmental quality: California Environmental Quality Act: bicycle transportation plan.

Current Text: Amended: 5/3/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Last Amended: 5/3/2012

Status: 5/3/2012-Read second time and amended. Ordered to third reading.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Calendar:

5/25/2012 #100 SENATE SENATE BILLS-THIRD READING FILE

Summary:

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA requires the lead agencies to make specified findings in an EIR. This bill, until January 1, 2018, would exempt from CEQA a bicycle transportation plan for an urbanized area, as specified and would also require a local agency or person who determines that the bicycle transportation plan is exempt under this provision and approves or determines to carry out that project, to file notice of the determination with the OPR. This bill contains other current laws.

Position: Watch

Subject: CEQA

CALAFCO Comments: The bill has been significantly amended to require certain documentation in a CEQA report prepared for a Bicycle Transportation Plan.

SB 1459 (De León D) Regional and local park districts: cities and counties.

Current Text: Introduced: 2/24/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Status: 5/11/2012-Failed Deadline pursuant to Rule 61(b)(6). (Last location was S. RLS. on 3/22/2012)

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Current law prescribes procedures for the formation of regional park districts, regional park and open-space districts, or regional open-space districts. Current law authorizes 3 or more cities, together with any parcel or parcels of city or county territory, whether in the same or different counties, to organize and incorporate, but requires that all the territory in the proposed district be contiguous. This bill would revise the above authorization to instead only allow district formation for 4 or more cities.

Position: None at this time

Subject: Special District Principle Acts

SB 1501 (Kehoe D) Open-space easements.

Current Text: Amended: 4/11/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Last Amended: 4/11/2012

Status: 4/19/2012-Read second time. Ordered to third reading.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Calendar:

5/25/2012 #96 SENATE SENATE BILLS-THIRD READING FILE

Summary:

Current law regulates the execution and acceptance of a grant of an open-space easement, as defined. The execution and acceptance of a grant of an open-space easement constitutes a dedication to the public of the open-space character of the lands for the term specified. Current law provides that the easement and covenant run for a term of not less than 20 years. Current law authorizes an open-space easement to contain a covenant against the extraction of natural resources or other activities that may destroy the unique physical and scenic characteristics of the land, as specified. This bill would make technical, nonsubstantive changes to these provisions. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Ag/Open Space Protection

CALAFCO Comments: Currently a placeholder bill regarding open space easements.

[SB 1519](#) (Fuller R) Desert View Water District-Bighorn Mountains Water Agency consolidation.

Current Text: Introduced: 2/24/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Status: 5/11/2012-Failed Deadline pursuant to Rule 61(b)(6). (Last location was S. RLS. on 3/22/2012)

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Current law, the Desert View Water District-Bighorn Mountains Water Agency Consolidation Law, effected a consolidation between the Desert View Water District and the Bighorn Mountains Water Agency and required the successor board of directors to operate under the Bighorn Mountains Water Agency Law. Under current law, for a period of not less than 10 years after January 1, 1990, meetings of the successor board of directors are required to be held, as prescribed. This bill would make a technical, nonsubstantive change in these provisions.

Position: None at this time

Subject: Special District Principle Acts

Total Measures: 28

Total Tracking Forms: 28

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