



**Local Agency Formation Commission of Napa County
LAFCO of Napa County**

1700 Second Street, Suite 268
Napa, California 94559
(707) 259-8645 Telephone
<http://napa.lafco.ca.gov>

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

REGULAR MEETING AGENDA

Monday, June 7, 2010
County of Napa Administration Building
1195 Third Street, Board Chambers
Napa, California 94559

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

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF AGENDA

Requests to re-arrange agenda items will be considered at this time.

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 that is scheduled for hearing, action, or discussion as part of the current agenda. Individuals will be limited to a three-minute presentation. 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 or member of the public may request discussion of an item on the consent calendar.

a) Abandonment of Borrette Lane No. 8 Annexation to the Napa Sanitation District (Action)

The Commission will receive a report from staff confirming the conditions associated with the Borrette Lane No. 8 Annexation to the Napa Sanitation District proposal have not been satisfied and the proceedings have been abandoned. The report is being presented to receive and file.

b) Approval of Regular Meeting Calendar for Second Half of 2010 (Action)

The Commission will consider approving a regular meeting calendar for the last six months of 2010. It is recommended the Commission approve meeting dates for August 2nd, October 4th, and December 6th.

c) Authorization to Approve Audit Expenditure (Action)

The Commission will consider authorizing the Chair to enter into an agreement with Gallina LLP for the preparation of an independent audit for the 2009-2010 fiscal year at a cost of \$4,725.

d) Meeting Minutes for May 3, 2010 (Action)

The Commission will consider approving meeting minutes for May 3, 2010.

e) Current and Future Proposals (Information)

The Commission will receive a report summarizing current and future proposals. The report is being presented for information only.

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) Sphere of Influence Update on the City of American Canyon: Continuation

The Commission will continue to review its scheduled sphere of influence update on the City of American Canyon. This includes receiving a revised final report from staff recommending the addition of four distinct areas totaling approximately 543 unincorporated acres. The Commission will consider adopting resolutions updating American Canyon's sphere of influence consistent with the recommendation of the revised final report.

PUBLIC HEARING ITEMS CONTINUED...

b) Adoption of a Final Budget for Fiscal Year 2010-2011

The Commission will consider adopting a final budget for 2010-2011 totaling \$413,480. The recommended final budget is nearly identical to the proposed budget adopted by the Commission in April and would reduce expenses by 16.8% over the current fiscal year. The recommended final budget also continues to incorporate several key changes to the budget process, including the elimination of apportioning annual reserves and contingencies in favor of maintaining three months of operating reserves in the fund balance.

7. ACTION ITEMS

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

a) Amendments to Adopted Study Schedule

The Commission will consider amendments to its adopted study schedule calendaring municipal service reviews and sphere of influence updates for the 2008/09-2012/13 period. The proposed amendments include extending the study schedule to 2013/14 and consolidating the reviews and updates on the three north valley cities into one study.

b) Proposal to Establish Voting Regions within CALAFCO

The Commission will review a proposal by the California Association of Local Agency Formation Commissions to establish four voting regions for purposes of electing directors. Staff recommends the Commission support the proposal due to extenuating circumstances.

8. DISCUSSION ITEMS

Items calendared for discussion do not require a public hearing. A member of the public may receive permission to provide comments on any item at the discretion of the Chair.

a) Legislative Report

The Commission will receive a status report on the second year of the 2009-2010 session of the California Legislature as it relates to bills directly or indirectly effecting Local Agency Formation Commissions. The status report is being presented for discussion only.

9. EXECUTIVE OFFICER REPORT

The Commission will receive a verbal report from the Executive Officer regarding current staff activities, communications, studies, and special projects. This includes, but is not limited to, the following topics:

- Ad Hoc Committee on Policies and Procedures
- Agency Correspondence

10. COMMISSIONER COMMENTS; REQUEST FOR FUTURE AGENDA ITEMS

11. ADJOURNMENT TO NEXT REGULAR SCHEDULED MEETING:

See Agenda Item 5b

Materials relating to an item on this agenda that have been submitted to the Commission after distribution of the agenda packet are available for public inspection at the LAFCO office during normal business hours. Commissioners are disqualified from voting on any proposals involving entitlements of use if they have received campaign contributions from an interested party. The law prohibits a Commissioner from voting on any entitlement when he/she has received a campaign contribution(s) of more than \$250 within 12 months of the decision, or during the proceedings for the decision, from any interested party involved in the entitlement. An interested party includes an applicant and any person with a financial interest actively supporting or opposing a proposal. If you intend to speak on any hearing item, please indicate in your testimony if you have made campaign contributions totaling \$250 or more to any Commissioner during the past 12 months. Any member of the public requiring special assistance with respect to attending or listening to the meeting should contact LAFCO staff 24 hours in advance at (707) 259-8645.

THIS AGENDA HAS BEEN POSTED AT THE FOLLOWING LOCATIONS:

LAFCO Office
County of Napa Administration Building



Local Agency Formation Commission
LAFCO of Napa County

1700 Second Street, Suite 268
Napa, California 94559
Telephone: (707) 259-8645
Facsimile: (707) 251-1053
<http://napa.lafco.ca.gov>

June 7, 2010

Agenda Item No. 5a (Consent: Action)

May 27, 2010

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Brendon Freeman, Analyst

SUBJECT: Abandonment of Borrette Lane No. 8 Annexation to the Napa Sanitation District Approval

The Commission will receive a report from staff confirming the conditions associated with the Borrette Lane No. 8 Annexation to the Napa Sanitation District proposal have not been satisfied and the proceedings have been abandoned. The report is being presented to receive and file.

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, modifying, or disapproving proposed changes of organization or reorganization. LAFCOs are also authorized to establish conditions in approving changes of organization or reorganization as long as they do not directly regulate land uses, property development, or subdivision requirements. All conditions must be satisfied within one calendar year unless a time extension is requested and approved by LAFCO.

A. Background

At its May 5, 2008 meeting, LAFCO of Napa County (“Commission”) approved an application from landowners Karen and Kirk Reid to annex 6.0 acres of incorporated territory in the City of Napa to the Napa Sanitation District (NSD). The affected territory consists of one lot developed with a single-family residence located at 1020 Borrette Lane. The annexation was intended to facilitate the division of approximately half the lot into four new residential lots. The affected territory is identified by the County of Napa Assessor’s Office as 041-700-004.

Juliana Inman, Chair
Councilmember, City of Napa

Lewis Chilton, Commissioner
Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner
Councilmember, City of American Canyon

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Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

June 7, 2010

The Commission conditioned its approval to require standard conditions. This includes receiving confirmation from NSD that their terms have been satisfied. State law requires all conditions be satisfied within one calendar year of approval unless a time extension is requested and approved by the Commission. On April 6, 2009, the Commission approved a one-year time extension request from the Reids extending the deadline to satisfy the conditions to May 5, 2010. In submitting their request, the Reids stated the downturn in the economy had delayed their efforts in completing the planned division of the affected territory. Notably, the Reids' ability to fund the sewer infrastructure necessary to serve the affected territory has been dependent on the sale of one of the four planned new lots.

B. Discussion/Analysis

Staff has sent written communications to the Reids identifying the outstanding conditions necessary to complete the annexation proceedings involving the affected territory. Staff's most recent written communication was sent on January 6, 2010 and advised the proceedings would be abandoned if the outstanding conditions were not satisfied by April 6, 2010. Staff received a letter from the landowners on April 6, 2010 confirming their intent to abandon annexation proceedings.

The applicant's failure to satisfy the outstanding conditions by the referenced deadline has caused the proposal to be abandoned in accordance with Government Code Section 57001. A new application is now required to consider a future request to annex the affected territory.

C. Recommendation

It is recommended the Commission receive and file the report.

Respectfully submitted,

Keene Simonds
Executive Officer

Brendon Freeman
Analyst

Attachments:

- 1) Resolution of Approval, Dated May 5, 2008
- 2) Government Code Section 57001
- 3) Letter to Applicant, Dated April 8, 2009
- 4) Letter to Applicant, Dated January 6, 2010
- 5) Letter from Applicant, Dated April 6, 2010

RESOLUTION NO. 08-02

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

**BORRETTE LANE NO. 8 DISTRICT ANNEXATION
NAPA SANITATION DISTRICT**

WHEREAS, an application by Kirk and Karen Reed, property owners, proposing the annexation of territory to the Napa Sanitation District has been filed with the Executive Officer hereinafter referred to as "Executive Officer" of the Napa County Local Agency Formation Commission, hereinafter referred to as "the Commission", pursuant to Title 5, Division 3, commencing with Section 56000 of the California Government Code; and

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

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

WHEREAS, the Commission heard and fully considered all the evidence presented at a public meeting held on said proposal on May 5, 2008; and

WHEREAS, the Commission considered all the factors required by law under Section 56668 et al of the California Government Code; and

WHEREAS, the Commission found the proposal consistent with the sphere of influence established for the affected agency and with the Commission's adopted policy determinations; and

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

WHEREAS, the Commission, in accordance with the adopted Local Agency Formation Commission Environmental Impact Report Guidelines, and applicable provisions of the California Environmental Quality Act (CEQA), considered the determination of the City of Napa, Lead Agency under CEQA, that the Initial Study and Negative Declaration prepared for the underlying project adequately discussed the extension of sewer service and the impacts of the project on the environment.

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

1. As responsible agency, the Commission confirms that it has reviewed and considered the information in the Initial Study and Negative Declaration prepared for the underlying development project by the lead agency, the City of Napa. The Commission hereby makes and incorporates by reference the environmental findings set forth in the City of Napa Planning Commission Resolution No. 06-0037-CQ as required by Section 15091 of Title 14 of the California Administrative Code. The Commission findings are based on its independent judgment and analysis. The records upon which these findings are made are located at the LAFCO office at 1700 Second Street, Suite 268, Napa, California.
2. The proposal is APPROVED subject to the terms and conditions identified in this resolution.
3. The proposal is assigned the following distinctive short-term designation:

**BORRETTE LANE NO. 8 DISTRICT ANNEXATION
NAPA SANITATION DISTRICT**
4. The affected territory is depicted on the attached map and geographic description provided in the attached Exhibit "A".
5. The affected territory so described is uninhabited as defined in California Government Code Section 56046.
6. The Napa Sanitation District utilizes the Regular County assessment roll.
7. The affected territory will be taxed for existing general bonded indebtedness of the Napa Sanitation District.
8. The proposal shall be subject to the terms and conditions required of the Napa Sanitation District as specified in the attached Exhibit "B".
9. The applicant shall provide written notification to the Napa County Department of Environmental Management upon connection to the sewer line of the Napa Sanitation District.
10. The Commission authorizes conducting authority proceedings to be waived in accordance with Government Code Section 56663(c).
11. Recordation is contingent upon receipt from the Napa Sanitation District of written notification that the terms and conditions specified in the attached Exhibit "B" have been fulfilled.
12. The effective date approving the proposal shall be the date of recordation.
13. Recordation shall occur within one year of Commission approval unless a time extension is requested and approved by the Commission or the proposal shall be abandoned.

14. The Commission waives the application fee for the proposal based on the finding that payment be detrimental to the public interest in accordance with Government Code Section 56383(d).

The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of the County of Napa, State of California, at a regular meeting held on the 5th of May, 2008 by the following vote:

AYES: Commissioners DODD, GINGLES, INMAN, RODENO AND WAGENKNECHT

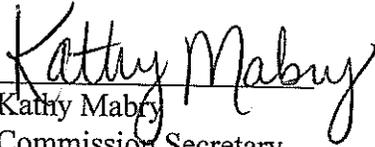
NOES: Commissioners NONE

ABSENT: Commissioners COFFEY, KELLY AND LUCE

ABSTAIN: Commissioners NONE

ATTEST: Keene Simonds
Executive Officer

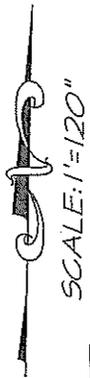
Recorded by:


Kathy Mabry
Commission Secretary

BORRETTE LANE DISTRICT NO. 8 ANNEXATION TO THE NAPA SANITATION DISTRICT NAPA CALIFORNIA

EXHIBIT A

BEING A PORTION OF THE NAPA RANCHO, TOWNSHIP 5 NORTH,
RANGE 4 WEST, MOUNT DIABLO BASE AND MERIDIAN



APN 041-700-010

APN 041-700-011

583°03'13"E 326.64' APN 041-700-003

342.47' (3)

508°03'01"E 235.44' (5)

APN 041-700-005

LANDS OF REID

APN 041-700-004
AREA TO BE ANNEXED
6.04 ACRES

BORRETTE LANE NO. 6
DISTRICT ANNEXATION - NSD
NSD RESOLUTION NO. 04-12
LAFCO CERTIFICATE OF
COMPLETION 2004-0042712
DATED JUNE 10, 2004

LINE DATA

- ① N69°56'20"W 42.90'
- ② S89°57'42"E 26.85'
- ③ S78°33'40"W 40.62'
- ④ N54°11'20"W 44.22'
- ⑤ N84°41'20"W 36.30'
- ⑥ N09°41'20"W 29.04'

LEGEND

- AREA TO BE ANNEXED
- EXISTING ANNEXATION-NSD
- ADJACENT PARCEL
- DISTRICT BOUNDARY
- PROPOSED N.S.D. ANNEXATION BOUNDARY

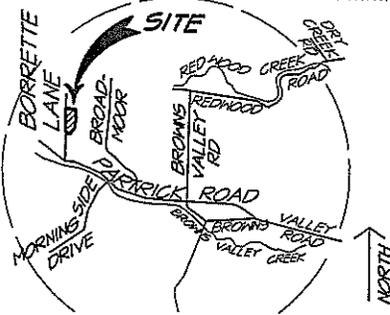
PARTRICK ROAD
BORRETTE LANE - NSD
NSD RESOLUTION NO. 94-118
LAFCO CERTIFICATE OF
COMPLETION 1994-033934
DATED SEPTEMBER 28, 1994

POINT OF BEGINNING

BORRETTE LANE

APN 041-049-007

APN 041-049-008



CONSULTING CIVIL ENGINEERS
**RIECHERS
SPENCE
ASSOCIATES**

1541 Third Street
Napa, Calif. 94559
v 707.252.3301
f 707.252.4966

MAR 3 2008 4105025.010

FINAL

EXHIBIT "B"

TERMS AND CONDITIONS

BORRETTE LANE NO. 8 DISTRICT ANNEXATION – 2008-1

1. Upon and after the effective date of said annexation, the Territory, all inhabitants within such Territory, and all persons entitled to vote by reason of residing or owning land with the Territory, shall be subject to the jurisdiction of the Napa Sanitation District, hereinafter referred to as "the District"; shall have the same rights and duties as if the Territory had been a part of the District upon its original formation; shall be liable for the payment of principal, interest, and any other amounts which shall become due on account of any outstanding or then authorized by thereafter issued bonds, including revenue bonds, or other contracts or obligations of the District; shall be subject to the levying or fixing and collection of any and all taxes, assessments, service charges, rentals or rates as may be necessary to provide for such payment; and shall be subject to all of the rates, rules, regulations and ordinances of the District, as now or hereafter amended.
2. In the event that pursuant to rules, regulations or ordinances of the District, as now or hereafter amended, the District shall require any payment of a fixed or determinable amount of money, either as a lump sum or in installments, for the acquisition, transfer, use or right of use of all or any part of the existing property, real or personal, of the District, such payment will be made to the District in the manner and at the time as provided by the rules, regulations or ordinances of the District, as now or hereafter amended.
3. The property owner shall pay to the District an Annexation Fee of \$850.00, and file with the District a check in the amount of \$500.00 made payable to the State Board of Equalization.
4. The property owner shall pay to the Napa County Assessor's Office a Mapping Services Fee of \$125.00.
5. The property owner shall pay to the District a Plant Expansion Fee for the existing single family dwelling located on the subject parcel, based on the rates in effect at the time they are paid.

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

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

08-borrette 8

California Government Code Section 57001

If a certificate of completion for a change of organization or reorganization has not been filed within one year after the commission approves a proposal for that proceeding, the proceeding shall be deemed abandoned unless prior to the expiration of that year the commission authorizes an extension of time for that completion. The extension may be for any period deemed reasonable to the commission for completion of necessary prerequisite actions by any party. If a proceeding has not been completed because of the order or decree of a court of competent jurisdiction temporarily enjoining or restraining the proceedings, this shall not be deemed a failure of completion and the one-year period shall be tolled for the time that order or decree is in effect.



Local Agency Formation Commission
LAFCO of Napa County

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April 8, 2009

Kirk and Karen Reid
1020 Borrette Lane
Napa, California 94558

SUBJECT: Approval of Time Extension
Borrette Lane No. 8 District Annexation to the Napa Sanitation District

Mr. and Mrs. Reid:

At its April 6, 2009 meeting, the Local Agency Formation Commission (LAFCO) of Napa County approved your request for a one year time extension to complete the terms and conditions associated with authorizing the annexation of your property located at 1020 Borrette Lane to the Napa Sanitation District.

If you have any questions, please contact me or LAFCO Analyst Brendon Freeman at (707) 259-8645 or by e-mail at ksimonds@napa.lafco.ca.gov.

Thank you,

Keene Simonds
Executive Officer

By:

Brendon Freeman
Analyst

cc: Todd Herrick, Napa Sanitation District

Juliana Inman, Vice Chair
Councilmember, City of Napa

Jack Gingles, Commissioner
Mayor, City of Calistoga

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
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Keene Simonds
Executive Officer



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January 6, 2010

Kirk and Karen Reid
 1020 Borrette Lane
 Napa, California 94558

SUBJECT: Notice of Deadline to Complete Terms and Conditions:
Borrette Lane No. 8 Annexation to Napa Sanitation District

Mr. and Mrs. Reid:

As you are aware, the Local Agency Formation Commission of Napa County (LAFCO) approved a one-year time extension to complete the terms and conditions associated with the above referenced proposal at its April 6, 2009 meeting. This includes satisfying the financial requirements of the Napa Sanitation District (NSD). It is our understanding this term remains outstanding.

Please note the proposal will be abandoned unless the aforementioned terms are satisfied by April 6, 2010.

If you have any questions, please contact me or LAFCO Analyst Brendon Freeman at (707) 259-8645. You may also want to discuss this matter with Todd Herrick at NSD. Mr. Herrick's telephone number is (707) 258-6000.

Sincerely,

Keene Simonds
 Executive Officer

By:

Brendon Freeman
 Analyst

cc: Todd Herrick

Juliana Inman, Chair
 Councilmember, City of Napa

Lewis Chilton, Commissioner
 Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner
 Councilmember, City of American Canyon

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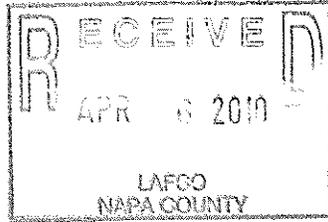
Gregory Rodeno, Alternate Commissioner
 Representative of the General Public

Keene Simonds
 Executive Officer

ATTACHMENT FIVE

Karen & Kirk Reid

1020 Borrette Lane
Napa, CA 94558
707-252-3195



April 2, 2010

Brendon Freeman
Analyst, LAFCO of Napa County
1700 Second Street, Suite 268
Napa, CA 94559

RE: Borrette Lane No. 8 Annexation to NSD

Dear Mr. Freeman:

Thank you for your recent notification. Unfortunately, due to the current economic situation, we must withdraw our application to annex our project to the Napa Sanitation District.

We hope that, as the economy recovers, we will be able to reapply at a future time.

Thank you for your consideration.

Sincerely,

Kirk Reid



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LAFCO of Napa County

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June 7, 2010

Agenda Item No. 5b (Consent: Action)

May 27, 2010

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Approval of Regular Meeting Calendar for Second Half of 2010

The Commission will consider approving a regular meeting calendar for the last six months of 2010. It is recommended the Commission approve meeting dates for August 2nd, October 4th, and December 6th.

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 Regular Commission Meeting Calendar* was last amended on December 1, 2009 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 is directed to review and approve a meeting calendar every six months at the June and December meetings. For the second half of the current calendar year, the first Monday of each month falls on July 5th, August 2nd, September 6th, October 4th, November 1st, and December 6th.

B. Discussion/Analysis

It is expected the Commission will experience a measurable decline in the volume of items presented for its consideration during the remaining part of the calendar year given the slowdown on proposal activity. The only active proposal on file with the Commission involves a multi-area annexation request by American Canyon, which is not expected to be presented for consideration for several months. The slowdown in proposal activity will provide staff a welcome opportunity to make additional progress in completing the Commission's scheduled municipal service reviews and sphere of influence updates. Markedly, this includes completing the Commission's municipal service review on the Lake Berryessa region. (An expanded discussion on the Commission's study schedule along with recommended revisions is agendized as part of Item No. 7a.) The slowdown in

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Keene Simonds
Executive Officer

proposal activity along with the concentration in preparing studies over the next several months lessens the need to schedule regular meetings every month through the end of the calendar year. Accordingly, staff believes it would be appropriate for the Commission to only schedule regular meetings for August 2nd, October 4th, and December 6th.

In considering a calendar for the next six months, please note the Chair may schedule special meetings as needed to accommodate applicant requests or address other matters not presently anticipated. The California Association of LAFCOs has also scheduled its Annual Conference for October 6-8 in Palm Springs.

C. Recommendation

It is recommended the Commission take the following action:

- 1) Adopt a regular meeting calendar for the last six months of 2010 to include August 2nd, October 4th, and December 6th with any desired changes.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachment:

~~1) Policy on Regular Commission Meeting Calendar~~



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June 7, 2010

Agenda Item No. 5c (Consent: Action)

May 27, 2010

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Authorization to Approve Audit Expenditure

The Commission will consider authorizing the Chair to enter into an agreement with Gallina LLP for the preparation of an independent audit for the 2009-2010 fiscal year at a cost of \$4,725.

Local Agency Formation Commissions (LAFCOs) are authorized under California Government Code Section 56380 to enter into agreements or contracts with public and private parties for services necessary to fulfill its regulatory and planning responsibilities.

A. Background

It is the practice of LAFCO of Napa County ("Commission") to authorize the Chair to enter into an agreement with a public accounting firm to conduct an independent audit of the agency's financial statements for the prior fiscal year. The purpose of the audit is for a third-party to assess the reliability of the Commission's financial statements by reviewing records and testing transactions to determine their compliance with generally accepted governmental accounting standards. The audit also provides an opportunity for the third-party to identify reporting omissions and to make suggestions for improvements.

B. Discussion/Analysis

The Commission has received an engagement letter from Gallina, LLP to prepare an independent audit concerning the agency's financial statements for the 2009-2010 fiscal year. Gallina is headquartered in Sacramento, California and was recently awarded a new three-year contract to provide auditing services for the County of Napa. Gallina's proposed cost to prepare the audit for the Commission is \$4,725. This amount equals Gallina's charge to the Commission for preparing an audit for the 2008-2009 fiscal year.

It is generally accepted governmental agencies should prepare annual audits to enhance transparency in the management of public funds. Additionally, as mentioned, the Commission relies on the annual audit process as a performance measure for staff as well as to identify opportunities to improve accounting practices. Accordingly, while not a requirement, it is appropriate for the Commission to enter into an agreement with Gallina based on its contractual relationship with the County to prepare an audit on the agency's financial statements for the 2009-2010 fiscal year.

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County of Napa Supervisor, 2nd District

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Representative of the General Public

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Keene Simonds
Executive Officer

C. Alternatives for Commission Action

The following alternative actions are available to the Commission:

Alternative One: Authorize the Chair to sign the attached engagement letter with Gallina for the preparation of an independent audit for the 2009-2010 fiscal year in the amount of \$4,725.

Alternative Two: Continue consideration of the item to another meeting while providing appropriate direction to staff with respect to any additional information requests.

Alternative Three: Take no action.

D. Recommendation

It is recommended the Commission approve Alternative One. This involves authorizing the Chair to sign the attached engagement letter with Gallina for the preparation of an independent audit for the 2009-2010 fiscal year in the amount of \$4,725.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachment:
~~1) Engagement Letter~~



Local Agency Formation Commission
LAFCO of Napa County

1700 Second Street, Suite 268
Napa, California 94559
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Facsimile: (707) 251-1053
<http://napa.lafco.ca.gov>

Agenda Item No. 5d (Consent)
June 7, 2010

May 21, 2010

TO: Local Agency Formation Commission
FROM: Kathy Mabry, Secretary
SUBJECT: **Approval of Minutes for May 3, 2010**

A. Discussion and Recommendation

Attached are summary minutes prepared for the Commission's May 3, 2010 meeting. Staff recommends approval.

Respectfully submitted,

Kathy Mabry
Secretary

Attachment: as stated

Juliana Inman, Chair
Councilmember, City of Napa

Lewis Chilton, Commissioner
Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner
Councilmember, City of American Canyon

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

Brad Wagenknecht, Commissioner
County of Napa Supervisor, 1st 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 MAY 3, 2010

1. CALL TO ORDER; ROLL CALL

Chair Inman called the meeting to order at 4:02 p.m.

Roll was called with Regular Commissioners Dodd, Chilton, Kelly, Wagenknecht and Chair Inman present.

Alternate Commissioners Bennett, Luce and Rodeno were also present.

Staff present: Keene Simonds, Executive Officer; Susan McGuinan, Commission Counsel (*for regular Counsel Jackie Gong*); Brendon Freeman, Analyst; and Kathy Mabry, Secretary.

2. PLEDGE OF ALLEGIANCE

Alternate Commissioner Luce led the Pledge of Allegiance.

3. OATH OF OFFICE FOR NEW TERMS

Susan McGuinan, Commission Counsel swore into office Bill Dodd, County Member and Brian J. Kelly, Public Member for their new four-year terms.

4. PUBLIC COMMENT

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

5. CONSENT ITEMS

a) Third Quarter Budget Report for 2009-2010

The Commission received a third quarter budget report for the 2009-2010 fiscal year. The report compared adopted and actual expenses through the first nine months and projects the Commission will finish the fiscal year with a remaining balance within its three budget units totaling \$112,000.

b) Meeting Minutes for April 5, 2010

The Commission was presented with minutes from the April 5, 2010 meeting for approval. Commissioners Chilton and Kelly abstained from voting.

c) Current and Future Proposals

The Commission received a report summarizing current and future proposals.

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

6. PUBLIC HEARING ITEMS

a) Sphere of Influence Update on the City of American Canyon

The Commission received a final report on its scheduled sphere of influence update on the City of American Canyon. Staff noted the final report recommended adding three of the six study areas evaluated as part of the update, identified as A, D, and F. Staff added a joint-request had been received from the City and County to continue the public hearing to its next meeting to allow the agencies to complete negotiations on an agreement supporting the inclusion of the Town Center portion of Study Area E. During discussion, staff commented the final report did not recommend adding the Town Center portion given the Commission's policies concerning the exclusion of agricultural designated lands from city spheres. Staff added it would be appropriate to receive additional land use and service planning information from American Canyon regarding the Town Center portion before the Commission considers making a special policy exception. Chair Inman asked if the Commissioners had any initial comments or questions for staff. Commissioner Dodd expressed support for adding the Town Center portion to the sphere given it is consistent with American Canyon's rural urban limit line. Commissioner Dodd also expressed uncertainty over which policies staff was citing in support of the final report's recommendation to exclude the Town Center portion. Commissioners Chilton and Kelly agreed with Commissioner Dodd and asked staff to provide clarification at the next meeting regarding the specific policies referenced in the final report. Chair Inman opened the public hearing. American Canyon City Manager Rich Ramirez commented it was imperative to add the Town Center portion to the sphere to implement the City General Plan. American Canyon City Attorney William Ross expressed concern regarding the manner in which the final report had been agendized and reiterated the desire by the City and County to continue the public hearing. Attorney David Gilbreth representing landowner Ed Biggs commented the addition of all of Study Area E, including the Town Center and Special Study portions, is appropriate. Terry McGrath representing landowner Jamcan, LLC commented the final report did not take into account the big-picture and the benefit of adding the Town Center portion to the sphere to accommodate American Canyon's desire to develop a community identity while addressing the County's need to address its regional housing needs. Chair Inman asked if the Commission supported continuing the public hearing to the next regular meeting. Upon a motion and second by Commissioners Wagenknecht and Dodd, the Commission unanimously approved continuing the public hearing to its next regular meeting.

b) Napa County Mosquito Abatement District: Municipal Service Review and Sphere Update

Staff provided the Commission with a final report representing its scheduled municipal service review and sphere of influence update for the Napa County Mosquito Abatement District. The Commission also adopted resolutions confirming the determinative statements in the final report, including updating the district's sphere of influence with no changes.

Chair Inman opened the public hearing.

Napa County Mosquito Abatement District Director Steven Rosa addressed the Commission and thanked staff for their work.

Upon motion by Commissioner Wagenknecht and second by Dodd, the Commission approved the report and the resolution adopting the determinations (**Resolutions #10-10 and #10-11**).

6. PUBLIC HEARING ITEMS ~ continued:

c) Amendments to Adopted Fee Schedule

Staff provided the Commission with a report considering an amendment to its policy to reflect an increase in the composite hourly staff rate from \$103 to \$107. The Commission also considered adopting a resolution approving the amended fee schedule. The effective date of the amended fee schedule will be July 2, 2010.

Chair Inman opened the public hearing with no comments received.

Upon motion by Commissioner Kelly and second by Dodd, the Commission approved the amendment and the resolution (**Resolution #10-12**).

7. ACTION ITEMS

a) Establishment of an Ad Hoc Committee on Policies and Procedures: Continuation

The Commission continued its deliberation to establish an ad hoc committee to review and update the agency's policies and procedures along with taking related actions.

Following discussion, Commissioners Rodeno and Luce volunteered to serve on LAFCO's Ad Hoc Committee on Policies and Procedures to perform the following tasks:

- a) Review and update the Commission's objectives and priorities.
- b) Develop baseline standards with respect to review of proposals.
- c) Examine and amend Commission policies and procedures for consistency.
- d) Create a codified policies and procedures document.

Upon motion to accept by Commissioner Chilton and second by Dodd, the Commission appointed Commissioners Rodeno and Luce to the Ad Hoc Committee.

8. DISCUSSION ITEMS

a) Report on the CALAFCO Annual Workshop

Staff provided the Commission with a verbal report regarding the issues discussed at the recent CALAFCO Workshop, which was held on April 14-16 in Santa Rosa. Staff reported that Brendon Freeman, Analyst was involved in planning various sessions, and Secretary Kathy Mabry was a panelist at the Electronic Data Management System session presented by Incrementum. Executive Officer Keene Simonds reported on CALAFCO's status, some LAFCO's forming their own association, and an amendment which was proposed to CALAFCO. The Commission was provided with a copy the proposed amendment and discussed their position regarding the possible reorganization of CALAFCO.

9. EXECUTIVE OFFICER REPORT

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

- Study Schedule - Staff reported it will come back next meeting with an amended schedule, and have the Commission review the allocation of resources over the next four years.

10. COMMISSIONER COMMENTS; REQUEST FOR FUTURE AGENDA ITEMS

The meeting calendar for the second half of 2010 was briefly discussed, and will be considered at the Commission's June 7th meeting. Staff suggested going on a bi-monthly meeting schedule with tentative meeting dates scheduled for August 2nd, October 4th, maybe November 8th and December 6th (probably no July or September meetings due to holidays)

11. ADJOURNMENT TO NEXT REGULAR SCHEDULED MEETING:

The meeting was adjourned at 5:10p.m. The next regular LAFCO meeting is scheduled for Monday, June 7, 2010 at 4:00 p.m.

Juliana Inman, Chair

ATTEST: Keene Simonds
Executive Officer

Prepared by:

Kathy Mabry
Commission Secretary



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June 7, 2010

Agenda Item No. 5e (Consent: Information)

May 27, 2010

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 May 3, 2010 meeting.

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

A. Information

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

Clark-West Ranch et. al.

The City of American Canyon proposes the annexation of six unincorporated areas totaling approximately 500 acres. The six areas include all or portions of 10 assessor parcels lying within American Canyon’s urban limit line. Five of the six areas are also proposed for annexation into the American Canyon Fire Protection District (ACFPD). Each area is assigned a short-term designation and summarized below.

- Clark-West Ranch (Area 1)
This area is 30.4 acres in size and includes a portion of an assessor parcel owned by American Canyon. The entire area is undeveloped; however, a portion is used by the American Canyon 4-H Club and includes equipment and animals.
- Eucalyptus Grove (Area 2)
This area is 106.6 acres in size and includes one entire assessor parcel. A substantial portion of the area is leased and used as a paint-ball park.

Juliana Inman, Chair
Councilmember, City of Napa

Lewis Chilton, Commissioner
Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner
Councilmember, City of American Canyon

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

Brad Wagenknecht, Commissioner
County of Napa Supervisor, 1st 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

- Atkins (Area 3)
This area is 25.4 acres in size and includes one entire assessor parcel. The entire area is undeveloped and already within ACFPD.
- Headwaters (Area 4)
This area is 218.1 acres in size and includes one entire assessor parcel. The entire area is undeveloped.
- Panattoni (Area 5)
This area is 49.2 acres in size and includes two entire assessor parcels. The entire area is undeveloped.
- Napa Valley Unified School District (Area 6)
This area is 71.6 acres in size and includes three entire assessor parcels and a portion of a fourth assessor parcel owned by Napa Valley Unified School District.

Commission consideration of the annexation of Areas 1, 3, 4, 5, and 6 is first dependent on adding the affected territories to American Canyon's sphere. Areas 1, 4, 5, and 6 also require inclusion into ACFPD's sphere. Any annexation to American Canyon would also likely involve concurrent detachment from County Service Area (CSA) No. 4.

Status: Staff issued a request for review on the proposal on March 25, 2010 from local governmental agencies. No comments have been received to date. Staff has also issued a status letter to American Canyon requesting additional information and fees necessary to process the proposal.

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 G.C. 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.

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 October 2008 request for additional information.

Staff is aware of two active proposals that are expected to be submitted to the Commission in the future. A summary of these future proposals follows.

St. Regis Resort Project

The City of Napa has approved a planning process to develop approximately 93 acres of land comprising four parcels located along Stanly Lane in the Stanly Ranch area. The approved project is intended to accommodate a 245-room luxury resort with a commercial vineyard. Commission approval will be needed to annex the affected territory to Napa Sanitation District for the purpose of extending public sewer service.

American Canyon Town Center Project

The City of American Canyon has expressed interest in developing approximately 260 acres of unincorporated land into a mixed urban use located southeast of the intersection of Highway 29 and South Napa Junction Road. No specific uses or densities currently exist. Approximately 160 acres are located outside the current sphere of influence. The Commission is currently conducting a sphere of influence update, which includes consideration of whether to add the 160 acres as part of a comprehensive update. Any potential annexation of all the affected lands to American Canyon would also likely necessitate concurrent proceedings involving ACFPD (annexation) and CSA No. 4 (detachment).

B. Commission Review

The Commission is invited to review and discuss any of the current or future proposals identified in this report.

Attachments: none



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June 7, 2010
Agenda Item No. 6b (Public Hearing)

May 27, 2010

TO: Local Agency Formation Commission

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

SUBJECT: Adoption of a Final Budget for Fiscal Year 2010-2011

The Commission will consider adopting a final budget for 2010-2011 totaling \$413,480. The recommended final budget is nearly identical to the proposed budget adopted by the Commission in April and would reduce expenses by 16.8%. The recommended final budget also continues to incorporate several key changes to the budget process, including the elimination of apportioning annual reserves and contingencies in favor of maintaining three months of operating reserves in the fund balance.

The Local Agency Formation Commission of Napa County (“Commission”) is responsible for annually adopting a proposed budget by May 1st and a final budget by June 15th. In preparing for its own provisions, the Commission has established 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 before it is circulated for comment to each funding agency. It has been the practice of the Commission to receive proposed and final budgets from the Committee for adoption at its April and June meetings, respectively.

A. Background

Funding Sources

The Commission’s operating expenses are primarily 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 apportioned among the five cities based on a weighted calculation of population and general tax revenues. It has been the practice of the Commission to only budget operating expenses given its prescribed funding sources. It has also been the practice of the Commission to return all of its unspent revenues (contributions, application fees, etc.) to the funding agencies in the form of credits towards their calculated shares of the subsequent fiscal year budget. The Commission’s recent adopted operating expenses along with agency credits and apportionments follow.

Juliana Inman, Chair
Councilmember, City of Napa

Lewis Chilton, Commissioner
Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner
Councilmember, City of American Canyon

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

Brad Wagenknecht, Commissioner
County of Napa Supervisor, 1st 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

| | FY05-06 | FY06-07 | FY07-08 | FY08-09 | FY09-10 |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|
| Adopted Expenses | <u>\$436,915</u> | <u>\$456,758</u> | <u>\$466,672</u> | <u>\$552,168</u> | <u>\$496,961</u> |
| Agency Credits | | | | | |
| County of Napa..... | 44,343 | 72,658 | 91,669 | 99,701 | 94,515 |
| City of Napa..... | 30,827 | 49,793 | 62,807 | 65,691 | 63,508 |
| City of American Canyon.. | 4,974 | 9,126 | 11,909 | 15,558 | 14,631 |
| City of St. Helena..... | 3,597 | 5,813 | 7,188 | 7,687 | 6,786 |
| City of Calistoga..... | 2,967 | 4,737 | 5,612 | 6,034 | 5,391 |
| Town of Yountville..... | 1,977 | 3,190 | 4,154 | 4,732 | 4,199 |
| | <u>88,686</u> | <u>145,317</u> | <u>183,338</u> | <u>199,402</u> | <u>189,030</u> |
| Agency Contributions | | | | | |
| County of Napa..... | 174,114 | 155,720 | 141,667 | 176,383 | 153,966 |
| City of Napa..... | 118,873 | 106,679 | 90,934 | 119,820 | 105,429 |
| City of American Canyon.. | 22,477 | 20,542 | 24,502 | 27,180 | 22,011 |
| City of St. Helena..... | 13,849 | 12,095 | 10,801 | 12,134 | 11,135 |
| City of Calistoga..... | 11,324 | 9,243 | 8,509 | 9,714 | 8,743 |
| Town of Yountville..... | 7,592 | 7,160 | 6,920 | 7,534 | 6,648 |
| | <u>348,229</u> | <u>311,411</u> | <u>283,333</u> | <u>352,765</u> | <u>307,931</u> |
| | <u>\$436,915</u> | <u>\$456,758</u> | <u>\$466,672</u> | <u>\$552,168</u> | <u>\$496,961</u> |

2010-2011 Budget Committee

At the December 3, 2009 meeting, Commissioners Chilton and Kelly were appointed to the 2010-2011 Committee. The Committee met on January 13, 2010 to review the Commission’s operating expenses for the upcoming fiscal year. The Committee created a spending baseline to identify agency expenses to maintain the current level of services at next fiscal year’s price for labor and supplies. In reviewing the spending baseline, the Committee considered actual expenses from previous fiscal years and whether adjustments in spending are appropriate to reflect anticipated changes in demand or need. The Committee also focused on whether changes to the overall budget process are warranted to improve the financial management of the agency. Proposed changes to the budget process identified by the Committee include:

- Begin budgeting revenues
- Maintain the fund balance to be equal to three months of operating expenses at the beginning of each fiscal year
- No longer budget an annual operating reserve or consultant contingency in favor of relying on the agency’s fund balance to cover unexpected expenses

Draft Proposed Budget

The Committee incorporated the preceding changes in preparing and presenting a draft proposed budget for 2010-2011 totaling \$413,480 in operating expenses at the Commission's February 1, 2010 meeting. The Commission approved the draft proposed budget as submitted and directed staff to seek comments from the funding agencies in anticipation of considering formal adoption of the item in April. Staff mailed notice to all six funding agencies the following day inviting their review and comment on the approved draft proposed budget. No comments were received.

Proposed Budget

The Committee returned to the Commission at its April 5, 2010 meeting with a proposed budget for adoption. The proposed budget was nearly identical to the earlier approved draft with the exception of minor changes to anticipated revenues. The proposed budget continued to project overall operating expenses at \$413,480. The Commission adopted the proposed budget as submitted and directed staff to seek comments from the funding agencies in anticipation of adopting a final budget in June. No comments were received.

B. Discussion

The Committee returns with a recommended final budget for consideration by the Commission. The recommended final budget is substantially identical to the proposed budget adopted in April with the exception of updating the allocation shares of the six funding agencies based on a revised calculation of expected end-of-year credits as well as incorporating the latest city populations and general tax revenues published by the State. (Allocation shares will be finalized at the end of the fiscal year to reflect actual end-of-year credits. The Commission will amend the final budget at its August meeting to reflect actual allocation amounts as needed.) An expanded discussion of projected expenses and revenues in 2010-2011 follows.

Expenses

The recommended final budget projects operating expenses in 2010-2011 will total \$413,480. This projected amount is unchanged from the earlier adopted proposed budget and represents a decrease of \$83,481 or 16.8% over the current fiscal year. Almost all of the decrease is attributed to the Committee's recommendation to eliminate the annual reserve and consultant contingency. Also attributing to the decrease is a sizeable reduction in the annual service charge by the County for providing information technology services (ITS) based on their own calculation in apportioning user costs.

Notwithstanding the overall decrease in operating expenses, certain account costs are scheduled to increase in 2010-2011. Expenses in the salaries/benefits unit are expected to increase by 2.0% with the majority tied to accommodating recent and pending merit advances for staff consistent with the County's job classification system. Expenses in the services/supplies unit are also expected to increase primarily due to funding a new account to provide capital replacement for the agency's recently purchased electronic document

management system. The aforementioned savings in ITS, though, helps reduce the overall increase in the services/supplies unit to 1.2%.

| Expense Unit | Adopted FY09-10 | Recommended FY10-11 | Change |
|------------------------|--------------------|------------------------|----------------|
| Salaries/Benefits | <u>288,265</u> | <u>293,973</u> | <u>2.0</u> |
| Services/Supplies | <u>118,063</u> | <u>119,506</u> | <u>1.2</u> |
| Contingencies/Reserves | <u>90,633</u> | <u>0</u> | |
| | <u>\$496,961</u> | <u>\$413,480</u> | <u>(16.8%)</u> |

Revenues

The recommended final budget projects nearly nine-tenths of all revenues in 2010-2011 will be drawn from agency contributions and will total \$371,120. This amount represents a 20.5% increase over agency contributions collected for the current fiscal year. The projected increase in agency contributions corresponds with the anticipated decrease in unspent revenues available at the end of this fiscal year to be converted into agency credits. In particular, credits for the current fiscal year totaled \$189,030 while credits for the upcoming fiscal year are expected to equal \$27,359. The cause of the anticipated decrease in credits is two-fold. First, actual salary and benefit costs increased due to the filling of the analyst position after nearly a two-year vacancy. Second, in conjunction with the recommendation to eliminate annual reserve and contingency appropriations, the Committee proposes to hold back \$103,370 in unspent revenues from the credit pool to retain in the fund balance, which equals three months of operating expenses.¹ Expected application fees, interest earnings, and the aforementioned agency credits will provide the remaining revenues necessary to cover anticipated operating expenses.

| Revenue Type | Final FY09-10 | Recommended FY10-11 | Change |
|---------------------------|------------------|------------------------|----------------|
| A. Agency Contributions | | | |
| County of Napa..... | 153,966 | 185,560 | 20.5 |
| City of Napa..... | 105,429 | 124,721 | 18.3 |
| City of American Canyon.. | 22,011 | 28,633 | 30.1 |
| City of St. Helena..... | 11,135 | 13,193 | 18.5 |
| City of Calistoga..... | 8,743 | 11,912 | 26.9 |
| Town of Yountville..... | 6,648 | 7,917 | 19.1 |
| | <u>307,931</u> | <u>371,120</u> | <u>20.5</u> |
| B. Agency Credits | <u>189,030</u> | <u>27,359</u> | <u>(85.5)</u> |
| C. Application Fees | --- | <u>10,000</u> | --- |
| D. Interest | --- | <u>5,000</u> | --- |
| | <u>\$496,961</u> | <u>\$413,480</u> | <u>(16.8%)</u> |

¹ The Commission's fund balance totaled \$211,870 as of July 1, 2009. The fund balance is expected to decline to \$153,569 and \$126,210 by July 1, 2010 and July 1, 2011, respectively. The Committee believes it is appropriate for the fund balance to gradually lower to eventually equal three months of the agency's operating expenses by July 1, 2012.

C. Analysis

The recommended final budget for 2010-2011 is substantively identical to the proposed budget adopted in April, which generated no comments from the six funding agencies. The recommended final budget accomplishes the Committee's core objectives to (a) provide sufficient resources to maintain current service levels while (b) minimizing impacts on the funding agencies by limiting increases in discretionary expenses. The former accomplishment allows the Commission to preserve present staffing levels, which the Committee believes is merited given the agency's increasing workload. Most notably, along with processing applicant proposals and preparing municipal service reviews and sphere of influence updates, staff has assumed additional duties ranging from implementing an electronic document management system to expanding roles within the statewide association. Any reduction in staffing levels would create a corresponding decrease in fulfilling current duties. Further, while the funding agencies will experience a one-fifth rise in their contributions, the increase marks a natural readjustment given the higher-than-average credit totals received for the current fiscal year due to vacancy of the analyst position for most of 2008-2009.

Additionally, the Committee's proposed changes to the budget process will improve the financial management of the Commission. Budgeting revenues, for example, will provide a transparent connection between operating expenses and funding sources at the time of budget adoption rather than continuing to invoice the funding agencies their calculated contributions in August without public discussion. Eliminating annual appropriations for operating reserves and consultant contingencies in favor of managing the fund balance to maintain three months of operating expenses to cover unexpected events benefits both the Commission and funding agencies. The Commission will benefit from the change by clarifying its financial position at the end of each fiscal year by reducing the amount of cash tied to agency credits remaining in the fund balance. The funding agencies will benefit from the change by enjoying more cost-certainty by receiving a more accurate and relatively stable appropriation charge at the beginning of each fiscal year.

D. Alternatives for Commission Action

The following alternative actions are available to the Commission:

Alternative One: Open the public hearing. At the close of the hearing, adopt by motion the attached draft resolution approving a final budget for 2010-2011 with any desired changes.

Alternative Two: Open the public hearing. If more information is needed, approve by motion the continuance of the hearing to a special meeting calendared no later than June 15, 2010.

E. Recommendation

It is recommended the Commission approve Alternative One. This involves adopting the attached draft resolution approving the recommended final budget for 2010-2011 with any desired changes.

Respectfully submitted on behalf of the Committee,

Keene Simonds
Executive Officer

Attachments:

- 1) Draft Resolution Adopting a Final Budget for FY10-11
- ~~2) Agency Contribution Calculation for FY10-11~~

RESOLUTION NO. ____**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
ADOPTING A FINAL BUDGET FOR THE 2010-2011 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 a final budget for the next fiscal year; and

WHEREAS, Government Code Section 56381 requires the Commission annually adopt a final budget no later than June 15th; and

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

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

WHEREAS, the Executive Officer prepared a report concerning a final budget, including his 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 a final budget held on June 7, 2010; and

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

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

1. The final budget as outlined in Exhibit One is approved.
2. The reduction in overall operating costs will nevertheless continue to 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 7, 2010 by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

ABSENT: Commissioners _____

ATTEST: Keene Simonds
Executive Officer

RECORDED: Kathy Mabry
Commission Secretary



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LAFCO of Napa County

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June 7, 2010
Agenda Item No. 7a (Action)

May 27, 2010

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Amendments to Adopted Study Schedule

The Commission will consider amendments to its adopted study schedule calendaring municipal service reviews and sphere of influence updates for the 2008/09-2012/13 period. The proposed amendments include extending the study schedule to 2013/14 and consolidating the reviews and updates on the three north valley cities into one study.

Local Agency Formation Commissions (LAFCOs) are responsible under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 for coordinating the orderly formation and development of governmental agencies and services. This includes establishing and updating spheres of influence for each city and special district to designate the territory LAFCO believes represents the affected agency's probable future boundary and service area. All boundary changes and outside service extensions must be consistent with the spheres of influence of the affected agencies with limited exceptions.

As of January 1, 2008, LAFCOs are now required to review and update spheres of influence every five years as needed. State law also requires LAFCOs to inform their sphere of influence determinations by conducting municipal service reviews to comprehensively evaluate the level and range of governmental services provided within their jurisdictions. Municipal service reviews vary in scope and can focus on a particular agency, service, or geographic region. The collective purpose in preparing these studies is to make LAFCOs more proactive and effective in fulfilling their mandate to advantageously provide for the present and future needs of the public.

A. Discussion

At its February 4, 2008 meeting, LAFCO of Napa County ("Commission") adopted a study schedule calendaring municipal service reviews and sphere of influence updates for the 2008/09-2012/13 period. The underlying focus of the study schedule is to expand on the baseline information collected during the inaugural round of municipal service reviews and sphere of influence updates completed between the 2001/02 and 2007/08 period. In particular, this includes measuring key trends relating to the adequacy, capacity, and cost of essential governmental services supporting urban growth and development in Napa County. A copy of the current study schedule is attached.

Juliana Inman, Chair
Councilmember, City of Napa

Lewis Chilton, Commissioner
Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner
Councilmember, City of American Canyon

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

Brad Wagenknecht, Commissioner
County of Napa Supervisor, 1st 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

Progress on the adopted study schedule has been slow and is largely attributed to delays in the data collection necessary to complete the municipal service reviews and sphere of influence updates. Staff has also needed to reallocate resources due to the higher-than average number of proposals received during 2008/09. This has resulted in the Commission falling a year behind in its adopted study schedule. This includes not completing the two studies calendared for 2008/09 (South County and Lake Berryessa), which remain active and are not expected to be finished until fall. Three of the four studies calendared for 2009/10 (County Service Area No. 4, Napa County Regional Parks and Open Space District, and Law Enforcement) have also fallen behind schedule and are not expected to be finished until next spring.

B. Analysis

Staff believes it would be appropriate for the Commission to amend the adopted study schedule to reflect the current progress to date. This would include extending the coverage period of the study schedule one year from 2012/13 to 2013/14. Adopting this amendment would lengthen the study schedule beyond the five year cycle period prescribed by the Legislature for preparing municipal service reviews and sphere of influence updates. This timing provision, however, is deemed directory rather than mandatory.¹ Other proposed amendments are summarized below.

- Cancel the scheduled municipal service review on transportation services (public transit and roads). This would provide staff additional time to complete other scheduled studies more directly pertinent to proposals that may come before the Commission. The Commission may wish to reschedule this municipal service review during the next study cycle if time permits.
- Reschedule the concurrent municipal service review and sphere of influence update on the Napa River Reclamation District No. 2109 from 2011/12 to 2012/13. This would allow staff to concentrate resources during 2011/12 to prepare the Central Napa Study, which includes concurrent municipal service reviews and sphere of influence updates on the City of Napa and the Napa Sanitation District. This would also provide staff additional time to prepare for the CALAFCO Annual Conference, which will be hosted by the Commission at the Silverado Resort on August 31st through September 2, 2011.
- Consolidate the concurrent municipal service reviews and sphere of influence updates on the Cities of Calistoga, St. Helena, and Town of Yountville. The consolidated study would be titled “North Napa Valley” and will help economize staff resources and better orient the Commission in understanding key regional service capacities and demands.

¹ California Government Code Section 56106 specifies any provision governing the time within which the Commission is to act shall be deemed directory rather than mandatory with the exception of certain noticing requirements.

C. Alternatives for Commission Action

The following alternative actions are available to the Commission:

Alternative One: Approve the proposed amendments to the adopted study schedule as outlined in Attachment Two with any desired changes.

Alternative Two: Continue consideration of the item to the next regular meeting and direct staff to provide additional information as needed.

Alternative Three: Take no action.

D. Recommendation

It is recommended the Commission take action consistent with Alternative One. This involves approving the proposed amendments to the adopted study schedule outlined in Attachment Two with any desired changes.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- 1) Current Study Schedule
- 2) Proposed Amended Study Schedule



**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
STUDY SCHEDULE (2008/09-2012/13)**

**Municipal Service Reviews (Government Code §56430)
Sphere of Influence Reviews (Government Code §56425)**

Adopted: February 4, 2008
Amended: November 3, 2008

Fiscal Year 2008/2009

South Napa County

Municipal service review will examine the governmental services provided by the City of American Canyon, American Canyon Fire Protection District, and County Service Area No. 3. The municipal service review will precede sphere of influence reviews for all three local agencies.

Lake Berryessa Area

Municipal service review will examine the governmental services provided by the Lake Berryessa Resort Improvement District, Napa-Berryessa Resort Improvement District, and the Spanish Flat Water District. The municipal service review will precede sphere of influence reviews for all three local agencies.

Fiscal Year 2009/2010

County Service Area No. 4

Municipal service review will examine the governmental services provided by County Service Area No. 4 and will precede a sphere of influence review.

Napa County Regional Park & Open Space District

Municipal service review will examine the governmental services provided by the Napa County Regional Park & Open Space District will precede the establishment of a sphere of influence review.

Napa County Mosquito Abatement District

Municipal service review will examine the governmental services provided by the Napa County Mosquito Abatement District and will precede a sphere of influence review.

Law Enforcement Services

Municipal service review will examine public law enforcement (i.e., police protection) services provided in Napa County.

Fiscal Year 2010/2011

Central Napa County

Municipal service review will examine the governmental services provided by the City of Napa, Napa Sanitation District, Silverado Community Services District, and Congress Valley Water District. The municipal service review will precede sphere of influence reviews for all four local agencies.

Napa River Reclamation District No. 2109

Municipal service review will examine the governmental services provided by the Napa River Reclamation District No. 2109 and will precede a sphere of influence review.

Transportation Services

Municipal service review will examine public transit and road services provided in Napa County.

Fiscal Year 2011/2012

Town of Yountville

Municipal service review will examine the governmental services provided by the Town of Yountville and will precede a sphere of influence review.

Circle Oaks County Water District

Municipal service review will examine the governmental services provided by the Circle Oaks County Water District and will precede a sphere of influence review.

Napa County Flood Control and Water Conservation District

Municipal service review will examine the governmental services provided by the Napa County Flood Control and Water Conservation District and will precede a sphere of influence review.

Napa County Resource Conservation District

Municipal service review will examine the governmental services provided by the Napa County Resource Conservation District and will precede a sphere of influence review.

Fiscal Year 2012/2013

City of Calistoga

Municipal service review will examine the governmental services provided by the City of Calistoga and will precede a sphere of influence review.

City of St. Helena

Municipal service review will examine the governmental services provided by the City of St. Helena and will precede a sphere of influence review.

Los Carneros Water District

Municipal service review will examine the governmental services provided by the Los Carneros Water District and will precede a sphere of influence review.

Cemetery Services

Municipal service review will examine public interment services provided in Napa County and will precede a sphere of influence review of the Monticello Public Cemetery District and the Pope Valley Cemetery District.



**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
STUDY SCHEDULE (2008/09-2013/14)**

**Municipal Service Reviews (Government Code §56430)
Sphere of Influence Reviews (Government Code §56425)**

Adopted: February 4, 2008
Amended: November 3, 2008
Amended: _____

Fiscal Years 2008/2009 and 2009/2010

South Napa County

Municipal service review will examine the governmental services provided by the City of American Canyon, American Canyon Fire Protection District, and County Service Area No. 3. The municipal service review will precede sphere of influence reviews for all three local agencies.

Lake Berryessa Area

Municipal service review will examine the governmental services provided by the Lake Berryessa Resort Improvement District, Napa-Berryessa Resort Improvement District, and the Spanish Flat Water District. The municipal service review will precede sphere of influence reviews for all three local agencies.

Fiscal Year 2010/2011

County Service Area No. 4

Municipal service review will examine the governmental services provided by County Service Area No. 4 and will precede a sphere of influence review.

Napa County Regional Park & Open Space District

Municipal service review will examine the governmental services provided by the Napa County Regional Park & Open Space District will precede the establishment of a sphere of influence review.

Napa County Mosquito Abatement District

Municipal service review will examine the governmental services provided by the Napa County Mosquito Abatement District and will precede a sphere of influence review.

Law Enforcement Services

Municipal service review will examine public law enforcement (i.e., police protection) services provided in Napa County.

Fiscal Year 2011/2012

Central Napa County

Municipal service review will examine the governmental services provided by the City of Napa, Napa Sanitation District, Silverado Community Services District, and Congress Valley Water District. The municipal service review will precede sphere of influence reviews for all four local agencies.

Fiscal Year 2012/2013

Circle Oaks County Water District

Municipal service review will examine the governmental services provided by the Circle Oaks County Water District and will precede a sphere of influence review.

Napa County Flood Control and Water Conservation District

Municipal service review will examine the governmental services provided by the Napa County Flood Control and Water Conservation District and will precede a sphere of influence review.

Napa County Resource Conservation District

Municipal service review will examine the governmental services provided by the Napa County Resource Conservation District and will precede a sphere of influence review.

Napa River Reclamation District No. 2109

Municipal service review will examine the governmental services provided by the Napa River Reclamation District No. 2109 and will precede a sphere of influence review.

Fiscal Year 2013/2014

North Napa Valley

Municipal service review will examine the governmental services provided by the Cities of Calistoga, St. Helena, and Town of Yountville. The municipal service review will precede sphere of influence reviews for all three local agencies.

Los Carneros Water District

Municipal service review will examine the governmental services provided by the Los Carneros Water District and will precede a sphere of influence review.

Cemetery Services

Municipal service review will examine public interment services provided in Napa County and will precede a sphere of influence review of the Monticello Public Cemetery District and the Pope Valley Cemetery District.



Local Agency Formation Commission
LAFCO of Napa County

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

June 7, 2010
Agenda Item No. 7b (Action)

May 27, 2010

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Proposal to Establish Voting Regions within CALAFCO

The Commission will review a proposal by the California Association of Local Agency Formation Commissions to establish four voting regions for purposes of electing directors. Staff recommends the Commission support the proposal due to extenuating circumstances.

The California Association of Local Agency Formation Commissions (CALAFCO) was founded in 1971 to assist its members with educational and technical resources in carrying out their duties to facilitate the orderly formation and development of local agencies. This includes organizing annual conferences and workshops, coordinating training classes, and drafting legislation. CALAFCO is governed by an elected-at-large 15-member board of directors that includes four city members, four county members, four special district members, and three public members. Paid staff consists of a fulltime Executive Director and a part-time Administrative Assistant. CALAFCO's membership currently includes 57 of the 58 LAFCOs with Tehama choosing not to participate.

A. Discussion

The CALAFCO Board has unanimously approved proposed bylaw changes to modify the voting process for directors from at large to regions. A total of four regions are planned and based on geography: (a) northern; (b) central; (c) coastal; and (d) southern. Each region would be responsible for electing four directors representing county, city, district, and public members. This would expand the total number of directors from 15 to 16 with one additional public member. All 16 seats would be up for election during the 2010 Annual Conference in Palm Springs. Two of the members initially elected within each region would serve two-year terms while the other two members would serve one-year terms. All subsequent terms would be staggered every two years.

LAFCO of Napa County ("Commission") has been placed within the coastal region along with 14 other LAFCOs. A map of the proposed regions is included in the attached information packet provided by CALAFCO. The deadline to submit a vote on the proposed bylaw changes is Friday, July 9, 2010.

Juliana Inman, Chair
Councilmember, City of Napa

Lewis Chilton, Commissioner
Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner
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County of Napa Supervisor, 1st District

Mark Luce, Alternate Commissioner
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Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

B. Analysis

The proposal before the Commission represents the second attempt by CALAFCO to restructure the membership into geographic regions. The first attempt was unanimously approved by the CALAFCO Board in June 2009 and sought to divide the membership into regions for purposes of resource sharing. The stated intent of the June 2009 proposal was to increase communication, create opportunities for shared resources, and address local governmental growth and service issues among LAFCOs with common interests. The Commission joined a majority of other LAFCOs in expressing opposition to the June 2009 proposal due to concerns it would reorient CALAFCO to focus less on statewide matters in favor of more local interests. Several Board members also expressed opposition during an agendaized discussion on the proposal during the 2009 Annual Conference in Yosemite.

The second and current proposal to restructure CALAFCO into geographic regions is different from the June 2009 proposal by only modifying the manner in which directors are elected. This approach appears to more effectively address the key concerns that originally prompted the June 2009 proposal in terms of broadening perspectives on CALAFCO as advocated by several Southern California LAFCOs. Five LAFCOs (Imperial, Los Angeles, Orange, Riverside, and San Bernardino) believe the current at-large voting process does not allow for fair representation on CALAFCO and have provided notice they will not renew their memberships. The second proposal is intended to dissuade these and other LAFCOs from leaving CALAFCO.

Staff believes approval of the proposal is merited. Approval of the proposal would – above all – help keep CALAFCO together by addressing the aforementioned concerns of several Southern California LAFCOs. These concerns appear legitimate given the recent and current unbalanced composition of the Board. Furthermore, while it may result in less focus on statewide items in favor of more regional interest, the proposal will help avoid balkanizing LAFCOs between two or more advocacy groups.

C. Alternatives for Commission Action

The following three alternative actions are available to the Commission:

Alternative One: Approve a motion for the Chair to sign the attached ballot supporting the proposed bylaw changes to CALAFCO.

Alternative Two: Approve a motion for the Chair to sign the attached ballot opposing the proposed bylaw changes to CALAFCO.

Alternative Three: Take no action.

D. Recommendation

It is recommended the Commission take action consistent with Alternative One. This involves authorizing the Chair to sign the attached ballot approving the bylaw changes to CALAFCO establishing four geographic regions for purposes of electing directors.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachment

- ~~1) CALAFCO Information Packet~~
- ~~2) Letter from CALAFCO Chair Roger Anderson and Official Ballot~~



Local Agency Formation Commission
LAFCO of Napa County

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June 7, 2010

Agenda Item No. 8a (Discussion)

May 27, 2010

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Legislative Report

The Commission will receive a status report on the second year of the 2009-2010 session of the California Legislature as it relates to bills directly or indirectly effecting Local Agency Formation Commissions. The status report is being presented for discussion only.

The Executive Officer is a member of the California Association of Local Agency Formation Commissions' (CALAFCO) Legislative Committee. The Legislative Committee meets on a regular basis to review, discuss, and offer recommendations to the CALAFCO Board of Directors relating to new legislation that have either a direct impact on LAFCO law or the laws LAFCO helps to administer. Actions by the Legislative Committee are guided by the Board's adopted policies, which are annually reviewed and amended to reflect current year priorities.

A. Discussion and Analysis

The Legislative Committee is currently tracking 18 bills with direct or indirect impacts on LAFCOs as part of the second year of the 2009-2010 session. There are also a few bills that have been introduced as placeholders and may be amended over the next several months to clarify their specific purpose. A complete list of the bills under review by CALAFCO is attached. Five bills of specific interest to LAFCO of Napa County ("Commission") are discussed and analyzed below.

Senate Bill 1023 (Patricia Wiggins)

This legislation would establish an expedited process for LAFCOs to initiate and approve the reorganization of resort improvement districts (RIDs) and municipal improvement districts (MIDs) into community service districts (CSDs) with the same powers, duties, and boundaries. The legislation includes exempting protest proceedings unless written opposition is filed by the affected agency. The Commission, which regulates two RIDs (Lake Berryessa and Napa-Berryessa) adopted a support position on the bill at its April 5, 2010 meeting. The County, Lake-Berryessa, and Napa-Berryessa have also adopted support positions. The bill has passed out of the Senate and is currently awaiting assignment in the Assembly.

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Representative of the General Public

Keene Simonds
Executive Officer

Assembly Bill 2795 (Assembly Committee on Local Government)

This legislation would make several minor and non-controversial changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, such as defining “divesture of power.” The bill would also amend Revenue and Tax Code to extend the mandatory property tax negotiation period for jurisdictional changes between local agencies from 60 to 90 days if requested. Staff proposed this amendment in consultation with a sub-committee given the reoccurring challenges for local agencies to complete their negotiations within the current 60 day period. The bill has passed out of the Assembly and is currently awaiting assignment in the Senate. CALAFCO has adopted a support position for the bill.

Assembly Bill 853 (Juan Arambula)

This legislation would establish new procedures for county boards of supervisors to initiate proposals seeking LAFCO approval to annex unincorporated islands or “fringe communities” that lack adequate public infrastructure. The legislation defines a fringe community as any inhabited (12 or more registered voters) land within a city’s sphere of influence. The legislation would require LAFCOs to approve an annexation unless it finds the proposal will not result in a net benefit to the community’s public health; financial considerations are not to be factor in justifying disapproval. The legislation would waive protest proceedings and the traditional requirement that land be prezoned by cities as a precondition to annexation. The legislation would also establish a process for LAFCO to determine a property tax agreement. The bill has passed out of the Assembly and referred to the Senate Committee on Local Government. CALAFCO has adopted an oppose-unless-amended position on the bill.

Senate Bill 1174 (Lois Wolk)

This legislation would require cities and counties beginning January 1, 2013 to expand their housing element updates to identify, assess, and strategize to eliminate island and fringe communities. The bill would also require the local agency to make additional efforts to engage the public in preparing general plan updates. The bill has passed out of the Senate and is currently awaiting assignment in the Assembly. CALAFCO has adopted a watch position for the bill.

Assembly Bill 1859 (Chris Norby)

This legislation would require all new, expansions, or extensions of redevelopment areas to be subject to LAFCO review and approval. The bill specifically directs LAFCOs to determine the financial soundness of a proposal; LAFCO would not make a determination on blight. The bill did not pass out of the Assembly Local Government Committee and is therefore inactive. The author is expected to reintroduce the bill next session.

B. Commission Review

The Commission is invited to discuss any of the legislation outlined in this report or in the attached report prepared by CALAFCO. The Commission may also provide direction to staff with respect to returning with comment letters on any current or future legislation.

Attachments:

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



CALAFCO 2010 Legislative Policies

Adopted by the Board of Directors on 15 January 2010

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 addition of 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.

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 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.

2010 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.

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 prime agricultural, and open space lands, and that encourage other agencies to coordinate with local LAFCos on land preservation and orderly growth.

Water Availability Insure adequate water supplies and infrastructure planning for current and planned growth. Support policies that assist LAFCo in obtaining accurate data 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 uninhabited territory proposed for annexation to urban areas which is at risk for flooding. Support legislation that includes assessment of agency viability in decisions involving new funds for levee repair.

Annexation of Inhabited Territory Expedited processes for inhabited annexations should be consistent with LAFCo law and fiscally viable.

CALAFCO Daily Legislative Report as of 5/17/2010

1

[AB 419](#) (Caballero D) Local government: change of organization or reorganization: elections.

Current Text: Amended: 1/14/2010 [pdf](#) [html](#)

Introduced: 2/23/2009

Last Amended: 1/14/2010

Status: 2/11/2010-Referred to Com. on L. GOV.

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

Calendar:

6/9/2010 9:30 a.m. - Room 112 SENATE LOCAL GOVERNMENT, COX, Chair

Summary:

Would , beginning January 1, 2011, require the board of supervisors or the city council to take action, to order and place the item on the ballot, within 45 days of notification by the local agency formation commission, and would require the elections official to place the item on the ballot at the next regular election if the board of supervisors or the city council fails to take action within 45 days of the notification. This bill would also make conforming changes.

Attachments:

[CALAFCO Support Letter](#)

Position: Support

Subject: CKH General Procedures

CALAFCO Comments: This bill was a gut-and-amend to specify that a Board or Council has 45 days to place an item on the next general election ballot when requested by a LAFCo. Current law does not specify the number of days nor state what happens if the item is not placed on the ballot. If the Board or Council does not act within 45 days it requires the election official to place the item on the next General Election ballot. Adds a requirement that LAFCo must notify the election official as well as the Board or Council of an item to be placed on the ballot. It provides clarity to the process.

[AB 853](#) (Arambula I) Local government: organization.

Current Text: Amended: 5/18/2009 [pdf](#) [html](#)

Introduced: 2/26/2009

Last Amended: 5/18/2009

Status: 6/11/2009-Referred to Coms. on L. GOV. and RLS.

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

Calendar:

6/16/2010 9:30 a.m. - Room 112 SENATE LOCAL GOVERNMENT, COX, Chair

Summary:

Would provide procedures for annexing unincorporated fringe communities and unincorporated island communities , as defined, to a city under specified circumstances, including provisions for a revenue neutrality agreement between the affected local government entities.

Attachments:

[CALAFCO Letter of Concern](#)

Position: Oppose unless amended

Subject: Special District Consolidations

CALAFCO Comments: This bill provides a mechanism for residents to petition to a Board of Supervisors to be annexed to a city if they are within 1.5 miles of a boundary or within or adjacent to an existing city SOI. It requires the Board to send a resolution to LAFCo for the annexation and requires LAFCo to approve the annexation. It creates new definitions for "Islands" and for "unincorporated fringe communities." It also prohibits affected districts from terminating the annexation. This bill is sponsored by California Rural Legal Assistance and is tied to their other bill, SB 194. CALAFCO has significant concerns and is working with the author and sponsor on language before taking a position.

[AB 1668](#) (Knight R) Local government: city councils.

Current Text: Amended: 5/6/2010 [pdf](#) [html](#)

Introduced: 1/20/2010

Last Amended: 5/6/2010

Status: 5/6/2010-Read second time and amended. Ordered to third reading.

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

Calendar:

5/17/2010 #107 SENATE ASSEMBLY BILLS-THIRD READING FILE

Summary:

Would require the city council to, within 60 days of a vacancy in an elective office, fill that vacancy by appointment or call a special election to fill the vacancy, as specified. This bill contains other related provisions and other existing laws.

Attachments:

[CALAFCO Support Letter](#)

Position: Support

Subject: Incorporation Proceedings

CALAFCO Comments: This bill is nearly identical to AB 18 introduced by Assembly Member Knight in 2009. In addition to specifying the number of days a city council has to fill a vacancy, it clarifies the number of seats up for election at the first election following incorporation. CALAFCO supported AB 18. That bill was vetoed by the Governor because he felt current law was adequate on number of days to fill a vacancy. His veto was silent on number of seats at the first election. CALAFCO has proposed the seats up for election as an Assembly Omnibus Bill item. Should there be no objections from stakeholders, that item would be in the Omnibus and would be amended out of AB 1668.

[AB 1859](#) (Norby R) Local government: change of organization or reorganization.

Current Text: Amended: 4/8/2010 [pdf](#) [html](#)

Introduced: 2/12/2010

Last Amended: 4/8/2010

Status: 4/23/2010-Failed Deadline pursuant to Rule 61(b)(5). (Last location was L. GOV. on 4/21/2010)

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

Summary:

Would include within a local agency formation commission' s powers the power to approve, disapprove, or approve conditionally, a request by a redevelopment agency to establish, extend, or expand a project area. The bill would include within the definition of "change of organization" a proposal to establish, extend, or expand a project area, and would define the term "project area." By expanding a local agency formation commission's duties, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: Annexation Proceedings

CALAFCO Comments: This bill would have placed Redevelopment Agency Project Areas under CALAFCO review. It added to LAFCo the power to review and approven deny or conditionally approve a new project area or the expansion of an existing project area. It died in Committee.

[AB 2795](#) (Committee on Local Government) Local government: organization.

Current Text: Introduced: 3/24/2010 [pdf](#) [html](#)

Introduced: 3/24/2010

Status: 5/6/2010-In Senate. Read first time. To Com. on RLS. for assignment.

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

Summary:

Would define "divestiture of power" and "executive officer" as used in the act. This bill would also make additional changes to clarify and maintain the consistency of the act. This bill contains other related provisions and other existing laws.

Attachments:

[CALAFCO Support Letter](#)

Position: Sponsor

Subject: CKH General Procedures

CALAFCO Comments: This is the Assembly Local Government Committee Omnibus bill. The bill is prepared and sponsored by CALAFCO and makes technical, non-significant changes to C-K-H.

SB 194 (Florez D) Community Equity Investment Act of 2010.

Current Text: Amended: 1/7/2010 [pdf](#) [html](#)

Introduced: 2/23/2009

Last Amended: 1/7/2010

Status: 1/28/2010-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:

Would enact the Community Equity Investment Act of 2010. The bill would make legislative findings and declarations relating to disadvantaged, unincorporated communities. The bill would specify how funds received pursuant to the federal State Community Development Block Grant Program are expended at the local government level.

Attachments:

[CALAFCO Letter of Interest](#)

Position: Watch

Subject: Municipal Services, Planning

CALAFCO Comments: This bill is intended to provide municipal services and infrastructure investment to disadvantaged unincorporated communities. Its intent, in part, is to address the role of regional agencies in addressing infrastructure deficits through changes to state agency funding programs with the intent to improve infrastructure in unincorporated communities. Language in this bill is tied to AB 853 which provides mechanisms for LAFCo to annex these communities to existing cities.

SB 894 (Committee on Local Government) Local Government Omnibus Act of 2010.

Current Text: Amended: 4/12/2010 [pdf](#) [html](#)

Introduced: 1/25/2010

Last Amended: 4/12/2010

Status: 5/10/2010-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:

Would include a cross-reference to this authorization in each of the affected provisions. This bill contains other related provisions and other existing laws.

Position: Support

Subject: CKH General Procedures

CALAFCO Comments: This is the Senate Local Government Committee Omnibus Bill. AT this time it contains one minor item related to LAFCo: It cleans up language in various local government laws to clarify that judges can resolve land use and environmental lawsuits through mediation before it goes to trial.

2

AB 155 (Mendoza D) Local government: bankruptcy proceedings.

Current Text: Amended: 7/1/2009 [pdf](#) [html](#)

Introduced: 1/26/2009

Last Amended: 7/1/2009

Status: 4/20/2010-From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 3. Noes 2.) (April 19).

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

Summary:

Would provide that a local public entity may only file under federal bankruptcy law with the approval of the California Debt and Investment Advisory Commission, as specified.

Position: None at this time

Subject: Financial Viability of Agencies

CALAFCO Comments:

AB 711 (Calderon, Charles D) Local agency formation commissions: cost of incorporation proceedings.**Current Text:** Amended: 4/22/2010 [pdf](#) [html](#)**Introduced:** 2/26/2009**Last Amended:** 4/22/2010**Status:** 4/29/2010-Re-referred to Com. on L. GOV. pursuant to Assembly Rule 77.2. (Page 4927.) Joint Rule 62(a), file notice suspended. (Page 4927.) From committee: With recommendation: That Senate amendments be concurred in.

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

Calendar:

5/17/2010 #44 ASSEMBLY UNFINISHED BUSINESS CONCURRENCE IN SENATE AMENDMENTS

Summary:

Would transfer \$45,000 from the Environmental Enhancement and Mitigation Program Fund to the General Fund, and appropriate that amount from the General Fund to the Controller for allocation to the Los Angeles County Local Agency Formation Commission for a loan to the East Los Angeles Residents Association, as specified. The bill would make findings and declarations regarding the need for a special statute. This bill contains other related provisions.

Position: Watch**Subject:** Incorporation Proceedings**CALAFCO Comments:** This would be the first time legislation has been introduced to provide funds for the State Controller to allocate to fund incorporation studies as provided in CKH. The legislation is specific that the process must be consistent with CKH law.**SB 211 (Simitian D) Park district formation: County of Santa Cruz.****Current Text:** Amended: 9/4/2009 [pdf](#) [html](#)**Introduced:** 2/23/2009**Last Amended:** 9/4/2009**Status:** 9/8/2009-Placed on inactive file on request of Assembly Member Torrico.

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

Summary:

in addition, would authorize the formation of a district in the County of Santa Cruz, except as specified, if the exterior boundaries of the proposed district are coterminous with the exterior boundaries of the county and are initiated by a specified resolution of the county board of supervisors, after a hearing noticed in accordance with specified procedures, in lieu of the petition and related proceedings required under the above provisions. This bill contains other related provisions and other existing laws.

Attachments:[CALAFCO Letter of Opposition](#)**Position:** Oppose unless amended**Subject:** Special District Principle Acts**CALAFCO Comments:** Allows Santa Cruz Board of Supervisors to create a regional open space district outside of LAFCo process. Does not provide a funding source for the district, leaving it to a future vote of the residents.**SB 896 (Cox R) Local government: organization.****Current Text:** Introduced: 1/25/2010 [pdf](#) [html](#)**Introduced:** 1/25/2010**Status:** 2/4/2010-To Com. on RLS.

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

Summary:

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 defines various terms for purposes of the act, including, among others, "affected city." This bill would make a technical, nonsubstantive change to this definition.

Position: Watch

Subject:**CALAFCO Comments:** This appears to be a placeholder bill.**[SB 1023](#) (Wiggins D) Special districts: consolidation and reorganization.****Current Text:** Amended: 4/27/2010 [pdf](#) [html](#)**Introduced:** 2/11/2010**Last Amended:** 4/27/2010**Status:** 5/10/2010-In Assembly. Read first time. Held at Desk.

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

Summary:

Would until January 1, 2018, authorize the local agency formation commission to approve or conditionally approve an expedited reorganization of specified districts into a community services district, with the same powers, duties, responsibilities, obligations, liabilities, and jurisdiction of the district proposed to be dissolved, unless the governing body of the district proposed to be dissolved files a resolution of objection with the commission, as specified. This bill contains other related provisions and other existing laws.

Attachments:[CALAFCO Support Letter](#)**Position:** Support**Subject:** Special District Consolidations

CALAFCO Comments: This bill provides an expedited process for the conversion of Resort Improvement Districts and select Municipal Improvement Districts to Community Service Districts. CALAFCO and the affected LAFcos and districts have been consulted on this legislation.

[SB 1174](#) (Wolk D) Land use: general plan: disadvantaged unincorporated communities.**Current Text:** Amended: 4/29/2010 [pdf](#) [html](#)**Introduced:** 2/18/2010**Last Amended:** 4/29/2010**Status:** 5/12/2010-Read second time. To third reading.

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

Calendar:

5/17/2010 #68 SENATE SENATE BILLS-THIRD READING FILE

Summary:

Would require, prior to January 1, 2013, and thereafter upon each revision of its housing element, a city or county to review and update one or more elements of its general plan, as necessary to address the presence of island, fringe, or legacy unincorporated communities, as defined, inside or near its boundaries, and would require the updated general plan to include specified information. This bill would also require the city or county to make a diligent effort to involve all members of the public in preparing the review and update of the general plan. By adding to the duties of city and county officials, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Position: Watch**Subject:** Annexation Proceedings, Service Reviews/Spheres, Growth Management, Environmental Justice, Planning**CALAFCO Comments:** Adds conflicting definitions of island communities to general plan law.**[SB 1232](#) (Romero D) Municipal incorporation: Los Angeles Local Agency Formation Commission.****Current Text:** Amended: 4/13/2010 [pdf](#) [html](#)**Introduced:** 2/19/2010**Last Amended:** 4/13/2010**Status:** 5/7/2010-Failed Deadline pursuant to Rule 61(b)(6). (Last location was L. GOV. on 4/15/2010)

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

Summary:

Would require the East Los Angeles Residents Association, by October 29, 2010, to deposit any funds required by the Los Angeles County Local Agency Commission to complete a

comprehensive fiscal analysis as a condition to continuation of the current petition for a change of organization. The bill would also require any signatures that were submitted with the petition to continue to be considered valid through October 29, 2010, and after that date if the petition proceeds and is accepted for filing. This bill contains other related provisions.

Position: None at this time
Subject: Incorporation Proceedings
CALAFCO Comments:

3

AB 300 (Caballero D) Subdivisions: water supply.

Current Text: Amended: 6/30/2009 [pdf](#) [html](#)

Introduced: 2/17/2009

Last Amended: 6/30/2009

Status: 7/7/2009-In committee: Set, first hearing. Testimony taken. Further hearing to be set.

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

Summary:

Would require, until January 1, 2017, the public water system, or the local agency if there is no public water system, to review, verify for accuracy, and approve, as specified, the subdivider's water savings projections attributable to voluntary demand management measures, as defined. The public water system would be authorized to collect fees necessary to provide the additional analysis of the voluntary demand management measures. This bill would provide that a water supply assessment completed, as specified, satisfies the existing requirement of verifying sufficient water supply, unless the public water system receives specified new information. The public water system would be required to determine the projected water savings attributable to the voluntary demand management measures that will be incorporated into the subdivision. The projected water savings would be required to be calculated using specified data compiled or maintained by the public water system or the water savings projections adopted by the California Urban Water Conservation Council. If a project applicant proposes to use a new voluntary water demand management measure for which neither the California Urban Water Conservation Council nor the public water system has adopted an estimate or method to calculate the projected water savings of the proposed voluntary demand management measure, the projected water savings would be required to be made based on documented methodologies or calculations submitted in the record. Five years after the project has been fully developed, the public water system would be required to include within its next urban water management plan a report on the monitoring and compliance of voluntary water demand management measures and to determine, if practicable based on readily available information, whether they have resulted in the water savings necessary to achieve the agreed upon water demand offsets. The bill would also require the public water system to document the measured annual water use of the subdivision in comparison to the projected demand associated with the subdivision, and to calculate the water savings attributable to the voluntary mitigation measures financed by the Voluntary Water Demand Mitigation Fund for the subdivision. If the public water system bases its written verification of a sufficient water supply for the subdivision, in whole or in part, on the use of voluntary demand management measures within the subdivision, the written verification would be required to be conditioned on the maintenance and operation of the voluntary demand management measures, or measures that are at least as water efficient, as agreed to by the applicant and the public water system, and the recordation as a covenant running with the land for the lots within the subdivision. The bill would provide that by acceptance of a deed to a lot, each purchaser would acknowledge the obligation to comply with the voluntary demand measures for the lot as described in the covenant. These covenants would be authorized to be enforced pursuant to the existing authority of a public water system. The bill would further require a builder, prior to the close of escrow, to give a purchaser information that would be required to be included in a maintenance manual that informs the purchaser of the existence of the home's unique water saving devices, including specified information. The bill would also encourage the public water system to commit to carrying out the water conservation measures funded by the Voluntary Water Demand Mitigation Fund within 24 months of the sale of the last unit of the proposed subdivision. The bill would require the public water system to choose water conservation measures that are the most cost-effective means to yield water savings. The bill would authorize expenditures from the fund to be made within the subdivision or elsewhere within the service area of the public water supplier, at its discretion. Not less than 40% of the proceeds from the voluntary water demand mitigation fund would be required to be directed to water conservation programs in any disadvantaged community, unless the public water system makes a specified finding. By adding to the duties of the public water system, this bill would impose a

state-mandated local program. This bill contains other related provisions and other existing laws.

Position: None at this time

Subject: Service Reviews/Spheres, Water

CALAFCO Comments: Requires the preparation of a water assessment report for projects which reduce water consumption, which requires consultation with affected agencies, including LAFCo.

[AB 1974](#) (Cook R) Local government finance: vehicle license fee: administration.

Current Text: Amended: 4/6/2010 [pdf](#) [html](#)

Introduced: 2/17/2010

Last Amended: 4/6/2010

Status: 4/23/2010-Failed Deadline pursuant to Rule 61(b)(5). (Last location was TRANS. on 4/7/2010)

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

Summary:

Would on and after January 1, 2011, limit any increase in the payment of administrative costs to the Department of Motor Vehicles to 2% per year. This bill contains other related provisions and other existing laws.

Position: None at this time

Subject: Tax Allocation

CALAFCO Comments:

Total Measures: 16

Total Tracking Forms: 16

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