Local Agency Formation Commission of Napa County
Subdivision of the State of California
We Manage Government Boundaries, Evaluate Municipal Services, and Protect Agriculture
Brian J. Kelly, Chair ■ Joan Bennett, Vice Chair ■ Bill Dodd ■ Greg Pitts ■ Brad Wagenknecht
Juliana Inman, Alternate ■ Mark Luce, Alternate ■ Gregory Rodeno, Alternate

Administrative Office
1030 Seminary Street, B
Napa, California 94559
Telephone: 707-259-8645
www.napa.lafco.ca.gov

REGULAR MEETING AGENDA
Monday, August 4, 2014
County of Napa Administration Building
1195 Third Street, Board Chambers, 3rd Floor
Napa, California 94559

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

2. PLEDGE OF ALLEGIANCE

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

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

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

a) Approval of June 2 Meeting Minutes (Action)
b) Current and Future Proposals (Information)
c) Appoint Voting Delegate and Alternate for Annual CALAFCO Board Elections (Action)
d) Adopt Resolution Amending the Conflict of Interest Code (Action)
e) Adopt Two Resolutions Approving the Executive Officer's Participation in and Budget for Retirement Savings and Napa Valley Leadership Training (Action)

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) West Pueblo Avenue No. 1 Annexation to the City of Napa
The Commission will consider a proposal filed by landowner petition to annex approximately 3.3 acres of territory to the City of Napa. The territory proposed to be annexed comprises five entire parcels located within an unincorporated island near West Pueblo Avenue. The City of Napa serves as lead agency under CEQA and has prepared an initial study addressing any environmental impacts associated with the proposed annexation. The recommended action is for the Commission to adopt a resolution approving the proposal subject to separate protest proceedings absent consent from all landowners.

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

a) Borrette Lane No. 9 Annexation to the Napa Sanitation District
The Commission will consider a landowner petition to annex a 0.4 acre incorporated parcel to the Napa Sanitation District. The subject parcel is located at 1018 Borrette Lane in the City of Napa. The purpose of the proposed annexation is to allow the existing single-family residence to connect to the District's public sewer system. The proposal is exempt from CEQA under Public Resources Code Section 15319(a). The recommended action is for the Commission to adopt a resolution approving the proposal with standard terms and conditions.

b) Garfield Lane No. 3 Annexation to the Napa Sanitation District
The Commission will consider a landowner petition to annex a 1.42 acre incorporated parcel to the Napa Sanitation District. The subject parcel is located at 47 Garfield Lane in the City of Napa. The purpose of the proposal is to

facilitate the subdivision of the subject parcel as contemplated in the applicant's tentatively approved development project. The proposal qualifies for a Class 32 categorical exemption from CEQA. The recommended action is for the Commission to adopt a resolution approving the proposal with standard terms and conditions.

c) Silver Trail No. 9 Annexation to the Napa Sanitation District
The Commission will consider a landowner petition to annex six unincorporated parcels totaling 3.75 acres to the Napa Sanitation District. The subject parcels are located at 1510, 1511, 1514, 1519, 1522, and 1570 Silver Trail in the Silverado community. The purpose of the proposal is to allow the existing single-family residences to connect to the District's public sewer infrastructure. The proposal is exempt from CEQA under Public Resources Code Section 15319(a). The recommended action is for the Commission to adopt a resolution approving the proposal with standard terms and conditions.

8. DISCUSSION ITEMS

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

9. EXECUTIVE OFFICER REPORT

a) Memo on Potential Water Accounts
b) 5091 Solano Avenue – Update on Application Received by Napa County for a New Hotel & Restaurant
c) Executive Officer Initial Six-Month Review
d) CALAFCO Annual Training Registration

10. COMMISSIONER COMMENTS; REQUEST FOR FUTURE AGENDA ITEMS

11. ADJOURNMENT TO NEXT REGULAR SCHEDULED MEETING: October 6, 2014

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

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

August 4, 2014
Agenda Item No. 5a (Consent/Action)

July 7, 2014

TO: Local Agency Formation Commission

FROM: Kathy Mabry, Commission Secretary

SUBJECT: Approval of Meeting Minutes
The Commission will consider approving summary minutes prepared by staff for the June 2, 2014 regular meeting.

A. Discussion and Recommendation

Attached are summary minutes prepared for the Commission's June 2, 2014 regular meeting. Staff recommends approval.

Respectfully submitted,

_____
Kathy Mabry
Commission Secretary

Attachments: as stated

Joan Bennett, Vice Chair
Councilmember, City of American Canyon

Greg Pitts, Commissioner
Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

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

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

Brian J. Kelly, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Laura Snideman
Executive Officer

ATTACHMENT ONE

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
MEETING MINUTES OF JUNE 2, 2014

1. WELCOME AND CALL TO ORDER; ROLL CALL

Chair Kelly called the regular meeting of June 2, 2014 to order at 4:00 pm.
At the time of roll call, the following Commissioners and staff were present:

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

2. PLEDGE OF ALLEGIANCE

Alternate Commissioner Inman led the Pledge of Allegiance.

3. APPROVAL OF AGENDA

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

VOTE:

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

4. PUBLIC COMMENTS

Chair Kelly invited members of the audience to provide public comment. There were no comments received. Chair Kelly closed the public comment period.

5. CONSENT ITEMS

a) Approval of Meeting Minutes
The Commission approved minutes prepared by staff for the April 7th regular meeting.

b) Current and Future Proposals
The Commission received a report summarizing current and future proposals.

c) Approval of Meeting Calendar for Second Half of 2014
The Commission approved a meeting calendar for the final six months of 2014, to include three regular meetings for August 4th, October 6th, and December 1st.
Upon motion by Commissioner Dodd and second by Commissioner Wagenknecht, the consent items were approved:

VOTE:

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

6. PUBLIC HEARING ITEMS

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

Staff provided a summary of the report, existing policy considerations and state law as it relates to this request for permanent water service in response to an impending threat to the health and safety of the public. The subject parcel is outside of the City's boundaries and sphere of influence.

Chair Kelly opened the public hearing for comments.

Michelle Wetstone, Atlas Peak Road resident, asked for the Commission's support of this application for new permanent water service from the City of Napa, and is available for questions.

Chair Kelly closed the public hearing.

Commissioner Bennett asked if there is any recycled water planned for fire suppression. Michelle replied that, yes, during the Planning department's use-permit stage, they did sign a document stating if there is recycled water available, they would go along with using it.

Commissioner Dodd talked about the geology of the area and advised that the 'MST' line (Milliken, Sarco & Tulocay Creeks) has not come out that far yet, so this connection is needed.

Commissioner Wagenknecht expressed that the issue of water has become a big issue for County, and asked staff to get a bigger picture and more answers relating to requests for this type of connection.

Commissioner Pitts acknowledged that not everything can go in one policy. Need to look at these requests on a case-by-case basis.

Commissioner Luce stated that he would encourage the City to be open to extending services.

Chair Kelly stated he thinks it is good that city & county agencies are working together.

Commissioner Rodeno inquired if LAFCO recently prepared a water study. Staff stated, yes, but it was specifically a directory of water providers.

Commissioner Inman commented with CALAFCO in mind stating that Gov. Code Section 56133 will not likely change in near future, so state level cannot change.

Executive Officer Laura Snideman told the Commission that staff could add language to the existing policy stating that this type of Outside Service Agreement is not precedent-setting and is proposal-specific.

Upon motion by Commissioner Bennett and second by Commissioner Dodd, the Commission approved the request for an Outside Service Agreement and staff recommendations as follows:

a) Draft amendments to the Commission's Policy on Outside Service Agreements; and

b) Adopt a resolution authorizing the City of Napa to provide new permanent water service to APN 039-320-008 to respond to an impending threat to the health and safety of the public **(Resolution #2014-05)**:

VOTE:

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

6. PUBLIC HEARING ITEMS – continued:

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

Staff provided a summary of the staff report**,** noting this request is to provide a new permanent public water service to a parcel outside of the City of Napa's boundaries and sphere of influence, and in response to an impending threat to the health and safety of the public (fire suppression).

Chair Kelly opened the public hearing for comments.

There were no public comments.

Joy Eldridge, General Manager, City of Napa Water Department, spoke to the Commission on the subject of the main water lines in that area.

Commissioner Pitts affirmed that this is only for fire suppression.

Chair Kelly closed the public hearing.

Upon motion by Commissioner Dodd and second by Commissioner Wagenknecht, the Commission authorized the City of Napa to provide a new water connection (**Resolution #2014-06**):

VOTE:

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

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

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

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

Chair Kelly closed the public hearing.

Upon motion by Commissioner Dodd and second by Commissioner Wagenknecht, the final budget for 2014-2015 was approved by the Commission **(Resolution #2014-07)**:

VOTE:

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

NOTE: At this time, Commissioner Dodd left the meeting and Alternate Commissioner Luce voted in his place.

7. ACTION ITEMS

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

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

Upon motion by Commissioner Luce, and second by Commissioner Pitts, the proposal was unanimously approved by the Commission **(Resolution # 2014-08)**:

VOTE:

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

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

The Commission considered a proposal to annex approximately 6.0 acres of incorporated territory to the Napa Sanitation District. The proposed annexation encompasses three entire parcels located near Big Ranch Road in the City of Napa. The purpose of the proposed annexation is to facilitate the subdivision of the two larger parcels as contemplated in the applicant's tentatively approved development project. The City of Napa serves as lead agency under CEQA. The recommended action is for the Commission to approve the proposal with one amendment to include an adjacent 0.5 acre incorporated parcel located at 2123 Big Ranch Road.

Upon motion by Commissioner Bennett, and second by Commissioner Luce, the proposal was unanimously approved by the Commission **(Resolution #2014-09)**:

VOTE:

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

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

The Commission considered a proposal to annex approximately 19.7 acres of unincorporated territory to the Napa Sanitation District. The affected territory consists of one entire parcel located at 1225 Airport Road in the Napa County Airport area. The purpose of the proposed annexation is to facilitate the development of the subject lot as contemplated in the applicant's tentatively approved development project. The County of Napa serves as lead agency under CEQA.

Upon motion by Commissioner Luce, and second by Commissioner Wagenknecht, the proposal was unanimously approved by the Commission **(Resolution #2014-10)**:

VOTE:

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

8. EXECUTIVE OFFICER REPORT

The Executive Officer provided a brief report on current staff activities, including impending changes to the Commission's existing policies. It was also mentioned that the agency may need to ask for outside help on municipal studies and applications in the future due to increased work load.

9. COMMISSIONER COMMENTS

There were no comments.

10. ADJOURNMENT TO NEXT REGULAR SCHEDULED MEETING

The meeting was adjourned at 5:05 p.m. The next regular LAFCO meeting is scheduled for Monday, August 4, 2014 at 4:00 p.m.

_____
Brian Kelly, Chair

Prepared by:

_____
Kathy Mabry
Commission Secretary

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

August 4, 2014
Agenda Item No. 5b (Consent/Information)

July 24, 2014

TO: Local Agency Formation Commission

FROM: Brendon Freeman, Analyst

SUBJECT: **Current and Future Proposals**
The Commission will receive a report summarizing current and future proposals. The report is being presented for information. Two new proposals have been submitted since the June 2, 2014 meeting.

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

A. Information

There are currently four active proposals on file with LAFCO of Napa County ("Commission"). A summary of active proposals follows.

West Pueblo Avenue No. 1 Annexation to the City of Napa

The landowner of two parcels totaling 2.5 acres located within an unincorporated island at 2075 and 2083 West Pueblo Avenue has inquired about annexation to the City of Napa. The purpose of annexation would be to allow the landowner to develop the lots as contemplated under the City's land use authority. The proposed annexation boundary has been expanded to include 2063, 2065, and 2091 West Pueblo Avenue to avoid creating a new completely surrounded unincorporated island. The City serves as lead agency under CEQA and has accordingly prepared an initial study assessing potential environmental impacts tied to annexation. The Commission is expected to consider taking action on the proposal as part of agenda item 6a at today's public hearing.

Joan Bennett, Vice Chair
Councilmember, City of American Canyon

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

Brian J. Kelly, Chair
Representative of the General Public

Greg Pitts, Commissioner
Councilmember, City of St. Helena

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

Laura Snideman
Executive Officer

Borrette Lane No. 9 Annexation to the Napa Sanitation District

The landowner of a 0.43 acre incorporated lot located at 1018 Borrette Lane in the City of Napa has applied for annexation to the Napa Sanitation District. The purpose of annexation would be to allow the existing single-family residence to connect to the District's public sewer system. The District has provided assurances it has sufficient capacity to extend public sewer services to the subject lot without adversely impacting existing ratepayers. The Commission is expected to consider taking action on the proposal as part of agenda item 7a at today's meeting.

Garfield Lane No. 3 Annexation to the Napa Sanitation District

A representative for an interested landowner of a 1.42 acre incorporated parcel located at 47 Garfield Lane has applied for annexation to the Napa Sanitation District. The purpose of annexation would be to allow the landowner to further develop the lot to include up to eight single-family residences as contemplated in a tentatively approved development project that would be connected to the District. The District has provided assurances it has sufficient capacity to extend public sewer services to the subject lot without adversely impacting existing ratepayers. The Commission is expected to consider taking action on the proposal as part of agenda item 7b at today's meeting.

Silver Trail No. 9 Annexation to the Napa Sanitation District

A landowner at 1519 Silver Trail has applied for the annexation of six unincorporated parcels to the Napa Sanitation District. The purpose of annexation would be to allow the six existing single-family residences to connect to the District's public sewer system. The District has provided assurances it has sufficient capacity to extend public sewer services to the subject lot without adversely impacting existing ratepayers. The Commission is expected to consider taking action on the proposal as part of agenda item 7c at today's meeting.

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

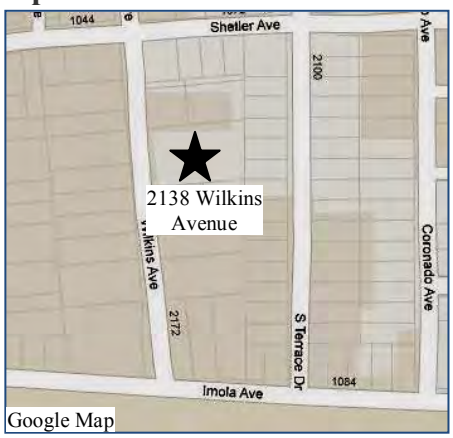
Wyatt Avenue Island Annexation to the City of Napa

A representative for a landowner within an unincorporated island located near Wyatt Avenue and Hillside Drive in the City of Napa has inquired about annexation of two undeveloped parcels. The purpose of annexation would be to allow the landowner to develop the two parcels under the City's land use authority. A survey of adjacent landowners within the unincorporated island indicates an expansion of the annexation boundary would be met with opposition. Staff anticipates the landowner will submit an annexation application for the two referenced parcels in the near future.

Easum Drive Island Annexation to the City of Napa

An interested landowner within a completely surrounded unincorporated island located near Easum Drive in the City of Napa has inquired about annexation. The landowner owns and operates a bed and breakfast and is interested in annexation in response to an informational mailer issued by LAFCO outlining the costs and benefits to annexation. Subsequent follow up indicates the other two landowners within the island are also agreeable to annexation if there is no financial obligation. Staff anticipates the City will submit an annexation application for the entire island in the near future.

2138 Wilkins Avenue Annexation to the City of Napa



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

Airport Industrial Area Annexation to County Service Area No. 3

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

3105 Redwood Road Annexation to the Napa Sanitation District

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

1196 Monticello Road Annexation to the Napa Sanitation District

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

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

Agenda Item 5 (c)

TO: Local Agency Formation Commission

PREPARED BY: Laura Snideman, Executive Officer

MEETING DATE: August 4, 2015

SUBJECT: Appoint Voting Delegate and Alternative for Annual CALAFCO Board Elections

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RECOMMENDATION

Appoint Chair Brian Kelly as Napa's voting delegate for the CALAFCO Board elections and Vice-Chair Joan Bennett as the alternate.

ANALYSIS

CALAFCO Board elections occur during regional caucuses every two years during the annual training meeting and require that one voting delegate and one alternate from each LAFCO be appointed by their respective Commissions. The alternate will vote if the voting delegate is unavoidably unable to attend the caucus meeting.

Voting delegates may be either Commissioners or Staff. In keeping with past practice, Staff recommends the Commission appoint the Chair and Vice-Chair to the respective appointments, both of whom are interested in serving and already registered for the meeting.

Joan Bennett, Vice Chair
Councilmember, City of American Canyon

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

Brian J. Kelly, Chair
Representative of the General Public

Greg Pitts, Commissioner
Councilmember, City of St. Helena

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Juliana Inman, Alternate Commissioner
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We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

August 4, 2014
Agenda Item No. 5d

July 21, 2014

TO: Local Agency Formation Commission

FROM: Jacqueline M. Gong, Commission Counsel

SUBJECT: **Adoption of Amendments to Conflict of Interest Code**
The Commission will consider a resolution to update its adopted conflict of interest code.

California Government Code Section 87300 codifies the Political Reform Act of 1974 ("Act") and requires all local government agencies to adopt a conflict of interest code. The code must designate positions with the agency that are required to file a Statement of Economic Interest ("Form 700") along with assigning disclosure categories specifying the types of interests to be reported. Agencies are required to review their adopted code every even-numbered year to determine whether amendments are appropriate.

A. Discussion

Commission Counsel has reviewed the adopted conflict of interest code. No substantive changes are necessary with regards to the designations and disclosure responsibilities of officers, employees or consultants of the agency who must file economic statements of interests. The following non-substantive amendments are recommended for purposes of clarification: 1.) Under Appendix "B", Disclosure Categories, designated filers must comply with the broadest possible disclosures required for Form 700 filings. "Broadest possible disclosures" is more clearly defined; 2.) The code presently incorporates by reference the definitions contained in the Political Reform Act. For ease of reference and clarity, Commission Counsel recommends those statutory definitions be set forth fully in the code; 3.) The final proposed amendment updates the legal monetary limit for gifts from a single source (to $440 for calendar year 2014). The revised conflict of interest code is "Exhibit A" of the attached resolution. A tracked version showing the changes is also attached.

Alternatives for Commission Action

The following two alternative actions are available to the Commission.

Joan Bennett, Vice Chair
Councilmember, City of American Canyon

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

Brian J. Kelly, Chair
Representative of the General Public

Greg Pitts, Commissioner
Councilmember, City of St. Helena

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

Laura Snideman
Executive Officer

Alternative One: (a) Consider a motion to approve with or without amendment the attached resolution; and (b) direct the Executive Officer to file the updated conflict of interest code with the Napa County Board of Supervisors.

Alternative Two: (a) Continue this matter to a future meeting and provide direction to staff for additional information as needed.

C. Recommendation

It is recommended the Commission approve Alternative One as outlined above.

Attachments:
1) Resolution and Updated Conflict of Interest Code
2) Updated Conflict of interest Code – tracked version

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY AMENDING ITS CONFLICT OF INTEREST CODE

WHEREAS, the Political Reform Act of 1974 (Government Code Sections 81000 et seq., hereinafter referred to as "Act") requires the Local Agency Formation Commission of Napa County (hereinafter referred to as "LAFCO") to adopt a Conflict of Interest; and

WHEREAS, the Fair Political Practices Commission (hereinafter referred to as "FFPC") has adopted a regulation (Section 18730 of Title 2 of the California Code of Regulations) containing a standardized conflict of interest code which may be incorporated by reference into the code of a local government agency or the agency may develop its own Conflict of Interest Code as required by the Act; and

WHEREAS, LAFCO is required to amend its Conflict of Interest Code ("Code") from time to time to conform to amendments to the Act and due to changed circumstances; and

WHEREAS, although no substantive changes to the Code are necessary, in that there are no changes to the designations and disclosure responsibilities of its officers, employees and consultants, Commission Counsel recommends amending the Code to fully set forth certain definitions which are derived from the Act and to more fully define the disclosure categories (Appendix "B") for clarity and ease of reference; and

WHEREAS, LAFCO has served notice of the proposed non-substantive revisions to its Conflict of Interest Code on the Napa County Board of Supervisors, as the code reviewing body for LAFCO, and on all affected Commissioners, officers, employees and consultants of LAFCO; and

WHEREAS, at a regular meeting of LAFCO held on August 4, 2014, oral and/or written comments on the proposed Conflict of Interest Code were received from affected persons and/or the general public, and these comments and the proposed Code were considered by LAFCO;

NOW, THEREFORE, BE IT RESOLVED by LAFCO that the Conflict of Interest Code shall be amended and readopted in the manner set forth in Exhibit "A", effective upon confirmation by the Napa County Board of Supervisors acting as the code reviewing body for LAFCO.

The foregoing resolution was duly and regularly adopted at a regular meeting of the Local Agency Formation Commission of Napa County, held on the 4th day of August, 2014, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

By: _____
Brian Kelly, Chair of LAFCO

ATTEST: Secretary of LAFCO

By: _____
LAURA SNIDEMAN, Executive Officer

APPROVED AS TO FORM:

By: E-Signature Jacqueline M. Gong,
Commission Counsel

Date: 7/21/14

EXHIBIT "A"

THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY ("LAFCO") CONFLICT OF INTEREST CODE

1. Incorporation of Definitions and Standard Terms of Model Code. The definitions contained in the Political Reform Act of 1974 (the "Act") and in the model code set forth in Section 18730 of Title 2 of the California Code of Regulations (the "model code"), and any amendments to the Act or regulations, are incorporated by reference into this Code.

2. List of Designated Employees. The Designated Employees of LAFCO shall be the persons holding those offices and/or positions set forth in Appendix "A". It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on their economic interests.

3. List of Disclosure Categories. For purposes of the requirements of the Act, the disclosure categories for the Designated Employees of LAFCO shall be those set forth in Appendix "B". These disclosure categories specify which kinds of economic interests are reportable.

4. Documents Comprising Conflict of Interest Code. For purposes of the Act, the provisions of this Code, the model code, and Appendices "A" and "B" shall together constitute the Conflict of Interest Code of LAFCO on and after the date of confirmation of the Code by the Napa County Board of Supervisors.

5. Effective Date of Code. This Conflict of Interest Code shall become effective when approved by the Napa County Board of Supervisors acting as the code reviewing body for LAFCO.

6. Documents to be filed with the Board of Supervisors. The LAFCO Executive Officer is the "Filing Officer" as referred to in this Code. The LAFCO Executive Officer shall file three certified copies of the Conflict of Interest Code, as approved/amended by the LAFCO Commission, with the Napa County Board of Supervisors along with a brief description of the duties and terms of all consultants working for the LAFCO who have been determined by the LAFCO Executive Officer as of the effective date of the Conflict of Interest Code to be exempt from the Designated Employee "contract consultant" category, and the reasons for such exemption. The LAFCO Executive Officer shall prepare and maintain an updated list whenever such exempt positions are added or dropped.

7. Time of Filing Statements of Economic Interests.

A. Statement of Economic Interests refers to that document developed by the Fair Political Practices Commission and more commonly known and referred to as "Form 700".

B. Initial Statements-Amendments to Code. All employees already occupying a position when the position is newly designated as a result of an amendment to this Code shall file their initial statements of economic interests within 30 days after the effective date of such an amendment to this Code.

C. Assuming Office Statements-Employees Not Previously Occupying a Designated Position. Employees when first assuming a designated position shall file their initial statement of economic interests within 30 days after assuming the position.

D. Annual Statements. All designated employees shall file their annual statements of economic interests no later than April 1st of each year.

E. Leaving Office Statements. Leaving office statements of economic interests shall be filed within thirty (30) days of any of the events described below occurring:

1. Leaving a designated position (subject to the exception in Section 8 below).

2. Occupying a position which ceases to be a designated position due to a reclassification or other similar personnel action.

3. Occupying a position that due to an amendment to this Code is no longer classified as a designated position.

8. Statements of Economic Interests; Persons Who Resign From Office Prior To Making or Influencing Decisions or Receiving Compensation.

A. Persons who resign within 12 months of their initial appointment, or within 30 days of the date they are notified by the Filing Officer of the requirement to file an assuming office statement of economic interests, are not deemed to have assumed office or left office, provided they did not make or participate in the making of, or use their position to influence any decision and did not receive or become entitled to receive any form of payment as a result of their appointment. Such persons are not required to file either an assuming or leaving office statement of economic interests.

B. Persons who resign a position within 30 days of the date they are notified by the Filing Officer of the requirement to file an assuming office statement of economic interests shall do both of the following:

1. File a written resignation with LAFCO; and

2. File a written statement with the Filing Officer declaring under penalty of perjury that, during the period between appointment and resignation, they did not make, participate in the making, or

use their position to influence any decision of the agency or board or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

9. Statement of Economic Interests; Contents of and Period Covered.

A. Contents of Initial Statements. Initial statements of economic interests shall disclose any reportable investments, interests in real property and business positions held on the effective date of the Code and income received during the 12 months prior to the effective date of the Code.

B. Contents of Assuming Office Statements. Assuming office statements of economic interests shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office, and income received during the 12 months prior to the date of assuming office or the date of being appointed.

C. Contents of Annual Statements. Annual statements of economic interests shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year. Notwithstanding the previous sentence, the period covered by a designated employee's first annual statement of economic interests shall begin on the date of assuming office.

D. Contents of Leaving Office Statements. Leaving office statements of economic interests shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

10. Place of Filing. Designated employees shall file their Statements of Economic Interests with the LAFCO Executive Officer who shall retain the original Statements in the LAFCO business office.

11. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the Filing Officer, and shall contain the following information:

A. Investments and Real Property Disclosure. When an investment or an interest in real property is required to be reported the statement of economic interests shall contain the following:

1. A statement of the nature of the investment or interest;

2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;

3. The address or other precise location of the real property;[1]

4. A statement whether the fair market value of the investment or interest in real property equals or exceeds two thousand dollars ($2,000), exceeds ten thousand dollars ($10,000), exceeds one hundred thousand dollars ($100,000), or exceeds one million dollars ($1,000,000).[2]

B. Personal Income Disclosure. When personal income is required to be reported,[3] the statement of economic interests shall contain:

1. The name and address of each source of income aggregating five hundred dollars ($500) or more in value, or fifty dollars ($50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;

2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars ($1,000) or less, greater than one thousand dollars ($1,000), greater than ten thousand dollars ($10,000), or greater than one hundred thousand dollars ($100,000);

3. A description of the consideration, if any, for which the income was received;

4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

C. Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,[4] the statement of economic interests shall contain:

1. The name, address, and a general description of the business activity of the business entity;

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[1] For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

[2] Investments and interests in real property which have a fair market value of less than $2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

[3] A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

[4] Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest.

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars ($10,000).

D. Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

E. Acquisition or Disposal During a Reporting Period. In the case of an annual or leaving office statement of economic interests, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement of economic interests, the statement of economic interests shall contain the date of acquisition or disposal.

12. Prohibition on Receipt of Honoraria.

No designated employee shall accept any honorarium from any source if the employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.[5] Subdivisions (a), (b), and (c) of Government Code section 89501 shall apply to the prohibitions in this section. This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code section 89506.[6]

13. Prohibition on Receipt of Gifts in Excess of the Allowed Statutory Amount.

No designated employee shall accept gifts with a total value of more than the amount established by 2 Cal. Code Regs. section 18703.4 in a calendar year from any single source ($440 in 2014), if the designated employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. Subdivisions (e), (f), and (g) of Government Code section 89503 shall apply to the prohibitions in this section.[7]

14. Prohibition Regarding Certain Personal Loans.

A. Except as set forth in subsection B below, a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

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[5] § 89501. See Addendum.

[6] § 89506. See Addendum.

[7] § 89503. See Addendum.

1. If the loan has a defined date or dates for repayment when the statute of limitations for filing an action for default has expired.

2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:

a. The date the loan was made.

b. The date the last payment of one hundred dollars ($100) or more was made on the loan.

c. The date upon which the debtor has made payments on the loan aggregating to less than two hundred fifty dollars ($250) during the previous 12 months.

B. This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.

2. A loan that would otherwise not be a gift as defined in the Political Reform Act of 1974 and implementing regulations of the Fair Political Practices Commission.

3. A loan that subsection A of this section would require to be treated as a gift but on which the creditor has taken reasonable action to collect the balance due.

4. A loan that subsection A of this section would require to be treated as a gift but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision to not commence a collection action was based on reasonable business considerations.

5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

C. Nothing in this section shall exempt any person from any other provisions of the Political Reform Act of 1974 and the implementing regulations of the Fair Political Practices Commission.

15. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the designated employee or a member of his or her immediate family or on:

A. Any business entity in which the designated employee has a direct or indirect investment worth two thousand dollars ($2,000) or more;

B. Any real property in which the designated employee has a direct or indirect interest worth two thousand dollars ($2,000) or more;

C. Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars ($500) or more in value provided to, received by, or promised to, the designated employee within 12 months prior to the time when the decision is made;

D. Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

E. Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating more than that amount established by 2 Cal. Code Regs. section 18703.4 ($440 in 2014) provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

16. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

17. Disclosure of Disqualifying Interest.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by a disclosure of the disqualifying interest.

18. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this Code may request assistance from the Fair Political Commission pursuant to Government Code section 83114 and 2 Cal. Code of Regs. sections 18329 and 18329.5 or from LAFCO counsel, provided that nothing in this section requires LAFCO counsel to issue any formal or informal opinion.

19. Public Inspection of Conflict of Interest Code and Statements. A copy of the Conflict of Interest Code and all filed Statements shall be maintained in the office of the LAFCO Executive Officer and available for public inspection and copying during regular business hours.

Copies shall be provided in accordance with LAFCO policy on fees for the production of public records.

20. LAFCO Review.

A. No later than October 1 of each even-numbered year, LAFCO shall submit to the Napa County Board of Supervisors, as the code reviewing body for LAFCO, a written statement signed by the LAFCO Executive Officer, or his designee, that either:

1. LAFCO has reviewed the Conflict of Interest Code, that the Conflict of Interest Code designates accurately all positions which make or participate in the making of governmental decisions for LAFCO, that the disclosure assigned those positions accurately require the disclosure of all investments, business positions, interests in real property, and sources of income which may foreseeably be affected materially by the decisions made by those designated positions, and that the Conflict of Interest Code contains the provisions required by Government Code section 87302; or

2. LAFCO has reviewed the Conflict of Interest Code and has determined that amendment is necessary to designate all positions which make or participate in the making of governmental decisions for LAFCO, or to update the disclosure categories assigned to require the disclosure of all investments, business positions, interests in real property and sources of income which may be affected materially by the designated positions, or to include other provisions required by Government Code section 87302. If the statement contains this report, LAFCO shall submit the amendment to the Napa County Board of Supervisors within 90 days of the report.

B. Changed circumstances which require amendment of the Conflict of Interest Code shall include, but not be limited to:

1. The creation of positions which involve the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest;

2. The reclassification, renaming, or deletion of previously designated positions;

3. The addition, deletion, or modification of statutorily-required provisions of this Conflict of Interest Code; or

4. The addition, deletion, or modification of the specific types of investments, business positions, interests in real property, and sources of income which are reportable unless such changes have been automatically incorporated into this Conflict of Interest Code as the result of inclusion of the changes into the model code by the Fair Political Practices Commission.

21. Violations.

This code has the force and effect law. Designated employees violating any provision of this Code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code sections 81000-91014. In addition a decision in relation to which a violation of the disqualification provisions of this Code or of Government Code Section 87100 or section 87450 has occurred may be set aside as void pursuant to Government Code Section 91003.

22. Conflict Between Local Code and California Code of Regulations.

If there are inconsistencies or conflicts between this Code and the state regulations found at 2 California Code of Regulations section 18730, the state regulations will prevail and be the controlling authority unless this Code imposes a requirement for conflict avoidance that is more stringent than the state regulations.

ADDENDUM

§ 89501. <u>Honorarium.</u> (a) For purposes of this chapter, "honorarium" means, except as provided in subdivision (b), any payment made in consideration for any speech given, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or like gathering.
(b) The term "honorarium" does not include:
(1) Earned income for personal services which are customarily provided in connection with the practice of a bona fide business, trade, or profession, such as teaching, practicing law, medicine, insurance, real estate, banking, or building contracting, unless the sole or predominant activity of the business, trade, or profession is making speeches. The commission shall adopt regulations to implement this subdivision.
(2) Any honorarium which is not used and, within 30 days after receipt, is either returned to the donor or delivered to the State Controller for donation to the General Fund, or in the case of a public official for local government agency, delivered to his or her agency for donation to an equivalent fund, without being claimed as a deduction from income for tax purposes.
(c) Section 89506 shall apply to all payments, advances, or reimbursements for travel and related lodging and subsistence.

§ 89503. <u>Acceptance of gifts by officers or employees.</u> (a) No elected state officer, elected officer of a local government agency, or other individual specified in Section 87200 shall accept gifts from any single source in any calendar year with a total value of more than two hundred fifty dollars ($250).
(b) (1) No candidate for elective state office, for judicial office, or for elective office in a local government agency shall accept gifts from any single source in any calendar year with a total value of more than two hundred fifty dollars ($250). A person shall be deemed a candidate for purposes of this subdivision when the person has filed a statement of organization as a committee for election to a state or local office, a declaration of intent, or a declaration of candidacy, whichever occurs first. A person shall not be deemed a candidate for purposes of this subdivision after he or she is sworn into the elective office, or, if the person lost the election, after the person has terminated his or her campaign statement filing obligations for that office pursuant to Section 84214 or after certification of the election results, whichever is earlier.
(2) Paragraph (1) shall not apply to any person who is a candidate as described in paragraph (1) for judicial office on or before December 31, 1996.
(c) No member of a state board or commission or designated employee of a state or local government agency shall accept gifts from any single source in any calendar year with a total value of more than two hundred fifty dollars ($250) if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.
(d) This section shall not apply to a person in his or her capacity as judge. This section shall not apply to a person in his or her capacity as a part-time member of the governing board of any public institution of higher education unless that position is an elective office.

(e) This section shall not prohibit or limit the following:
(1) Payments, advances, or reimbursements for travel and related lodging and subsistence permitted by Section 89506.
(2) Wedding gifts and gifts exchanged between individuals on birthdays, holidays, and other similar occasions, provided that the gifts exchanged are not substantially disproportionate in value.
(f) Beginning on January 1, 1993, the commission shall adjust the gift limitation in this section on January 1 of each odd-numbered year to reflect changes in the Consumer Price Index, rounded to the nearest ten dollars ($10).
(g) The limitations in this section are in addition to the limitations on gifts in Section 86203.

§ 89506. Limitations on payments for travel; Gifts of travel. (a) Payments, advances, or reimbursements, for travel, including actual transportation and related lodging and subsistence that is reasonably related to a legislative or governmental purpose, or to an issue of state, national, or international public policy, are not prohibited or limited by this chapter if either of the following apply:
(1) The travel is in connection with a speech given by the elected state officer, local elected officeholder, candidate for elected state office or local elected office, an individual specified in Section 87200, member of a state board or commission, or designated employee of a state or local government agency, the lodging and subsistence expenses are limited to the day immediately preceding, the day of, and the day immediately following the speech, and the travel is within the United States.
(2) The travel is provided by a government, a governmental agency, a foreign government, a governmental authority, a bona fide public or private educational institution, as defined in Section 203 of the Revenue and Taxation Code, a nonprofit organization that is exempt from taxation under Section 501(c) (3) of the Internal Revenue Code, or by a person domiciled outside the United States which substantially satisfies the requirements for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.
(b) Gifts of travel not described in subdivision (a) are subject to the limits in Section 89503.
(c) Subdivision (a) applies only to travel that is reported on the recipient's statement of economic interests.
(d) For purposes of this section, a gift of travel does not include any of the following:
(1) Travel that is paid for from campaign funds, as permitted by Article 4 (commencing with Section 89510), or that is a contribution.
(2) Travel that is provided by the agency of a local elected officeholder, an elected state officer, member of a state board or commission, an individual specified in Section 87200, or a designated employee.
(3) Travel that is reasonably necessary in connection with a bona fide business, trade, or profession and that satisfies the criteria for federal income tax deduction for business expenses in Sections 162 and 274 of the Internal Revenue Code, unless the sole or predominant activity of the business, trade, or profession is making speeches.
(4) Travel that is excluded from the definition of a gift by any other provision of this title.

(e) This section does not apply to payments, advances, or reimbursements for travel and related lodging and subsistence permitted or limited by Section 170.9 of the Code of Civil Procedure.

APPENDIX "A"

LIST OF DESIGNATED EMPLOYEES

Because of the nature of the powers and duties conferred on the Local Agency Formation Commission of Napa County under the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et. seq.), the policies adopted by the LAFCO Commission, and the terms of support services and consultant agreements approved by the LAFCO Commission, the following positions within LAFCO may involve the making or participation in the making of decisions of LAFCO which may foreseeably have a material effect on financial interests of the holders of the positions. The positions are listed because their scope of authority or work involve either making final decisions for LAFCO which have financial consequences or developing and/or exercising such a level of expertise and ongoing relationship with those who make such decisions that the decision-makers can reasonably be expected to routinely trust and rely upon their advice.

For purposes of filing Statements of Economic Interests as required by this Conflict of Interest Code, the "Designated Employees" of LAFCO shall be those persons who actually occupy or carry out the functions of the following positions, whether as elected or appointed officers, compensated employees, or contracted consultants:

DESIGNATED EMPLOYEE POSITIONS

Members of the LAFCO Commission (including any persons serving as **Alternate Commission Members** in the absence of a regular Commissioner)

LAFCO Executive Officer

LAFCO Legal Counsel

Auditor-Controller (Napa County Auditor-Controller, serving ex-officio)

Contract Consultants for LAFCO - Contract consultants shall be included in the list of Designated Employees and shall disclose their material financial interests in regard to all of the adopted disclosure categories, subject to the following limitation:

> The LAFCO Executive Officer may determine in writing that a particular contract consultant, although a "designated position", is hired to perform a range of duties that is limited in scope and thus is not required to comply or fully comply with all of the disclosure requirements described in Appendix "B". This written determination shall include a description of the contract consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. This determination is a public record and shall be retained for public inspection and be available for inspection and copying in the same location and manner as LAFCO's copy of the Conflict of Interest Code.

APPENDIX "B"

DISCLOSURE CATEGORIES

The decisions which the Designated Employees may make, or participate in making, for LAFCO may involve exercising or directly influencing the exercise of powers conferred on LAFCO by the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et. seq.).

The decisions by the Designated Employees in the course of their work for LAFCO may have the potential to materially impact any or all of those types of financial interests listed in all the Disclosure Schedules of the Statement of Economic Interests Form 700 adopted by the Fair Political Practices Commission.

For this reason, all of the Designated Employees under this Conflict of Interest Code, other than contract consultants who are exempted from disclosure pursuant to Appendix "A", shall disclose the following sources of income, interests in real property, investments and business positions in business entities:

(i) All income including gifts, loans and travel payments as defined in Government Code Section 82030; and
(ii) All investments as defined in Government Code Section 82034; and
(iii) All interests in real property as defined in Government Code Section 82033; and
(iv) All business positions as defined in 2 California Code of Regulations Section 18730(b)(7)(D) in business entities that may foreseeably be affected materially by the decisions made by LAFCO or any Designated Employee of LAFCO.

"Income" (Government Code Section 82030)

(a) "Income" means, except as provided in subdivision (b), a payment received, including but not limited to any salary, wage, advance, dividend, interest, rent, proceeds from any sale, gift, including any gift of food or beverage, loan, forgiveness or payment of indebtedness received by the filer, reimbursement for expenses, per diem, or contribution to an insurance or pension program paid by any person other than an employer, and including any community property interest in the income of a spouse. Income also includes an outstanding loan. Income of an individual also includes a pro rata share of any income of any business entity or trust in which the individual or spouse owns, directly, indirectly or beneficially, a 10-percent interest or greater. "Income," other than a gift, does not include income received from any source outside the jurisdiction and not doing business within the jurisdiction, not planning to do business within the jurisdiction, or not having done business within the jurisdiction during the two years prior to the time any statement or other action is required under this title.

(b) "Income" also does not include:

(1) Campaign contributions required to be reported under Chapter 4 (commencing with Section 84100).

(2) Salary and reimbursement for expenses or per diem, and social security, disability, or other similar benefit payments received from a state, local, or federal government agency and reimbursement for travel

expenses and per diem received from a bona fide nonprofit entity exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

(3) Any devise or inheritance.

(4) Interest, dividends, or premiums on a time or demand deposit in a financial institution, shares in a credit union or any insurance policy, payments received under any insurance policy, or any bond or other debt instrument issued by any government or government agency.

(5) Dividends, interest, or any other return on a security which is registered with the Securities and Exchange Commission of the United States government or a commodity future registered with the Commodity Futures Trading Commission of the United States government, except proceeds from the sale of these securities and commodities futures.

(6) Redemption of a mutual fund.

(7) Alimony or child support payments.

(8) Any loan or loans from a commercial lending institution which are made in the lender's regular course of business on terms available to members of the public without regard to official status.

(9) Any loan from or payments received on a loan made to an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, uncle, aunt, or first cousin, or the spouse of any such person, provided that a loan or loan payment received from any such person shall be considered income if he or she is acting as an agent or intermediary for any person not covered by this paragraph.

(10) Any indebtedness created as part of a retail installment or credit card transaction if made in the lender's regular course of business on terms available to members of the public without regard to official status.

(11) Payments received under a defined benefit pension plan qualified under Internal Revenue Code Section 401(a).

(12) Proceeds from the sale of securities registered with the Securities and Exchange Commission of the United States government or from the sale of commodities futures registered with the Commodity Futures Trading Commission of the United States government if the filer sells the securities or the commodities futures on a stock or commodities exchange and does not know or have reason to know the identity of the purchaser.

"Investment" (Government Code Section 82034)

"Investment" means any financial interest in or security issued by a business entity, including but not limited to common stock, preferred stock, rights, warrants, options, debt instruments and any partnership or other ownership interest owned directly, indirectly or beneficially by the public official, or other filer, or his or her immediate family, if the business entity or any parent, subsidiary or otherwise related business entity has an interest in real property in the jurisdiction, or does business or plans to do business in the jurisdiction, or has done business within the jurisdiction at any time during the two years prior to the time any statement or other action is required under this title. No asset shall be deemed an investment unless its fair market value equals or exceeds two thousand dollars ($ 2,000). The term "investment" does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, interest in a diversified mutual fund registered with the Securities and Exchange Commission under the Investment Company Act of 1940 or a common trust fund which is created pursuant to Section 1564 of the Financial Code, or any bond or other debt instrument issued by any government or government agency. Investments of an individual includes a pro rata share of investments of any business entity, mutual fund, or trust in which the individual or immediate family owns, directly, indirectly or beneficially, a 10-percent interest or greater. The term "parent, subsidiary or otherwise related business entity" shall be specifically defined by regulations of the commission.

"Interest in real property" (Government Code Section 82033)

"Interest in real property" includes any leasehold, beneficial or ownership interest or an option to acquire such an interest in real property located in the jurisdiction owned directly, indirectly or beneficially by the public official, or other filer, or his or her immediate family if the fair market value of the interest is two thousand dollars ($ 2,000) or more. Interests in real property of an individual includes a pro rata share of interests in real property of any

business entity or trust in which the individual or immediate family owns, directly, indirectly or beneficially, a 10-percent interest or greater.

"Business Position Disclosure" (2 California Code of Regulations Section 18730(b)(7)(D).

When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

CERTIFICATIONS

I hereby certify that I am the Secretary and custodian of records of the Local Agency Formation Commission and that the attached Resolution is a true and correct copy of the original approved by the LAFCO Commission and on file in the LAFCO office.

Laura Snideman,
LAFCO Secretary

By_____

I hereby certify that the Conflict of Interest Code for the Local Agency Formation Commission of Napa County was approved and confirmed by the Napa County Board of Supervisors, as the code reviewing body for LAFCO by action of the Board of Supervisors on _____, 20__, and recorded in the certified minutes of the Board of Supervisors for that date.

Clerk of the Napa County Board of Supervisors

By_____

EXHIBIT "A"
[Version with Tracked Changes]

THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
("LAFCO")
CONFLICT OF INTEREST CODE

1. Incorporation of Definitions and Standard Terms of Model Code. The definitions contained in the Political Reform Act of 1974 (the "Act") and in the model code set forth in Section 18730 of Title 2 of the California Code of Regulations (the "model code"), and any amendments to the Act or regulations, are incorporated by reference into this Code.

2. List of Designated Employees. The Designated Employees of LAFCO shall be the persons holding those offices and/or positions set forth in Appendix "A". It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on their economic interests.

3. List of Disclosure Categories. For purposes of the requirements of the Act, the disclosure categories for the Designated Employees of LAFCO shall be those set forth in Appendix "B". These disclosure categories specify which kinds of economic interests are reportable.

4. Documents Comprising Conflict of Interest Code. For purposes of the Act, the provisions of this Code, the model code, and Appendices "A" and "B" shall together constitute the Conflict of Interest Code of LAFCO on and after the date of confirmation of the Code by the Napa County Board of Supervisors.

5. Effective Date of Code. This Conflict of Interest Code shall become effective when approved by the Napa County Board of Supervisors acting as the code reviewing body for LAFCO.

6. Documents to be filed with the Board of Supervisors. The LAFCO Executive Officer is the "Filing Officer" as referred to in this Code. The LAFCO Executive Officer shall file three certified copies of the Conflict of Interest Code, as approved/amended by the LAFCO Commission, with the Napa County Board of Supervisors along with a brief description of the duties and terms of all consultants working for the LAFCO who have been determined by the LAFCO Executive Officer as of the effective date of the Conflict of Interest Code to be exempt from the Designated Employee "contract consultant" category, and the reasons for such exemption. The LAFCO Executive Officer shall prepare and maintain an updated list whenever such exempt positions are added or dropped.

7. Time of Filing Statements of Economic Interests.

A. Statement of Economic Interests refers to that document developed by the Fair Political Practices Commission and more commonly known and referred to as "Form 700".

B. Initial Statements-Amendments to Code. All employees already occupying a position when the position is newly designated as a result of an amendment to this Code shall file their initial statements of economic interests within 30 days after the effective date of such an amendment to this Code.

C. Assuming Office Statements-Employees Not Previously Occupying a Designated Position. Employees when first assuming a designated position shall file their initial statement of economic interests within 30 days after assuming the position.

D. Annual Statements. All designated employees shall file their annual statements of economic interests no later than April 1st of each year.

E. Leaving Office Statements. Leaving office statements of economic interests shall be filed within thirty (30) days of any of the events described below occurring:

1. Leaving a designated position (subject to the exception in Section 8 below).

2. Occupying a position which ceases to be a designated position due to a reclassification or other similar personnel action.

3. Occupying a position that due to an amendment to this Code is no longer classified as a designated position.

8. Statements of Economic Interests; Persons Who Resign From Office Prior To Making or Influencing Decisions or Receiving Compensation.

A. Persons who resign within 12 months of their initial appointment, or within 30 days of the date they are notified by the Filing Officer of the requirement to file an assuming office statement of economic interests, are not deemed to have assumed office or left office, provided they did not make or participate in the making of, or use their position to influence any decision and did not receive or become entitled to receive any form of payment as a result of their appointment. Such persons are not required to file either an assuming or leaving office statement of economic interests.

B. Persons who resign a position within 30 days of the date they are notified by the Filing Officer of the requirement to file an assuming office statement of economic interests shall do both of the following:

1. File a written resignation with LAFCO; and

2. File a written statement with the Filing Officer declaring under penalty of perjury that, during

the period between appointment and resignation, they did not make, participate in the making, or use their position to influence any decision of the agency or board or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

9. Statement of Economic Interests; Contents of and Period Covered.

A. Contents of Initial Statements. Initial statements of economic interests shall disclose any reportable investments, interests in real property and business positions held on the effective date of the Code and income received during the 12 months prior to the effective date of the Code.

B. Contents of Assuming Office Statements. Assuming office statements of economic interests shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office, and income received during the 12 months prior to the date of assuming office or the date of being appointed.

C. Contents of Annual Statements. Annual statements of economic interests shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year. Notwithstanding the previous sentence, the period covered by a designated employee's first annual statement of economic interests shall begin on the date of assuming office.

D. Contents of Leaving Office Statements. Leaving office statements of economic interests shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

10. Place of Filing. Designated employees shall file their Statements of Economic Interests with the LAFCO Executive Officer who shall retain the original Statements in the LAFCO business office.

11. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the Filing Officer, and shall contain the following information:

A. Investments and Real Property Disclosure. When an investment or an interest in real property is required to be reported the statement of economic interests shall contain the following:

1. A statement of the nature of the investment or interest;

2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;

3. The address or other precise location of the real property;[1]

4. A statement whether the fair market value of the investment or interest in real property equals or exceeds two thousand dollars ($2,000), exceeds ten thousand dollars ($10,000), exceeds one hundred thousand dollars ($100,000), or exceeds one million dollars ($1,000,000).[2]

B. Personal Income Disclosure. When personal income is required to be reported,[3] the statement of economic interests shall contain:

1. The name and address of each source of income aggregating five hundred dollars ($500) or more in value, or fifty dollars ($50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;

2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars ($1,000) or less, greater than one thousand dollars ($1,000), greater than ten thousand dollars ($10,000), or greater than one hundred thousand dollars ($100,000);

3. A description of the consideration, if any, for which the income was received;

4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

C. Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,[4] the statement of economic interests shall contain:

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[1] For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

[2] Investments and interests in real property which have a fair market value of less than $2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

[3] A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

[4] Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. ~~In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.~~

1. The name, address, and a general description of the business activity of the business entity;

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars ($10,000).

D. Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

E. Acquisition or Disposal During a Reporting Period. In the case of an annual or leaving office statement of economic interests, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement of economic interests, the statement of economic interests shall contain the date of acquisition or disposal.

12. Prohibition on Receipt of Honoraria.

No designated employee shall accept any honorarium from any source if the employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.[5] Subdivisions (a), (b), and (c) of Government Code section 89501 shall apply to the prohibitions in this section. This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code section 89506.[6]

13. Prohibition on Receipt of Gifts in Excess of the Allowed Statutory Amount.

No designated employee shall accept gifts with a total value of more than the amount established by 2 Cal. Code Regs. section 18703.4 in a calendar year from any single source ($440~~20 as of~~ in 2014~~0~~), if the designated employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. Subdivisions (e), (f), and (g) of Government Code section 89503 shall apply to the prohibitions in this section.[7]

14. Prohibition Regarding Certain Personal Loans.

A. Except as set forth in subsection B below, a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

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[5] § 89501. See Addendum.

[6] § 89506. See Addendum.

[7] § 89503. See Addendum.

1. If the loan has a defined date or dates for repayment when the statute of limitations for filing an action for default has expired.

2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:

a. The date the loan was made.

b. The date the last payment of one hundred dollars ($100) or more was made on the loan.

c. The date upon which the debtor has made payments on the loan aggregating to less than two hundred fifty dollars ($250) during the previous 12 months.

B. This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.

2. A loan that would otherwise not be a gift as defined in the Political Reform Act of 1974 and implementing regulations of the Fair Political Practices Commission.

3. A loan that subsection A of this section would require to be treated as a gift but on which the creditor has taken reasonable action to collect the balance due.

4. A loan that subsection A of this section would require to be treated as a gift but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision to not commence a collection action was based on reasonable business considerations.

5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

C. Nothing in this section shall exempt any person from any other provisions of the Political Reform Act of 1974 and the implementing regulations of the Fair Political Practices Commission.

15. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the designated employee or a member of his or her immediate family or on:

A. Any business entity in which the designated employee has a direct or indirect investment

worth two thousand dollars ($2,000) or more;

B. Any real property in which the designated employee has a direct or indirect interest worth two thousand dollars ($2,000) or more;

C. Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars ($500) or more in value provided to, received by, or promised to, the designated employee within 12 months prior to the time when the decision is made;

D. Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

E. Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating more than that amount established by 2 Cal. Code Regs. section 18703.4 ($440~~20 as of~~ in ~~2010~~2014) provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

16. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

17. Disclosure of Disqualifying Interest**.**

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by a disclosure of the disqualifying interest.

18. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this Code may request assistance from the Fair Political Commission pursuant to Government Code section 83114 and 2 Cal. Code of Regs. sections 18329 and 18329.5 or from LAFCO counsel, provided that nothing in this section requires LAFCO counsel to issue any formal or informal opinion.

19. Public Inspection of Conflict of Interest Code and Statements. A copy of the Conflict of Interest Code and all filed Statements shall be maintained in the office of the LAFCO Executive Officer and available for public inspection and copying during regular business hours. Copies shall be provided in accordance with LAFCO policy on fees for the production of public records.

20. LAFCO Review.

A. No later than October 1 of each even-numbered year, LAFCO shall submit to the Napa County Board of Supervisors, as the code reviewing body for LAFCO, a written statement signed by the LAFCO Executive Officer, or his designee, that either:

1. LAFCO has reviewed the Conflict of Interest Code, that the Conflict of Interest Code designates accurately all positions which make or participate in the making of governmental decisions for LAFCO, that the disclosure assigned those positions accurately require the disclosure of all investments, business positions, interests in real property, and sources of income which may foreseeably be affected materially by the decisions made by those designated positions, and that the Conflict of Interest Code contains the provisions required by Government Code section 87302; or

2. LAFCO has reviewed the Conflict of Interest Code and has determined that amendment is necessary to designate all positions which make or participate in the making of governmental decisions for LAFCO, or to update the disclosure categories assigned to require the disclosure of all investments, business positions, interests in real property and sources of income which may be affected materially by the designated positions, or to include other provisions required by Government Code section 87302. If the statement contains this report, LAFCO shall submit the amendment to the Napa County Board of Supervisors within 90 days of the report.

B. Changed circumstances which require amendment of the Conflict of Interest Code shall include, but not be limited to:

1. The creation of positions which involve the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest;

2. The reclassification, renaming, or deletion of previously designated positions;

3. The addition, deletion, or modification of statutorily-required provisions of this Conflict of Interest Code; or

4. The addition, deletion, or modification of the specific types of investments, business positions, interests in real property, and sources of income which are reportable unless such changes have been automatically incorporated into this Conflict of Interest Code as the result of inclusion of the changes into the model code by the Fair Political Practices Commission.

21. Violations.

This code has the force and effect law. Designated employees violating any provision of this Code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code sections 81000-91014. In addition a decision in relation to which a violation of the disqualification provisions of this Code or of Government Code Section 87100

or section 87450 has occurred may be set aside as void pursuant to Government Code Section 91003.

22. Conflict Between Local Code and California Code of Regulations.

If there are inconsistencies or conflicts between this Code and the state regulations found at 2 California Code of Regulations section 18730, the state regulations will prevail and be the controlling authority unless this Code imposes a requirement for conflict avoidance that is more stringent than the state regulations.

ADDENDUM

§ 89501. Honorarium. (a) For purposes of this chapter, "honorarium" means, except as provided in subdivision (b), any payment made in consideration for any speech given, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or like gathering.
(b) The term "honorarium" does not include:
(1) Earned income for personal services which are customarily provided in connection with the practice of a bona fide business, trade, or profession, such as teaching, practicing law, medicine, insurance, real estate, banking, or building contracting, unless the sole or predominant activity of the business, trade, or profession is making speeches. The commission shall adopt regulations to implement this subdivision.
(2) Any honorarium which is not used and, within 30 days after receipt, is either returned to the donor or delivered to the State Controller for donation to the General Fund, or in the case of a public official for local government agency, delivered to his or her agency for donation to an equivalent fund, without being claimed as a deduction from income for tax purposes.
(c) Section 89506 shall apply to all payments, advances, or reimbursements for travel and related lodging and subsistence.

§ 89503. Acceptance of gifts by officers or employees. (a) No elected state officer, elected officer of a local government agency, or other individual specified in Section 87200 shall accept gifts from any single source in any calendar year with a total value of more than two hundred fifty dollars ($250).
(b) (1) No candidate for elective state office, for judicial office, or for elective office in a local government agency shall accept gifts from any single source in any calendar year with a total value of more than two hundred fifty dollars ($250). A person shall be deemed a candidate for purposes of this subdivision when the person has filed a statement of organization as a committee for election to a state or local office, a declaration of intent, or a declaration of candidacy, whichever occurs first. A person shall not be deemed a candidate for purposes of this subdivision after he or she is sworn into the elective office, or, if the person lost the election, after the person has terminated his or her campaign statement filing obligations for that office pursuant to Section 84214 or after certification of the election results, whichever is earlier.
(2) Paragraph (1) shall not apply to any person who is a candidate as described in paragraph (1) for judicial office on or before December 31, 1996.
(c) No member of a state board or commission or designated employee of a state or local government agency shall accept gifts from any single source in any calendar year with a total value of more than two hundred fifty dollars ($250) if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.
(d) This section shall not apply to a person in his or her capacity as judge. This section shall not apply to a person in his or her capacity as a part-time member of the governing board of any public institution of higher education unless that position is an elective office.
(e) This section shall not prohibit or limit the following:

(1) Payments, advances, or reimbursements for travel and related lodging and subsistence permitted by Section 89506.
(2) Wedding gifts and gifts exchanged between individuals on birthdays, holidays, and other similar occasions, provided that the gifts exchanged are not substantially disproportionate in value.
(f) Beginning on January 1, 1993, the commission shall adjust the gift limitation in this section on January 1 of each odd-numbered year to reflect changes in the Consumer Price Index, rounded to the nearest ten dollars ($10).
(g) The limitations in this section are in addition to the limitations on gifts in Section 86203.

§ 89506. Limitations on payments for travel; Gifts of travel. (a) Payments, advances, or reimbursements, for travel, including actual transportation and related lodging and subsistence that is reasonably related to a legislative or governmental purpose, or to an issue of state, national, or international public policy, are not prohibited or limited by this chapter if either of the following apply:
(1) The travel is in connection with a speech given by the elected state officer, local elected officeholder, candidate for elected state office or local elected office, an individual specified in Section 87200, member of a state board or commission, or designated employee of a state or local government agency, the lodging and subsistence expenses are limited to the day immediately preceding, the day of, and the day immediately following the speech, and the travel is within the United States.
(2) The travel is provided by a government, a governmental agency, a foreign government, a governmental authority, a bona fide public or private educational institution, as defined in Section 203 of the Revenue and Taxation Code, a nonprofit organization that is exempt from taxation under Section 501(c) (3) of the Internal Revenue Code, or by a person domiciled outside the United States which substantially satisfies the requirements for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.
(b) Gifts of travel not described in subdivision (a) are subject to the limits in Section 89503.
(c) Subdivision (a) applies only to travel that is reported on the recipient's statement of economic interests.
(d) For purposes of this section, a gift of travel does not include any of the following:
(1) Travel that is paid for from campaign funds, as permitted by Article 4 (commencing with Section 89510), or that is a contribution.
(2) Travel that is provided by the agency of a local elected officeholder, an elected state officer, member of a state board or commission, an individual specified in Section 87200, or a designated employee.
(3) Travel that is reasonably necessary in connection with a bona fide business, trade, or profession and that satisfies the criteria for federal income tax deduction for business expenses in Sections 162 and 274 of the Internal Revenue Code, unless the sole or predominant activity of the business, trade, or profession is making speeches.
(4) Travel that is excluded from the definition of a gift by any other provision of this title.
(e) This section does not apply to payments, advances, or reimbursements for travel and related lodging and subsistence permitted or limited by Section 170.9 of the Code of Civil Procedure.

APPENDIX "A"

LIST OF DESIGNATED EMPLOYEES

Because of the nature of the powers and duties conferred on the Local Agency Formation Commission of Napa County under the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et. seq.), the policies adopted by the LAFCO Commission, and the terms of support services and consultant agreements approved by the LAFCO Commission, the following positions within LAFCO may involve the making or participation in the making of decisions of LAFCO which may foreseeably have a material effect on financial interests of the holders of the positions. The positions are listed because their scope of authority or work involve either making final decisions for LAFCO which have financial consequences or developing and/or exercising such a level of expertise and ongoing relationship with those who make such decisions that the decision-makers can reasonably be expected to routinely trust and rely upon their advice.

For purposes of filing Statements of Economic Interests as required by this Conflict of Interest Code, the "Designated Employees" of LAFCO shall be those persons who actually occupy or carry out the functions of the following positions, whether as elected or appointed officers, compensated employees, or contracted consultants:

DESIGNATED EMPLOYEE POSITIONS

Members of the LAFCO Commission (including any persons serving as **Alternate Commission Members** in the absence of a regular Commissioner)

LAFCO Executive Officer

LAFCO Legal Counsel

Auditor-Controller (Napa County Auditor-Controller, serving ex-officio)

Contract Consultants for LAFCO - Contract consultants shall be included in the list of Designated Employees and shall disclose their material financial interests in regard to all of the adopted disclosure categories, subject to the following limitation:

> The LAFCO Executive Officer may determine in writing that a particular contract consultant, although a "designated position", is hired to perform a range of duties that is limited in scope and thus is not required to comply or fully comply with all of the disclosure requirements described in Appendix "B". This written determination shall include a description of the contract consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. This determination is a public record and shall be retained for public inspection and be available for inspection and copying in the same location and manner as LAFCO's copy of the Conflict of Interest Code.

APPENDIX "B"

DISCLOSURE CATEGORIES

The decisions which the Designated Employees may make, or participate in making, for LAFCO may involve exercising or directly influencing the exercise of powers conferred on LAFCO by the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et. seq.).

The decisions by the Designated Employees in the course of their work for LAFCO may have the potential to materially impact any or all of those types of financial interests listed in all the Disclosure Schedules of the Statement of Economic Interests Form 700 adopted by the Fair Political Practices Commission.

For this reason, all of the Designated Employees under this Conflict of Interest Code, other than contract consultants who are exempted from disclosure pursuant to Appendix "A", shall disclose ~~comply with the broadest possible Disclosure Category under the current Form 700 and Disclosure Schedules: disclosing all~~ the following sources of income, interests in real property, investments and business positions in business entities~~.~~:

(i) All income including gifts, loans and travel payments as defined in Government Code Section 82030; and
(ii) All investments as defined in Government Code Section 82034; and
(iii) All interests in real property as defined in Government Code Section 82033; and
(iv) All business positions as defined in 2 California Code of Regulations Section 18730(b)(7)(D) in business entities that may foreseeably be affected materially by the decisions made by LAFCO or any Designated Employee of LAFCO.

"Income" (Government Code Section 82030)

(a) "Income" means, except as provided in subdivision (b), a payment received, including but not limited to any salary, wage, advance, dividend, interest, rent, proceeds from any sale, gift, including any gift of food or beverage, loan, forgiveness or payment of indebtedness received by the filer, reimbursement for expenses, per diem, or contribution to an insurance or pension program paid by any person other than an employer, and including any community property interest in the income of a spouse. Income also includes an outstanding loan. Income of an individual also includes a pro rata share of any income of any business entity or trust in which the individual or spouse owns, directly, indirectly or beneficially, a 10-percent interest or greater. "Income," other than a gift, does not include income received from any source outside the jurisdiction and not doing business within the jurisdiction, not planning to do business within the jurisdiction, or not having done business within the jurisdiction during the two years prior to the time any statement or other action is required under this title.

(b) "Income" also does not include:

(1) Campaign contributions required to be reported under Chapter 4 (commencing with Section 84100).

(2) Salary and reimbursement for expenses or per diem, and social security, disability, or other similar benefit payments received from a state, local, or federal government agency and reimbursement for travel

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expenses and per diem received from a bona fide nonprofit entity exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

(3) Any devise or inheritance.

(4) Interest, dividends, or premiums on a time or demand deposit in a financial institution, shares in a credit union or any insurance policy, payments received under any insurance policy, or any bond or other debt instrument issued by any government or government agency.

(5) Dividends, interest, or any other return on a security which is registered with the Securities and Exchange Commission of the United States government or a commodity future registered with the Commodity Futures Trading Commission of the United States government, except proceeds from the sale of these securities and commodities futures.

(6) Redemption of a mutual fund.

(7) Alimony or child support payments.

(8) Any loan or loans from a commercial lending institution which are made in the lender's regular course of business on terms available to members of the public without regard to official status.

(9) Any loan from or payments received on a loan made to an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, uncle, aunt, or first cousin, or the spouse of any such person, provided that a loan or loan payment received from any such person shall be considered income if he or she is acting as an agent or intermediary for any person not covered by this paragraph.

(10) Any indebtedness created as part of a retail installment or credit card transaction if made in the lender's regular course of business on terms available to members of the public without regard to official status.

(11) Payments received under a defined benefit pension plan qualified under Internal Revenue Code Section 401(a).

(12) Proceeds from the sale of securities registered with the Securities and Exchange Commission of the United States government or from the sale of commodities futures registered with the Commodity Futures Trading Commission of the United States government if the filer sells the securities or the commodities futures on a stock or commodities exchange and does not know or have reason to know the identity of the purchaser.

"Investment" (Government Code Section 82034)

"Investment" means any financial interest in or security issued by a business entity, including but not limited to common stock, preferred stock, rights, warrants, options, debt instruments and any partnership or other ownership interest owned directly, indirectly or beneficially by the public official, or other filer, or his or her immediate family, if the business entity or any parent, subsidiary or otherwise related business entity has an interest in real property in the jurisdiction, or does business or plans to do business in the jurisdiction, or has done business within the jurisdiction at any time during the two years prior to the time any statement or other action is required under this title. No asset shall be deemed an investment unless its fair market value equals or exceeds two thousand dollars ($ 2,000). The term "investment" does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, interest in a diversified mutual fund registered with the Securities and Exchange Commission under the Investment Company Act of 1940 or a common trust fund which is created pursuant to Section 1564 of the Financial Code, or any bond or other debt instrument issued by any government or government agency. Investments of an individual includes a pro rata share of investments of any business entity, mutual fund, or trust in which the individual or immediate family owns, directly, indirectly or beneficially, a 10-percent interest or greater. The term "parent, subsidiary or otherwise related business entity" shall be specifically defined by regulations of the commission.

"Interest in real property" (Government Code Section 82033)

"Interest in real property" includes any leasehold, beneficial or ownership interest or an option to acquire such an interest in real property located in the jurisdiction owned directly, indirectly or beneficially by the public official, or other filer, or his or her immediate family if the fair market value of the interest is two thousand dollars ($ 2,000) or more. Interests in real property of an individual includes a pro rata share of interests in real property of any

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business entity or trust in which the individual or immediate family owns, directly, indirectly or beneficially, a 10-percent interest or greater.

"Business Position Disclosure" (2 California Code of Regulations Section 18730(b)(7)(D).

When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

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CERTIFICATIONS

I hereby certify that I am the Secretary and custodian of records of the Local Agency Formation Commission and that the attached Resolution is a true and correct copy of the original approved by the LAFCO Commission and on file in the LAFCO office.

Laura Snideman,
LAFCO Secretary

By_____

I hereby certify that the Conflict of Interest Code for the Local Agency Formation Commission of Napa County was approved and confirmed by the Napa County Board of Supervisors, as the code reviewing body for LAFCO by action of the Board of Supervisors on _____, 20__, and recorded in the certified minutes of the Board of Supervisors for that date.

Clerk of the Napa County Board of Supervisors

By_____

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

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

Agenda Item 5 (e)

TO: Local Agency Formation Commission

PREPARED BY: Laura Snideman, Executive Officer

MEETING DATE: August 4, 2014

SUBJECT: Adopt Two Resolutions Approving the Executive Officer's Participation In and Budget for Retirement Savings and Napa Valley Leadership Training

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RECOMMENDATION

Adopt two resolutions approving the Executive Officer's participation in and budget for retirement savings and Napa Valley Leadership training.

ANALYSIS

Retirement Contribution

Management employees with the County of Napa are eligible for a $1,000 annual employer contribution to a 401 (a) retirement savings account. As this has not been previously budgeted for the LAFCO Executive Officer, and due to the plan rules, the contribution needs to be designed under two different sections of the plan (as a direct contribution in calendar year 2014 and as a matching contribution in calendar year 2015) and budgeted for in the current fiscal year.

The Executive Officer recently re-negotiated the service contract for Laserfiche, the Commission's electronic document management system, at an annual savings of $1,717. $1,000 of these savings can be reallocated to cover the cost of this contribution for the current fiscal year.

Leadership Napa Valley

The Executive Officer applied for the competitive Leadership Napa Valley training program and was accepted for the next program beginning in September. The program educates current and future leaders about a broad range of community programs, processes, needs, and issues. LAFCO will benefit from the Executive Officers' increased knowledge of the County and relationships with many different organizations.

While participation costs were previously contemplated for the former Executive Officer, a budget adjustment is needed for the current fiscal year now that acceptance into the program has been

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

Laura Snideman
Executive Officer

obtained by the new Executive Officer. The total program cost for the nine-month program is $900, $200 of which must be paid personally by the attendee. The Executive Officer has committed to personally funding this amount. The remaining amount, $700, may be funded by the attendee's employer. Undesignated fund balance can be designated for this cost in the current LAFCO budget. In addition, note that there is an additional $700 in savings from the renegotiated Laserfiche service contract. While the recommendation is to leave that $700 savings as budgeted in the current account for contingency purposes, should that amount not be expended, these two additional expenditures (the retirement savings and the training costs) will have a zero net effect on total estimated expenditures for the year.

ATTACHMENT(S)

1) Resolution Providing a Non-Matching Employer Contribution for the Benefit of the Executive Officer for the Calendar Year 2014, Approving the Executive Director's Participation in Leadership Napa Valley, and Approving the Reallocation of Budget Appropriations for These Benefits

2) Resolution Consenting to the Participation of LAFCO Management Staff in the County of Napa 401(a) Retirement Savings Plan and Establishing the LAFCO Match for the 2015 Calendar Year

ATTACHMENT ONE

RESOLUTION NO. _____

THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY PROVIDING A NON-MATCHING EMPLOYER CONTRIBUTION FOR THE BENEFIT OF THE EXECUTIVE OFFICER FOR THE CALENDAR YEAR 2014, APPROVING THE EXECUTIVE DIRECTOR'S PARTICIPATION IN LEADERSHIP NAPA VALLEY, AND APPROVING THE REALLOCATION OF BUDGET APPROPRIATIONS FOR THESE BENEFITS

WHEREAS, the Local Agency Formation Commission of Napa County (hereinafter "LAFCO" or "Employer" or "Commission") appoints the LAFCO Executive Officer and contracts with Napa County to provide for this staff service as a management employee of Napa County; and

WHEREAS, in 2002, LAFCO consented to its participation in the 401(a) Retirement Savings Plan (hereinafter "Plan") established by Napa County, which provides in part that LAFCO shall determine, in its sole discretion, the amount, if any, of the Employer contribution; and

WHEREAS, the Plan provides that the Employer may contribute to the 401(a) pre-tax sub-account of any officer or employee who is a Plan participant (hereinafter "Participant"); and

WHEREAS, Non-Matching Employer contributions are also permitted by section 4.02-2 of the Plan and any resolution that is adopted identifying the amount of the Non-Matching Employer contributions for any given calendar year must specify in the resolution the amount of the Non-Matching Employer contribution and the conditions, if any, upon which it will be made; and

WHEREAS, each Non-Matching Employer contribution shall be allocated to the Participants 401(a) pre-tax sub-account in accordance with the criteria as specified by the Employer in the resolution; provided however that the specified criteria must result in an allocation that is definitely determinable such as a specified number of dollars or a specified percentage of the compensation of the Participant; and

WHEREAS, the Employer has concluded that it should approve the one-time only Non-Matching Employer contribution set forth in this resolution; and

WHEREAS, the Executive Director has been accepted into the Leadership Napa Valley program and this training will be of benefit to LAFCO.

NOW, THEREFORE BE IT RESOLVED that:

1. The Commission approves a one-time only Non-Matching Employer Contribution that shall be made to the 401(a) pre-tax sub-account of the LAFCO Executive Officer in the amount of $1,000 on or before November 1, 2014, provided the LAFCO Executive Officer

is employed as such on that date. This approval shall remain in effect only during the 2014 calendar year.

2. The Clerk of LAFCO is directed to deliver a copy of this Resolution to the Board of Control forthwith.
3. The Commission further amends the budget to reallocate appropriations in the amount of $1,000 from Computer Software/Licensing Fees Account (Account No. 53415) to the Retirement Account (Account No. 51600) to provide the one-time only Non-Matching Employer Contribution.
4. The Commission further amends the budget to reallocate appropriation in the amount of $700 from undesignated fund balance (33100) to the Training Account (Account No. 52900) to cover the cost of participation in the Leadership Napa Valley training program.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED by the Local Agency Formation Commission of Napa County, State of California, at a regular meeting of the Commission held on the 4h day of August, 2014, by the following vote:

AYES: _____

_____

NOES: _____

ABSTAIN: _____

ABSENT: _____

_____
Brian Kelly, Chairman
Local Agency Formation Commission of Napa County

ATTEST: Kathy Mabry
Clerk of the Commission

Approved as to Form
Commission Counsel
By: E-Signature Jacqueline Gong
Date: 7/21/14

ATTACHMENT TWO

RESOLUTION NO. ___

THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY CONSENTING TO THE PARTICIPATION OF LAFCO MANAGEMENT STAFF IN THE COUNTY OF NAPA 401(a) RETIREMENT SAVINGS PLAN AND ESTABLISHING THE LAFCO MATCH FOR THE 2015 CALENDAR YEAR

WHEREAS, the Local Agency Formation Commission of Napa County (hereinafter "LAFCO" or "Employer" or "Commission") appoints the LAFCO Executive Officer and contracts with Napa County to provide for this staff service as a management employee of Napa County; and

WHEREAS, in 2002 LAFCO consented to the participation of LAFCO in the 401(a) Retirement Savings Plan (hereinafter "Plan") established by Napa County, which provides in part that LAFCO shall determine, in its sole discretion, the amount of the Employer contribution to be made to the Plan during each Plan year and that the amount of the Employer contribution for the each calendar year, if any, shall be established annually on or before January 1st of that calendar year by a duly adopted Resolution of the Employer, a copy of which shall be delivered to the Napa County Deferred Compensation Board of Control (hereinafter "Board of Control"); and

WHEREAS, the Plan also provides that upon the adoption of a Resolution identifying the amount of the Employer contribution for the next succeeding calendar year, the Employer shall, during said next succeeding calendar year, make a contribution in an amount equal to the contribution each Management, Confidential and Non-Classified officer and/or employee who is a Participant in the Plan makes to the Employer's 457 Deferred Compensation Plan during that same calendar year (hereinafter the "Match"); provided, however, the Employer contribution to the 401(a) deferred compensation account of each Management, Confidential and Non-Classified officer and/or employee who is a Participant in the Plan during any calendar year shall not exceed the amount set forth in said Resolution; and

WHEREAS, during fiscal year 2015-2016 LAFCO hereby agrees to establish a Match for calendar year 2015 pursuant to section 4.02-1of the Plan.

NOW THEREFORE BE IT RESOLVED by LAFCO that, for calendar year 2015, it hereby approves up to a $1000 "Match" for each Management staff of LAFCO (presently the LAFCO Executive Officer) who are or become Participants in the Plan during 2015.

BE IT FURTHER RESOLVED that the Clerk of the Commission is directed to deliver a copy of this Resolution to the Board of Control.

The foregoing Resolution was duly and regularly adopted by the Local Agency Formation Commission of Napa County at a regular meeting of said Commission held on the 4th day of August, 2014 by the following vote:

AYES: _____

_____

NOES: _____

ABSTAIN: _____

ABSENT: _____

_____
Brian Kelly, Chairman
Local Agency Formation Commission of Napa County

ATTEST:
Kathy Mabry
Clerk of the Commission

_____

APPROVED AS TO FORM
Commission Counsel

By: E-Signature Jacqueline Gong

Date:

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

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

August 4, 2014
Agenda Item No. 6a (Public Hearing)

July 24, 2014

TO: Local Agency Formation Commission

FROM: Brendon Freeman, Analyst

SUBJECT: **Proposed West Pueblo Avenue No. 1 Annexation to the City of Napa**
The Commission will consider a proposal filed by landowner petition to annex 3.34 acres of territory to the City of Napa. The proposed annexation includes five parcels located within an unincorporated island near West Pueblo Avenue. The City of Napa serves as lead agency under the California Environmental Quality Act (CEQA) and has prepared an initial study to address environmental impacts associated with the proposed annexation. Approval of the proposal would be subject to separate conducting authority proceedings absent consent from all landowners.

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 service areas. This includes approving or disapproving proposed change of organizations, such as boundary changes, consistent with adopted policies and procedures. Two or more of these actions tied to a single proposal are referred to as reorganizations. LAFCOs are authorized with broad discretion in amending and conditioning changes of organization or reorganizations as long as the latter does not directly regulate land uses or subdivision requirements.

A. Recommendation

Staff recommends the Commission adopt the draft resolution included as Attachment One to this report approving the proposal as submitted with the following conditions:

- Completion of conducting authority proceedings unless 100% of all affected landowners have consented to the boundary change prior to the close of the hearing.
- Submittal of a final map and geographic description of the affected territory conforming to the requirements of the State Board of Equalization and approved by the County Surveyor.
- Payment of any outstanding fees owed to other agencies involved in the processing of this proposal as identified in the Commission's adopted fee schedule.

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County of Napa Supervisor, 1st District

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County of Napa Supervisor, 2nd District

Laura Snideman
Executive Officer

B. Background

LAFCO of Napa County ("Commission") has received a petition for proposal from a representative of an interested landowner requesting the annexation of 3.34 acres of territory to the City of Napa. The territory proposed to be annexed comprises five entire residential parcels within an unincorporated island located at 2063, 2065, 2075, 2083, and 2091 West Pueblo Avenue. The County Assessor's Office identifies the parcels as 042-171-045, 042-171-044, 042-160-025, 042-160-026, and 042-160-024, respectively. The subject parcels are currently partially developed with a total of four single-family residences. An aerial map of the territory proposed to be annexed follows.

The interested landowner's original intent was to annex only his two parcels – 2075 and 2083 West Pueblo Avenue – for purposes of initiating a development project under the City's land use authority. In consultation with staff, it was noted that the landowner's annexation interest is expressly prohibited under California Government Code (G.C.) Section 56744, which states that territory shall not be annexed to a city if, as a result of that annexation, unincorporated territory is completely surrounded by that city. Upon surveying interest from neighboring landowners, the boundary of the proposed annexation was expanded for purposes of ensuring no new islands are created as a result of annexation. It is important to note that this expanded territory includes one landowner who has not consented to the proposed annexation. Absent consent from all landowners, approval of the proposal would be subject to separate conducting authority proceedings pursuant to G.C. Section 57000. Conducting authority proceedings for this proposal would be based on percentage assessed value of land.[1] Current assessed values for the five subject parcels suggest the annexation would successfully survive conducting authority proceedings if the proposal is approved by the Commission.

It is important to note that on May 20, 2014, the City adopted a resolution requesting LAFCO to initiate proceedings for the annexation of 2063, 2065, 2075, 2083, and 2091 West Pueblo Avenue. However, subsequent communication with the City and affected landowners resulted in all parties agreeing to transfer application responsibilities to Mr. Randy Gularte, representative of the principal landowner.

C. Discussion

Proposal Purpose

The stated purpose of the proposal is to enable the landowner of 2075 and 2083 West Pueblo Avenue – Mr. Raymond Canepa – to file a future development application with the City, which by practice does not accept project filings for lands lying outside its jurisdictional boundary. The City's existing land use policies would allow these two larger parcels to be divided into a maximum of 12 single-family residential lots less any dedications.[2] Mr. Canepa would presumably market an approved development plan as part of a future property sale. Towards this end, Mr. Canepa has retained Mr. Randy Gularte with Heritage Realty to represent the proposal before the Commission.

Commission Focus

The Commission included the five subject parcels in the establishment of the City's sphere of influence in 1972. The existing inclusion of the parcels in the sphere of influence reflects a standing Commission expectation the lands be annexed into the City to facilitate orderly urban development when the timing is deemed appropriate. Further, the five parcels are located within a completely surrounded unincorporated island.

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[1] If landowners owning 50% or more of the total assessed value of land within the annexation territory submit written protests, annexation proceedings are automatically terminated. If landowners owning less than 50% of the total assessed value of land submit written protests, the annexation is ordered without an election.

[2] LAFCO law prohibits annexed territory to be rezoned by a city for 24 months following recordation unless special findings are made by the council at a public hearing.

D. Analysis

Legislature Policies / Mandated Factors

G.C. Section 56668 requires the Commission to consider 15 specific factors anytime it reviews proposals for change of organization or reorganization involving cities. The majority of the prescribed factors focus on the impacts of the proposed boundary changes on the service and financial capacities of the affected agencies. No single factor is determinative and the intent is to provide a uniform baseline for LAFCOs in considering boundary changes in context to locally adopted policies and practices.

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

The affected territory lies within a developing area predominately consisting of moderate to high density housing and part of a neighborhood designation under the City General Plan known as "Pueblo." The affected territory is legally uninhabited given there are less than 12 registered voters. Topography within the affected territory is relatively flat with a peak elevation of five feet above sea-level. There are no natural drainage basins within proximity to the affected territory. 2083 West Pueblo Avenue is 1.50 acres in size and undeveloped. 2075 West Pueblo Avenue is 1.00 acres in size and partially developed with one unoccupied single-family residence. The other three parcels are developed to their maximum allowances under either the County or City with occupied single-family residences.[3] The current assessed value for the entire affected territory totals 458,469.[4]

Proposal approval is expected to facilitate the future development of 2075 and 2083 West Pueblo Avenue to include up to 12 residential lots and produce an estimated buildout population of 32 based on existing zoning.[5] In total, the maximum buildout population for the entire affected territory is projected at 40.[6] Development opportunities for adjacent areas to the affected territory – based on existing zoning – are limited to two incorporated parcels to the immediate south.[7] These parcels are 1.13 acres and 1.24 acres in size and, although no development plans currently exist, could potentially be further divided to include up to 14 single-family residential lots as contemplated in the City Zoning Ordinance. All other adjacent parcels are substantially developed with single-family residences.

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[3] 2063 West Pueblo Avenue is 0.39 acres and occupied with two residents. 2065 West Pueblo Avenue is 0.26 acres and occupied with two residents. 2091 West Pueblo Avenue is 0.19 acres and occupied with two residents.

[4] Individual assessed values of land within the affected territory are as follows: APN 042-171-045 (2063 West Pueblo Avenue) at $172,314; APN 042-171-044 (2065 West Pueblo Avenue) at $127,500; APN 042-060-026 (2075 West Pueblo Avenue) at $19,898; APN 042-060-025 (2083 West Pueblo Avenue) at $24,095; and APN 042-060-024 (2091 West Pueblo Avenue) at $114,662.

[5] The estimated buildout population for the affected territory assumes a per unit factor of 2.73 for Napa County based on calculations performed by the California Department of Finance.

[6] City zoning allows for accessory second units - "granny units" - on residential lots subject to certain restrictions and cannot exceed 640 square feet unless permitted by special allowance.

[7] Lands to the west, north, and east of the affected territory are developed to their maximum allowances.

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

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

- ***Water Service***
  Three of the four existing residences within the affected territory are already connected to the City's water system through grandfathered outside service extensions with the fourth residence currently being served by a private onsite well.[8] At full occupancy, the current estimated daily water demand on the City's water system within affected territory is 1,020 gallons, representing an approximate 1.1 acre-feet annual use. The planned and expected development of 2075 and 2083 West Pueblo Avenue to accommodate up to 12 residential lots upon proposal approval suggests the projected future water demand generated from the affected territory would increase to 5,100 gallons per day and total 5.7 acre-feet annually. This anticipated demand at buildout would have relatively minimal impacts on the City's existing water system infrastructure as measured by supply, storage, and treatment capacities as detailed in the following subsections.

Water Supply and Demand

Napa's water supplies are derived from three distinct sources: Lake Hennessey, Milliken Reservoir, and the State Water Project. These three sources collectively provide Napa with 31,340 acre-feet of raw water for treatment during normal year conditions based on historical patterns. These historical patterns also indicate Napa's annual water supply decreases during multiple and single dry year conditions to 19,896 and 13,533 acre-feet, respectively. Conversely, Napa's most recently recorded annual water demand totals 13,883 acre-feet; an amount representing an average daily use of 38 acre-feet. These current demands result in an available supply surplus during normal and multiple dry year conditions. Further, the existing shortfall projected during single dry years is relatively minimal and would be likely offset by voluntary and mandatory water conservation measures that could be adopted by the City Council consistent with their Urban Water Management Plan (UWMP).

[8] Outside service extensions are now subject to LAFCO approval under G.C. Section 56133.

The *difference* in annual water demand associated with the annexation and buildout of the affected territory is 1,489,200 gallons or 4.6 acre-feet and would represent only 0.03% of the current demand commitments for the City. Annexation and buildout of the affected territory, accordingly, would have no measurable impact on existing or future water demands on the City as depicted in the following tables.

Baseline Without Annexation of the Affected Territory
(Amounts in Acre-Feet)

Category	Normal Year	Multiple Dry	Single Dry
Annual Supply	31,340	19,896	13,533
Annual Demand	13,883	13,883	13,883
Difference	17,457	6,013	(350)

Adjusted With Annexation/Buildout of the Affected Territory
(Amounts in Acre-Feet)

Category	Normal Year	Multiple Dry	Single Dry
Annual Supply	31,340	19,896	13,533
Annual Demand	13,888	13,888	13,888
Difference	17,452	6,008	(355)

Water Treatment and Storage

Napa operates treatment facilities for each of its three water sources. These three facilities provide a combined daily treatment capacity of 135 acre-feet.[9] This combined treatment amount is more than three times greater than the current average day water demand (38 acre-feet) and nearly two times greater than the current estimated peak day water demand (76 acre-feet).[10] Furthermore, Napa's combined treated water storage capacity overlaying its five pressure zones – including clearwell tanks – is 86 acre-feet. This combined storage amount accommodates current estimated peak day water demands in Napa.

Average day water demands associated with the annexation and buildout of the affected territory – 5,100 gallons or 0.016 acre-feet – would have no measurable impact on the City's existing water treatment and storage capacities as depicted in the following tables.

City Baseline Without Annexation of the Affected Territory
(Amounts in Acre-Feet)

Treatment Capacity	Average Day Demand	Peak Day Demand	Storage Capacity
135.0	38.0	76.0	86.2

City Adjusted With Annexation/Buildout of the Affected Territory
(Amounts in Acre-Feet)

Treatment Capacity	Average Day Demand	Peak Day Demand	Storage Capacity
135.0	38.0	76.0	86.2

[9] The combined daily treatment capacity for the City is divided between the Milliken facility at 4.0 million gallons, Jamieson facility at 20.0 million gallons, and Hennessey facility at 20.0 million gallons, respectively.
[10] Statement references recent usage records, the estimated peak day demand factor for the City is 2.0.

- ***Sewer Service***
  All five parcels comprising the affected territory are already connected to the Napa Sanitation District (NSD) through earlier annexations. At full occupancy, the current estimated average day sewer flow generated from the affected territory and its four single-family residences is 840 gallons. The planned and expected development of 2075 and 2083 West Pueblo Avenue to accommodate a maximum of 12 residential lots upon annexation approval suggests the anticipated daily sewer flow within the affected territory would increase by 2,310 gallons to 3,150 gallons on average, and would further increase by 5,775 gallons to 7,875 gallons during peak periods. These buildout estimates – under existing conditions – would have minimal impacts on NSD's sewer system as depicted in the following table.

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

System Avg. Day Capacity	Average Day Demand	Peak Day Demand	System Peak Day Capacity
15,400,000	6,709,120	33,722,800	126,200,000

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

System Avg. Day Capacity	Average Day Demand	Peak Day Demand	System Peak Day Capacity
15,400,000	6,711,430	33,728,575	126,200,000

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

- ***Fire Protection and Emergency Medical Services***
  Annexation of the affected territory would immediately transfer fire protection and emergency medical service responsibilities from the County to the City. Proximity of the affected territory, however, suggests the City is already the probable first-responder for fire protection and emergency medical service calls based on an established mutual aid agreement with the County. Approval of the proposal would eliminate any duplication and related inefficiencies associated with the City providing fire protection and emergency medical services to the affected territory. Further, information generated from the Commission's municipal service review on the central county region noted the City has generally developed sufficient capacities and controls to serve existing and anticipated demands. The municipal service review also notes no service deficiencies within the area surrounding the affected territory.

- ***Law Enforcement Services***
  Annexation of the affected territory would immediately transfer law enforcement service responsibilities from the County to the City. However, and similar to fire protection, the affected territory's proximity suggests the City is already the probable first-responder for emergency law enforcement service calls based on an established mutual aid agreement with the County.

Approval of the proposal would eliminate any duplication and related inefficiencies associated with the City already providing law enforcement services to the affected territory. The Commission's municipal service review on the central county region also notes the City has developed sufficient capacities and controls to serve existing and anticipated demands. The municipal service review also notes no service deficiencies within the area surrounding the affected territory.

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

The proposal would have an advantageous effect with respect to memorializing existing social and economic ties between the affected territory and the City. These ties are drawn from the affected territory's standing inclusion into the sphere of influence adopted for the City; inclusion approved by the Commission in 1972 and marking an expectation the site should eventually develop for urban uses under the City's land use and service authority.

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

The proposal generally conforms with the adopted policies of the Commission and is highlighted by the affected territory lying entirely within the City's sphere of influence; a demarcation outlining the probable future service area and jurisdictional boundary of the City as determined by the Commission. The affected territory does not qualify as "open-space" under LAFCO law and therefore does not conflict with G.C. Section 56377. Specifically, the affected territory is not substantially unimproved and devoted to an open-space use under the County or City General Plan.

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

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

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

The proposal is parcel-specific and includes all of the property identified by the County of Napa Assessor's Office as 042-160-024, 042-160-025, 042-160-026, 042-171-044, and 042-171-045. Commission approval would include a condition requiring the applicant to submit a map and geographic description of the approved action in conformance with the requirements of the State Board of Equalization.

The affected territory lies within an existing completely surrounded unincorporated island consisting of a total of 549 parcels along with public right-of-ways that collectively total approximately 91.2 acres. Surveys of the adjacent landowners suggest expanding the annexation boundary to further reduce and/or eliminate the unincorporated island would likely trigger conducting authority proceedings that would result in the termination of the annexation. Therefore, expanding the annexation boundary to include the entire unincorporated island is not recommended.

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

The affected territory is similarly planned – albeit at different intensities – for single-family residential uses under both the County and City General Plans. The County General Plan designation is *Urban Residential* and it prescribes a minimum lot size of 1.0 acres; a threshold that precludes any new intensive development given current acreage totals for all five affected parcels. The City General Plan designation is *Single-Family Infill – 68* and it prescribes a minimum lot size of 0.2 acres; an amount that would allow 2075 and 2083 West Pueblo Avenue to be divided into a total of 12 lots minus any setback requirements.

The Metropolitan Transportation Commission's regional transportation plan (RTP) was updated in April 2009 and outlines specific goals and objectives to direct public transportation infrastructure in the Bay Area through 2035. No specific projects are included in the RTP involving the affected territory. Accordingly, the proposal impact is neutral with respect to the RTP.

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

See analysis on page eight.

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

Staff provided notice of the proposal to all subject agencies and other interested parties as required under LAFCO law on June 4, 2014. No comments were received.

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

Information collected and analyzed in the Commission's recent municipal service review on the central county region concluded the City had developed adequate financial resources and controls relative to its service commitments. The municipal service review provides reasonable assurances the City's fiscal controls and resources would enable the agency to provide an appropriate level of services to the affected territory relative to anticipated land uses. A summary of the City's current financial resources follows.

- ***General Fund***
  The City's total available (undesignated/emergency) balance in its General Fund at the beginning of the current fiscal year totaled $10.5 million and equals 15% of its adopted operating costs in 2014-2015. At the time of budget adoption, the City anticipated a $0.9 million surplus for the current fiscal year and would increase the available fund balance to $11.4 million. A summary of the General Fund reserves over the last five fiscal years follows.

Category	10-11	11-12	12-13	13-14	14-15
Legally Restricted	0.492	0.503	0.503	0.503	0.503
Operating Reserve	2.949	3.203	1.868	1.994	2.070
Emergency	7.487	7.487	7.592	7.975	8.281
Total	*$10.928*	*$11.192*	*$9.962*	*$10.472*	*$10.854*

Dollars in Millions / Amounts as of July 1st

The recent economic recovery and corresponding increase in general tax revenues underlie the City's recent structural improvement. Recent administrative measures taken by the City – including reducing employment levels by 40 fulltime positions and eliminating cost-of-living adjustments over the last four years – have helped to stabilize a previous imbalance and decrease the demand on reserves to cover annual operating costs. Markedly, and assuming these administrative controls continue to be employed going forward, the relatively minor general service demands anticipated and associated with the annexation and probable development of 2075 and 2083 West Pueblo Avenue is not expected to have an adverse fiscal impact on the City.

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

Proposal approval and buildout of 2075 and 2083 West Pueblo Avenue to include a maximum of 12 single-family residences would generate new water demand for the City. As previously referenced, the City's water supplies are draw from three sources: 1) Lake Hennessey; 2) Milliken Reservoir; and 3) the State Water Project. The City's most recent Urban Water Management Plan (UWMP) was adopted in 2011 and estimates the total annual water supply generated from these three sources during normal conditions and based on historical patterns is 31,340 acre-feet. These historical patterns also indicate the total annual water supply decreases to 19,896 and 13,533 acre-feet during multiple and single dry year conditions, respectively.

Information provided in the UWMP identifies the City's available water supplies are more than sufficient in accommodating both current annual demands – 13,883 acre-feet – and the projected buildout demands within the affected territory – 5.7 acre-feet – during normal and multiple dry year conditions. The City's available water supplies, however, are deficient under current estimated single dry years; a deficit that would be insignificantly increased with approval of the proposal along with the anticipated buildout of 2075 and 2083 West Pueblo Avenue. The City, accordingly, has established conservation efforts within its UWMP to address the projected deficiency during single dry years. These factors provide reasonable assurances of the City's ability to effectively accommodate water demands with the minimal increases tied to the affected territory in accordance with G.C. Section 65352.5.

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

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

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

Three of the four landowners within the affected territory have provided their written consent to annexation as of the date of this report. The consent of the remaining landowner – Mr. David Tiesso at 2063 West Pueblo Avenue – has not been received as of the date of this report.

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

Expanded discussion on existing land use designations for the affected territory is provided on page nine of this report. The following table summarizes these designations and related zoning assignments.

Category	County	City
Land Use Designation	Urban Residential	Single-Family Residential - 68
- Minimum Lot Size	Between 0.06 and 1.00 acres	0.20 acres
Zoning Standard	Residential Single: Urban Reserve Overlay	Residential Infill – 7
- Minimum Lot Size	n/a	0.16 acres
- Permitted Uses	single-family residence second unit family care / day facility guest cottage private school farmworker housing	single-family residence detached second unit family care / day facility public/private school

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

Proposal approval would promote environmental justice given it would provide current and future residents within the affected territory the right to participate in City elections going forward; a right currently absent despite the substantive social ties existing between the affected territory and City. Proposal approval would also promote environmental justice with respect to prioritizing infill development projects for the City rather than promoting outward growth that could potentially jeopardize prime agricultural lands and open space resources.

Other Considerations

- ***Property Tax Agreement***
  Revenue and Taxation Code Section 99(b)(6) requires adoption of a property tax exchange agreement by affected local agencies before the Commission can consider a proposed boundary change. With this in mind, and upon receipt of the applicant's proposal, staff provided notice to the City and the County of the proposed jurisdictional change affecting both agencies and the need to apply a property tax exchange to the proceedings.

  Staff has advised the City and the County of its intent to apply a master property tax exchange agreement adopted by both governing boards in 1980 unless otherwise informed; an agreement specifying Napa shall receive 55% of the County's existing portion of property tax revenues generated from the affected territory. The County Auditor's Office estimates the affected portion of the property tax subject to the master agreement would result in a baseline year transfer to the City of $1,822.70. Neither agency objects to the application of the referenced agreement.

- ***Environmental Review***
  The Commission has determined the annexation is a "project" subject to CEQA and serves as responsible agency pursuant to CEQA Guidelines Section 15051(b)(2). This section states that where a city prezones an area, the city will be the lead agency for any subsequent annexation of the area and should prepare the appropriate environmental document, and that LAFCO shall act as a responsible agency. The City has prezoned the affected territory *Residential Infill – 7.*

  The City serves as lead agency for the proposal under CEQA.[11] Towards this end, the City has prepared an initial study to assess the environmental impacts associated with the project. The City's initial study for this annexation documents that the proposal will not generate any new significant effects that have not already been previously analyzed in the Final Environment Impact Report (EIR) adopted for the City General Plan, certified December 1, 1998. As documented in the initial study, the EIR adequately identifies the land use density ranges for the affected territory and adequately discusses the environmental impacts of development of the territory to the assigned density ranges, including at a program level the environmental and mitigating policies and programs for future development at assigned density ranges. The initial study is included as Attachment Three to this report for Commission review.

[11] The Commission's adopted CEQA Policy Section 4.1(1) states the Commission shall assume the lead agency role when a petitioner submits an application to LAFCO. However, Section 3.1.2 provides LAFCO will assume the role of responsible agency for annexations that include a prezone by a city. See also CEQA Guidelines, 14 CCR Section 15051(b)(2).

- ***Conducting Authority Proceedings***
  All change of organizations and reorganizations approved by the Commission are subject to conducting authority proceedings unless waived in accordance with criteria outlined under G.C. Section 56663. If conducting authority proceedings are required, the Executive Officer will hold a separate hearing to receive written objections from the affected landowners between 21 and 60 days following Commission approval. The following thresholds would apply to the proposal:

  a) If valid written protest is filed by landowners representing less than 50% of the total assessed value of the affected territory, the boundary change will be completed subject to any other terms approved by the Commission.

  b) If valid written protest is filed by landowners representing 50% or more of the total assessed value of the affected territory, the boundary change will be terminated.

E. Alternatives for Commission Action

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

Alternative Action One (Recommended):
(1) Adopt the draft resolution identified as Attachment One approving the proposal with the earlier referenced terms and conditions along with any desired changes as requested by members. (2) Direct the Executive Officer to schedule a separate conducting authority hearing to receive written objections from the affected landowners between 21 and 60 days following today's meeting.

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

Alternative Action Three:
Disapprove the proposal. Disapproval would statutorily prohibit the initiation of a similar proposal for one year unless a request for reconsideration is filed and approved within 30 days of Commission action.

F. Procedures for Consideration

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

1) Receive verbal report from staff;

2) Open the public hearing and invite testimony (mandatory); and

3) Discuss item and – if appropriate – close the hearing and consider action on recommendation.

Respectfully submitted,

_____
Brendon Freeman
Analyst

Attachments:
1) Draft Resolution of Approval
2) Application Materials
~~3) West Pueblo Avenue Annexation Initial Study (City of Napa)~~
4) Signed Consent Form from Landowner of 2065 West Pueblo Avenue (Mr. Robert Lockhart)
5) Policy on Conducting Authority Proceedings

(Any missing attachments are available for viewing under the "Staff Reports" page)

ATTACHMENT ONE

RESOLUTION NO. ____

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

PROPOSED WEST PUEBLO AVENUE NO. 1 ANNEXATION TO THE CITY OF NAPA

WHEREAS, an application for a proposed annexation has been filed with the Local Agency Formation Commission of Napa County, hereinafter referred to as "Commission," pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the proposal seeks Commission approval to annex 3.34 acres of unincorporated land to the City of Napa and represents five entire parcels located at 2063, 2065, 2075, 2083, and 2091 West Pueblo Avenue and identified by the County of Napa Assessor's Office as 042-171-045, 042-171-044, 042-160-025, 042-160-026, and 042-160-024, respectively; and

WHEREAS, the Commission's Executive Officer has reviewed the proposal and prepared a report with recommendations; and

WHEREAS, the Executive Officer's report and recommendations on the proposal 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 hearing held on the proposal on August 4, 2014;

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

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

WHEREAS, in accordance with applicable provisions of the California Environmental Quality Act (hereinafter "CEQA"), the Commission serves as responsible agency for the annexation and has determined the annexation is a "project" subject to CEQA; and

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

1. The Commission's determinations on the proposal incorporate the information and analysis provided in the Executive Officer's written report.

2. The Commission serves as responsible agency for the annexation pursuant to CEQA Guidelines Section 15051(b)(2). The Commission has considered the City of Napa's initial study prepared for this annexation and its determination that there is no substantial evidence that the proposed annexation of 2063, 2065, 2075,

2083, and 2091 West Pueblo Avenue will generate any new significant effects that have not already been previously analyzed in the Final Environment Impact Report (EIR) that was adopted for the City General Plan, certified December 1, 1998. The Commission has considered the EIR and finds that it adequately makes land use density ranges for the affected territory and adequately discusses the environmental impacts of development of the territory to the assigned density ranges, including at a program level the environmental and mitigating policies and programs for future development at assigned density ranges. The Commission finds the EIR adequately addresses all environmental impacts of this annexation and no new significant environmental impacts have been identified. These environmental findings are based on the Commission's independent judgment and analysis. The Executive Officer is the custodian of the records upon which these determinations are based; these records are located at the Commission office - 1030 Seminary Street, Suite B, Napa, California 94559.

3. The proposal is APPROVED subject to completion of item number 10 below.

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

WEST PUEBLO AVENUE NO. 1
ANNEXATION TO THE CITY OF NAPA

5. ~~The affected territory is depicted in the vicinity map provided in Exhibit "A".~~

6. The affected territory is uninhabited as defined in Government Code Section 56046.

7. The City of Napa utilizes the regular assessment roll of the County of Napa.

8. Upon effective date of the proposal, the affected territory will be subject to all previously authorized charges, fees, assessments, and taxes that were lawfully enacted by the City of Napa. The affected territory will also be subject to all of the rates, rules, regulations, and ordinances of the City of Napa.

9. The Commission is designated as the Conducting Authority for further proceedings and the Executive Officer is directed to initiate proceedings. The Commission delegates to the Executive Officer the authority to perform all responsibilities and functions of the Commission to carry out these conducting authority proceedings in accordance with this resolution, the Commission's Policy for Conducting Authority Proceedings and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 57000 et seq.).

10. Recordation of a Certificate of Completion is contingent upon the satisfaction of the following conditions as determined by the Executive Officer:

    (a) A map and geographic description of the affected territory conforming to the requirements of the State Board of Equalization for annexation of the affected territory to the City of Napa.

(b) Payment of any outstanding fees owed to other agencies involved in the processing of this proposal.

(c) Successful completion of Conducting Authority Proceedings.

11. The effective date shall be the date of recordation of the Certificate of Completion. The Certificate of Completion must be filed within one calendar year from the date of approval unless a time extension is approved by the Commission.

The foregoing resolution was duly and regularly adopted by the Commission at a regular meeting held on the August 4, 2014, by the following vote:

AYES: Commissioners

NOES: Commissioners

ABSTAIN: Commissioners

ABSENT: Commissioners

ATTEST: Laura Snideman
Executive Officer

Recorded by: _____
Kathy Mabry
Commission Secretary

ATTACHMENT TWO

FORM B

Date Filed: 6/4/14

Received By: BF

PETITION FOR PROPOSAL

For Filing with the Local Agency Formation Commission of Napa County

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

Nature of Proposal and All Associated Changes of Organization:

Annex 5 parcels to allow 2 of the parcels to be developed into single Family Homes

Description of Boundaries of Affected Territory Accompanied by Map:

See attached map

Reason for Proposal and Any Proposed Conditions:

To allow housing development

Type of Petition: ☒ Landowner ☐ Registered Voter

Sphere of Influence Consistency: ☒ Yes. ☐ No

If Landowner Petition, Complete the Following:

1) Name: Ray Canepa

Mailing Address: 1024 Dezerai Ct.

Assessor Parcel: 042-160-026

X Signature: Ray Canepa Date: 6-3-14

2) Name:

Mailing Address:

Assessor Parcel:

Signature: Date:

3) Name:

Mailing Address:

Assessor Parcel:

Signature: Date:

If Registered Voter Petition, Complete the Following:

1) Name:

Mailing Address:

Resident Address:

Signature: Date:

2) Name:

Mailing Address:

Resident Address:

Signature: Date:

3) Name:

Mailing Address:

Resident Address:

Signature: Date:

Use additional sheets as necessary

FORM D

Date Filed: 6/4/14
Received By: BF

JUSTIFICATION OF PROPOSAL
Change of Organization/Reorganization

I. APPLICANT INFORMATION

A. Name: Randy Gularte — Realtor
Contact Person — Agency/Business (If Applicable)

Address: 780 Trancas St Napa 94558
Street Number — Street Name — City — Zip Code

Contact: 707-256-2145 — 707-224-4545 — RAGularte@HeritageSIR.com
Phone Number — Facsimile Number — E-Mail Address

B. Applicant Type: (Check One)
- ☐ Local Agency
- ☐ Registered Voter
- ☒ Landowner

II. PROPOSAL DESCRIPTION

A. Affected Agencies: City of Napa
Name — Address

Name — Address

Name — Address

Use Additional Sheets as Needed

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

C. Purpose Statement: (Specific)
To allow single family home development

III. GENERAL INFORMATION

A. Location: see extra page

Street Address	Assessor Parcel Number	Acres
	042-160-25	
2075 W. Pueblo	042-160-26	
2091 W. Pueblo	042-160-24	
2065 W. Pueblo	042-171-044	

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

B. Landowners: - see extra page

(1) Assessor Parcel Number: 042-160-26 Name: Ray Canepa
Mailing Address: 1024 Dezerai Ct. Napa
Phone Number: _____ E-mail: _____

(2) Assessor Parcel Number: 042-160-25 Name: Ray Canepa
Mailing Address: 1024 Dezerai Ct. Napa
Phone Number: _____ E-mail: _____

(3) Assessor Parcel Number: 042-160-24 Name: David + Rebecca Bejar
Mailing Address: 2091 W. Pueblo
Phone Number: 707-225-2877 E-mail: dcbejar1@gmail.com

(4) Assessor Parcel Number: 042-~~160-24~~ 171-044 Name: m/m Robert Lockhart
Mailing Address: 2065 W. Pueblo
Phone Number: _____ E-mail: _____

Use Additional Sheets As Needed

C. Population:

(1) Total Number of Residents: 6

(2) Total Number of Registered Voters: 6

D. Land Use Factors:

(1a) County General Plan Designation: _____

(1b) County Zoning Standard: RS : UR

(2a) Applicable City General Plan Designation: SFI - 68

(2b) Applicable City Prezoning Standard: R1-7

E. Existing Land Uses: (Specific) 025-1 SFR with 2 car garage
2075 W. Pueblo 026 No other improvements
2091 W. Pueblo 024 - SFR
2065 W. Pueblo 044 - SFR
2063 W. Pueblo 045 - SFR with detached garage

F. Development Plans:

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

(1b) If Yes, Describe Project: ~~not submitted yet~~ project to be submitted upon annexation approval

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

G. Physical Characteristics:

(1) Describe Topography: Level

(2) Describe Any Natural Boundaries: None

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

(4) Describe Vegetation: Trees

H. Williamson Act Contracts (Check One) ☐ Yes ☒ No

IV. GOVERNMENTAL SERVICES AND CONTROLS

A. Plan For Providing Services:

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

water - city
Sewer - NAPA SANITATION
Utilities - PG+E

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

SUFFICIENT to serve ANTICIPATED development
Approximately 12-14 SFR

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

Currently at property Lines

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

Normal INFRASTRUCTURE - street, curb, gutter, utilities

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

when development occurs

Use Additional Sheets As Needed

V. ENVIRONMENTAL INFORMATION

A. Environmental Analysis

(1) **Lead Agency for Proposal:** City of Napa
Name

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

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

Provide Copies of Associated Environmental Documents

VI. ADDITIONAL INFORMATION

A. Approval Terms and Conditions Requested For Commission Consideration:

None

Use Additional Sheets As Needed

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

(1) Recipient Name: M/M David Tiesso
Mailing Address: 2063 W. Pueblo
E-Mail:

(2) Recipient Name: M/M Robert Lockhart
Mailing Address: 2065 W. Pueblo
E-Mail:

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

VII. CERTIFICATION

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

Signature: Randy A. Gulart

Printed Name: RANDY A. GUARTE

Title: Representing Ray Canepa

Date: 6/3/14

Standard Indemnification Agreement

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

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

2. All reasonable expenses and attorney's fees in connection with the defense of Napa LAFCO.

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

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

City or District Application	Land Owner Petition Application
_____	Ray Canepa
City/District Representative	Land Owner Signature - RAY CANEPA
_____	RAY CANEPA
Print Name	Print Name
_____	6/3/14
Date	Date

5/08

West Pueblo Avenue Annexation to the City of Napa:

Landowner Information

1. 2063 W Pueblo Ave (David Tiesso)
   042-171-045
   0.39 acres

2. 2065 W Pueblo Ave (Robert Lockhart)
   042-171-044
   0.26 acres

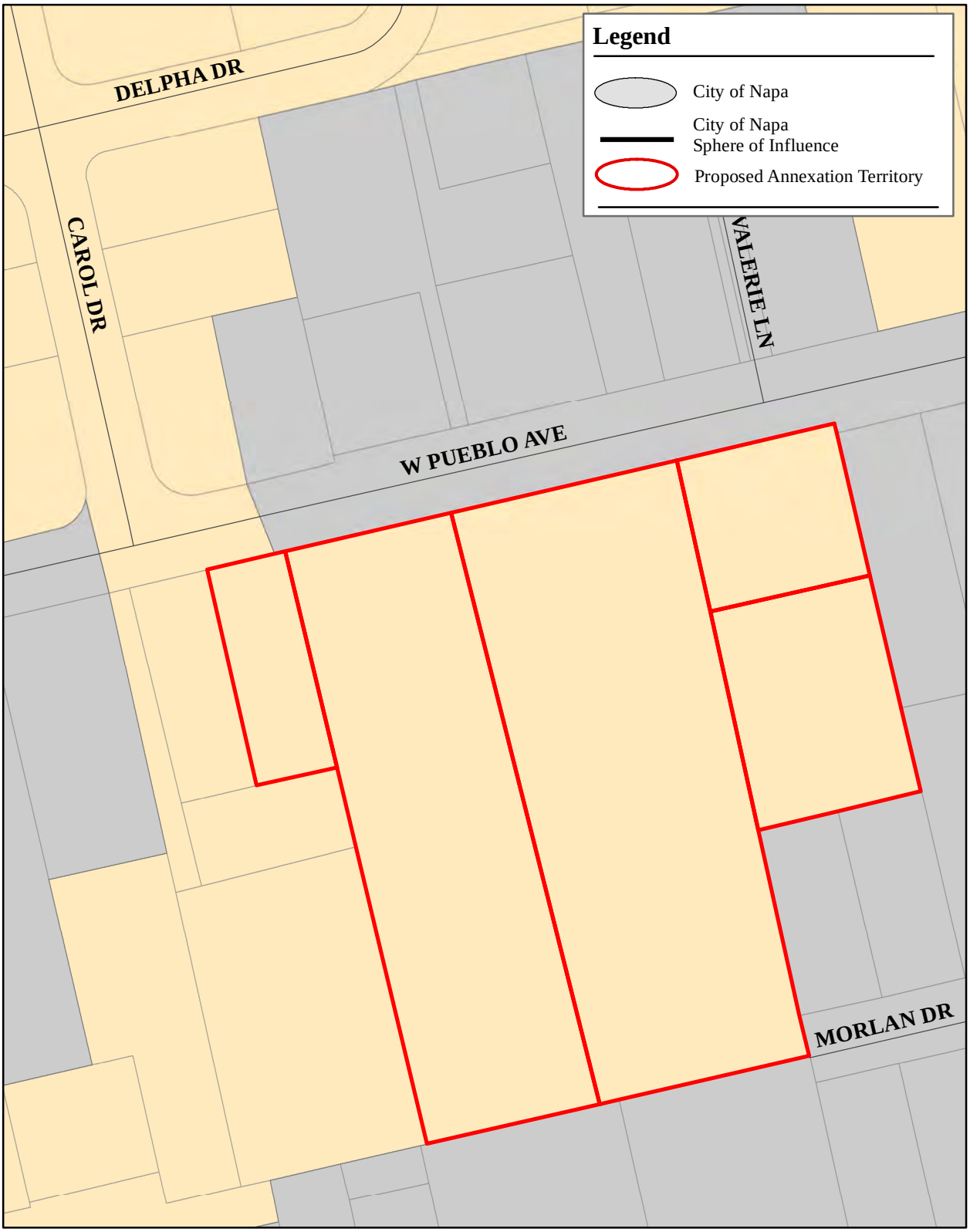
3. No situs address (Ray Canepa)
   042-160-025
   1.50 acres

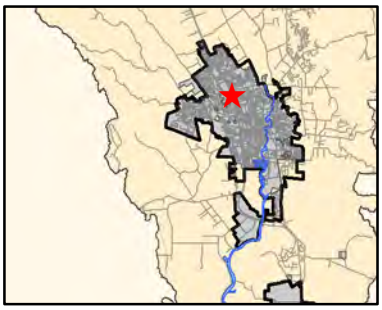
4. 2075 W Pueblo Ave (Ray Canepa)
   042-160-026
   1.00 acres

5. 2091 W Puebo Ave (David Bejar)
   042-160-024
   0.19 acres

   TOTAL = 3.34 acres

West Pueblo Avenue No. 1 Annexation to the City of Napa





Miles
0 0.005 0.01 0.02

April 21, 2014
Prepared by BF

N

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

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

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

Annexation Survey
West Pueblo Avenue / Linda Vista Avenue Island

Landowner/Resident Name: David & Rebecca Bejar

Resident Address: 2091 West Pueblo AV. Napa Ca 94558

Mailing Address (if different): _____

Question One: Check the applicable response

- [x] I am a resident and landowner within the West Pueblo Avenue / Linda Vista Avenue unincorporated island.
- [ ] I am a non-resident landowner within the West Pueblo Avenue / Linda Vista Avenue unincorporated island.
- [ ] I am a resident but not a non-landowner within the West Pueblo Avenue / Linda Vista Avenue unincorporated island.

Question Two: Check the applicable response

- [x] Yes, I am interested and would consent to joining an annexation proposal involving the other neighboring properties to the City of Napa.
- [ ] No, I am not interested and would not consent to joining an annexation proposal involving the other neighboring properties to the City of Napa.
- [ ] Not sure. I would need more information with respect to the following:

_____

_____

_____

_____

Telephone Number: (707) 225-2877

E-mail Address: dcbejar1@gmail.com.

ATTACHMENT FOUR

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

1030 Seminary Street, Suite B
Napa, California 94559

LANDOWNER CONSENT FORM

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

Landowner Name: **Robert Lockhart**

Property Address: **2065 West Pueblo Avenue, Napa, CA 94558**

Property APN: **042-171-044**

Landowner

7/10/14
Date

RECEIVED
JUL 10 2014
NAPA COUNTY
LAFCO

Joan Bennett, Vice Chair
Councilmember, City of American Canyon

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

Brian J. Kelly, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Greg Pitts, Commissioner
Councilmember, City of St. Helena

Bill Dodd, Commissioner
County of Napa Supervisor, 4th

ATTACHMENT FIVE

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

Policy on Conducting Authority Proceedings

Adopted: April 11, 2001
Amended: December 1, 2008

I. Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 directs the Commission to administer conducting authority proceedings for all approved changes of organization or reorganization unless waived. Commission duties in administering conducting authority proceedings are codified in Government Code Sections 57000 et. seq.

II. Objective

The objective of this policy is to guide the Commission in administering conducting authority proceedings in an orderly and consistent manner. This includes establishing procedures in (a) scheduling, (b) noticing, (c) holding, and (d) completing protest hearings.

III. Procedures

A. Scheduling

1) The Executive Officer shall schedule a protest hearing within 35 days after the Commission's approval of the change of organization or reorganization.

2) The date of the protest hearing shall not be scheduled before the expiration of the 30-day reconsideration period.

B. Noticing

1) The Executive Officer shall provide notice no less than 21 days and not more than 60 days before the scheduled date of the protest hearing.

2) The notice on the protest hearing shall be published, posted, and mailed to all affected agencies and landowners as well as interested parties. The notice shall also be mailed to all affected registered voters if the territory is inhabited.

3) The notice on the protest hearing shall summarize the change of organization or reorganization, including a statement of justification and a description of the affected territory's location. The notice shall clearly state the time, date, and location of the protest hearing.

4) The notice on the protest hearing shall be accompanied by a standard protest form as provided in Attachment One.

C. Holding

1) The Executive Officer shall be responsible for holding the protest hearing. At the protest hearing, the Executive Officer shall take the following actions:

    - Summarize the Commission's resolution approving the change of organization or reorganization.
    - Open the protest hearing to receive written or verbal protests.
    - Continue the protest hearing from time to time, if needed, but not to exceed 60 days from its original scheduled date.
    - Close the protest hearing.

2) At the close of the protest hearing, the Executive Officer shall work with the County of Napa Assessor and Registrar of Voters' Offices, as needed, in validating the written protests filed and not withdrawn.

D. Completing

1) Within 30 days of the close of the protest hearing, the Executive Officer shall determine the value of the written protests filed and not withdrawn on the change of organization or reorganization.

2) The Executive Officer shall present his or her determination regarding the value of the written protests filed and not withdrawn to the Commission at a public meeting. The Commission shall adopt a resolution confirming the value of the written protests filed and not withdrawn and take one of the following actions:

    - If the affected territory is uninhabited:
        - Terminate the change of organization or reorganization if the landowners representing 50% or more of the assessed value of the affected land have filed written protests; or
        - Order the change of organization or reorganization without election if the landowners that have filed written protests representing less than 50% of the assessed value of the affected land.
    - If the affected territory is inhabited:
        - Terminate the change of organization or reorganization if 50% or more of the registered voters residing within the affected land have filed written protests; or
        - Order the change of organization or reorganization subject to an election if more than 25% but less than 50% of the registered voters residing within the affected land have filed written protests; or

- Order the change of organization or reorganization subject to an election if at least 25% of the number of landowners who also represent at least 25% of the assessed value of the affected land have filed written protests; or

- Order the change of organization or reorganization without election if less than 25% of the registered voters have filed written protests or less than 25% of the number of landowners representing less than 25% of the assessed value of the affected land have filed written protests.

- If the affected territory is inhabited and a landowner-voter district:

  - Terminate the change of organization or reorganization if 50% or more of the voting power of the eligible voters have filed written protests.

3) If the Commission terminates the change of organization or reorganization, the Executive Officer shall prepare a Certificate of Termination of Proceedings.

4) If the Commission orders a change of organization or reorganization without election, the Executive Officer shall prepare a Certificate of Completion.

5) If the Commission orders a change of organization or reorganization subject to an election, the Executive Officer shall provide written notice to the Board of Supervisors or affected city council to conduct the election. At the conclusion of the election, the Executive Officer shall take one of the following actions:

   - Prepare a Certificate of Completion for the change or organization or reorganization if approved by voters.

   - Prepare a Certificate of Termination of Proceedings for the change of organization or reorganization if disapproved by voters.

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
Landowner or Registered Voter Protest Form

Date _____

To: LAFCO of Napa County
Attn: Executive Officer
1030 Seminary Street, Suite B
Napa, California 94559

Subject: (Name of Change of Organization or Reorganization)

I hereby protest this boundary change:

☐ As a **registered voter** within the boundary change area, registered to vote at

_____
Street address (post office box is not acceptable)

_____
City and Zip Code

☐ As a **landowner** within the boundary change area whose property is located at

_____
Street address (post office box is not acceptable)

_____
City and Zip Code

_____
Assessor's Parcel Number (If known)

Note: If you are both a landowner and registered voter within the boundary change, please check both boxes.

_____
Signature

_____
Print Name

_____
Mailing Address

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

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

August 4, 2014
Agenda Item No. 7a (Action)

July 24, 2014

TO: Local Agency Formation Commission

FROM: Brendon Freeman, Analyst

SUBJECT: **Borrette Lane No. 9 Annexation to the Napa Sanitation District**
The Commission will consider a proposal initiated by landowner petition to annex a 0.43 acre incorporated parcel to the Napa Sanitation District. The subject parcel is located at 1018 Borrette Lane in the City of Napa. The purpose of the proposal is to allow the existing single-family residence to connect to the District's public sewer infrastructure. The proposal is exempt from the California Environmental Quality Act (CEQA) under California Code of Regulations Section 15319(a).

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

A. Recommendation

Staff recommends the Commission adopt the draft resolution included as Attachment One to this report approving the proposal as submitted with standard approval conditions.

B. Background

LAFCO of Napa County ("Commission") has received a petition for proposal from an interested landowner requesting the annexation of 0.43 acres of incorporated territory within the City of Napa ("City") to the Napa Sanitation District (NSD). The territory proposed to be annexed represents one entire residential parcel located at 1018 Borrette Lane and identified by the County Assessor's Office as 041-490-007. The subject parcel is developed with a four-bedroom, 2,117 square foot single-family residence built in 1977. An aerial map of the territory proposed to be annexed follows.

Joan Bennett, Vice Chair
Councilmember, City of American Canyon

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

Brian J. Kelly, Chair
Representative of the General Public

Greg Pitts, Commissioner
Councilmember, City of St. Helena

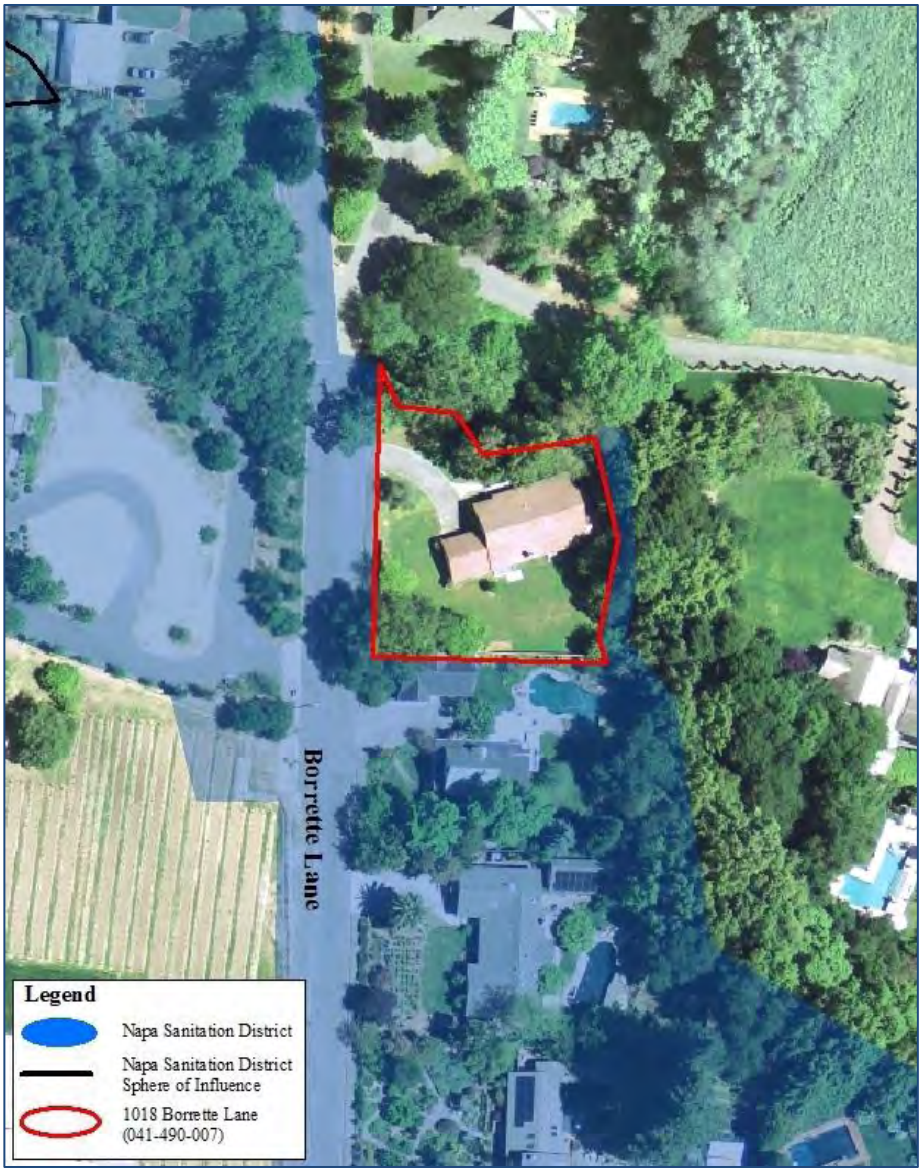
Bill Dodd, Commissioner
County of Napa Supervisor, 4th District

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

Laura Snideman
Executive Officer



C. Discussion

Agency Profile

NSD was formed in 1945 as a dependent enterprise district to provide public sewer service for the City and the surrounding unincorporated area. NSD provides sewer service to most of Napa along with several surrounding unincorporated areas, including Silverado, Napa State Hospital, and the Napa County Airport. NSD currently serves 31,865 residential customers with an estimated resident service population of 86,991.[1]

[1] The resident service projection based on the 2014 California Department of Finance population per household estimate (2.73) assigned to Napa County and multiplied by the number of residential sewer connections within NSD (31,865). NSD also serves 4,409 non-residential customers, including industrial and commercial users.

Proposal Purpose

The underlying purpose of the proposal before the Commission is to extend permanent public water service to the existing single-family residence located at 1018 Borrette Lane. The residence currently receives sewer services through a private onsite septic system. Consideration of the service needs and related impacts associated with the future development of the subject lots are incorporated into the following analysis section.

D. Analysis

Legislative Policies / Mandated Factors for Consideration

G.C. Sections 56668 and 56668.3 require the Commission to consider 16 specific factors anytime it reviews proposals for change of organization or reorganization involving special districts. No single factor is determinative and the intent is to provide a uniform baseline for LAFCOs in considering boundary changes in context to locally adopted policies and practices.

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

The affected territory lies within a residential area consisting of low to moderate density housing and part of the "Browns Valley" neighborhood designation under the City General Plan. The affected territory is developed with one single-family residence. The current assessment value of the affected territory totals $657,900.

The affected territory is legally uninhabited given there are under 12 registered voters based on the most recent list provided by County Elections. Topography within the affected territory slopes upward to the west with a peak elevation of 11 feet above sea-level. Browns Valley Creek runs through the northeast portion of the affected territory. Proposal approval is not expected to induce any new development within the foreseeable future given that the affected territory is already built-out.

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

The need for municipal services within the affected territory is limited to public sewer for the existing single-family residence. Core municipal services already provided to the affected territory by the City include water, fire, emergency medical, police, roads, and garbage collection; all at levels deemed adequate given current and planned uses as contemplated in the City's General Plan and Zoning Ordinance. An analysis of the availability and adequacy of sewer services needed to accommodate and support current and probable future needs within the affected territory follows.

- ***Sewer Service***
  The affected territory currently receives sewer service through an onsite septic system. It is estimated the current daily sewer flow generated from the affected territory is 210 gallons on average and increases by two and one-half to 525 gallons during peak periods. These current flow estimates represent less than one one-hundredth of a percent of NSD's current system demand. These estimates would have negligible impacts on NSD's sewer system as depicted in the following table.

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

System Avg. Day Capacity	Average Day Demand	Peak Day Demand	System Peak Day Capacity
15,400,000	6,709,120	33,722,800	126,200,000

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

System Avg. Day Capacity	Average Day Demand	Peak Day Demand	System Peak Day Capacity
15,400,000	6,709,330	33,723,325	126,200,000

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

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

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

The proposal is consistent with the Commission's policies as codified under its General Policy Determinations. This includes consistency with the City General Plan designation of *Single-Family Residential 40* for the affected territory, avoidance of premature conversion of agricultural uses, and consistency with NSD's adopted sphere of influence. The affected territory does not qualify as "open-space" under LAFCO law and therefore does not conflict with G.C. Section 56377. Specifically, the affected territory is not substantially unimproved and devoted to an open-space use under the County or City General Plan.

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

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

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

The proposal is parcel-specific and includes all of the property identified by the County of Napa Assessor's Office as 041-490-007. Commission approval would include a condition requiring the applicant to submit a map and geographic description of the approved action in conformance with the requirements of the State Board of Equalization. The submitted map and geographic description would be subject to review and possible edits by the Executive Officer before filing.

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

The proposal would provide permanent public sewer service to the affected territory. The availability of this municipal service is consistent with Napa's General Plan, which designates the affected territory for single-family residential uses (*Single-Family Residential – 40*), as well as Napa's Zoning Ordinance, which assigns a zoning standard of *Residential Single – 20*. The Metropolitan Transportation Commission's regional transportation plan (RTP) was updated in 2009 and outlines specific goals and objectives to direct public transportation infrastructure in the Bay Area through 2035. No projects are included in the RTP involving the affected territory. Accordingly, the proposal impact is neutral with respect to the RTP.

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

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

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

Staff provided notice of the proposal to all subject agencies and interested parties as required under LAFCO law on April 29, 2014. No comments were received.

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

Information collected and analyzed in the Commission's recent municipal service review on NSD concluded the District has established adequate administrative controls and capacities in maintaining appropriate service levels. This includes regularly reviewing and amending – as needed – NSD's two principal user fees to ensure the sewer system remains solvent and sufficiently capitalized to accommodate future demands: (a) connection fees and (b) user fees. The connection fee is currently $8,723 and serves as NSD's buy-in charge for new customers to contribute their fair share for existing and future facilities necessary to receive sewer service. The annual user fee for a single-family unit is currently $470 and is intended to proportionally recover NSD's ongoing maintenance and operation expenses.

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

Proposal approval would not generate new water demand for Napa. Information provided in the UWMP identifies Napa's available water supplies are more than sufficient in accommodating current annual demands – 13,883 acre-feet during normal and multiple dry year conditions. Napa's available water supplies, however, are deficient under current estimated single dry years. Napa, accordingly, has established conservation efforts within its UWMP to address the projected deficiency during single dry years. These factors provide reasonable assurances of Napa's ability to continue effectively accommodating water demands within the affected territory in accordance with G.C. Section 65352.5.

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

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

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

The landowner of 1018 Borrette Lane is the petitioner seeking the annexation. There are no other landowners or registered voters within the affected territory.

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

See analysis on page five of this report.

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

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

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

Proposal approval would benefit current and future landowners as well as residents by providing permanent access to public sewer service. Public sewer service eliminates the need for a septic system in an urban area in which any failings would create a public health and safety threat for immediate and adjacent residents. Finally, establishing permanent public sewer service eliminates set-aside land requirements previously dedicated to the septic system.

Other Considerations

- ***Property Tax Agreement***
  Revenue and Taxation Code Section 99(b)(6) requires adoption of a property tax exchange agreement by affected local agencies before the Commission can consider a proposed boundary change.[2] With this in mind, staff provided notice to NSD and the County of the proposed jurisdictional change affecting both agencies and the need to apply a property tax exchange to the proceedings. Both agencies confirmed a master property tax agreement adopted in 1980 shall apply to the proposal if approved by the Commission. This master property tax agreement specifies no exchange or redistribution of property tax revenues will occur as a result of annexations to NSD.

- ***Environmental Review***
  The Commission serves as lead agency for the annexation as it relates to complying with the provisions of CEQA. Staff has determined the annexation is a "project" subject to CEQA and has reviewed available exemptions for applicability. The annexation is categorically exempt from further environmental review under California Code of Regulations, Title 14, Section 15319(a). This code section exempts annexations of areas containing existing structures developed to their maximum allowable density.

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

Attachments: (Any missing attachments are available for viewing under the "Staff Reports" page)
~~1) Draft Resolution Approving the Proposal~~
~~2) Application Materials~~

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

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

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

August 4, 2014
Agenda Item No. 7b (Action)

July 24, 2014

TO: Local Agency Formation Commission

FROM: Brendon Freeman, Analyst

SUBJECT: **Garfield Lane No. 3 Annexation to the Napa Sanitation District**
The Commission will consider a proposal initiated by landowner petition to annex a 1.42 acre incorporated parcel to the Napa Sanitation District. The subject parcel is located at 47 Garfield Lane in the City of Napa. The purpose of the proposal is to facilitate the subdivision of the subject parcel as contemplated in the applicant's tentatively approved development project. The proposal is categorically exempt from further environmental review under the California Environmental Quality Act (CEQA) pursuant to California Code of Regulations Section 15332.

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

A. Recommendation

Staff recommends the Commission adopt the draft resolution included as Attachment One to this report approving the proposal as submitted with standard approval conditions.

Joan Bennett, Vice Chair
Councilmember, City of American Canyon

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Greg Pitts, Commissioner
Councilmember, City of St. Helena

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

Laura Snideman
Executive Officer

B. Background

LAFCO of Napa County ("Commission") has received a petition for a proposal from a representative of a landowner requesting the annexation of 1.42 acres of incorporated territory to the Napa Sanitation District (NSD). The territory proposed to be annexed comprises one entire residential parcel located at 47 Garfield Lane within the City of Napa ("City") and is identified by the County Assessor's Office as 038-250-003. The subject parcel is currently developed with an unoccupied five-bedroom, 2,845 square foot residence built in 1951. An aerial map of the territory proposed to be annexed follows.

C. Discussion

Agency Profile

NSD was formed in 1945 as a dependent enterprise district to provide public sewer service for the City and the surrounding unincorporated area. NSD provides sewer service to most of the City along with several surrounding areas, including Silverado, Napa State Hospital, and the Napa County Airport. NSD currently serves 31,865 residential customers with an estimated resident service population of 86,991.[1]

Proposal Purpose

The underlying purpose of the proposal before the Commission is to facilitate the subdivision of 47 Garfield Lane to include eight single-family residential lots as contemplated under the City Zoning Ordinance and the applicant's tentatively approved development project. The new lots would be accessed from a new street off Garfield Lane. Existing NSD sewer infrastructure is located in close proximity to the parcel. Consideration of the service needs and related impacts associated with the future development of the subject parcel are incorporated into the following analysis.

D. Analysis

Legislative Policies / Mandated Factors for Consideration

G.C. Sections 56668 and 56668.3 require the Commission to consider 16 specific factors anytime it reviews proposals for change of organization or reorganization involving special districts. No single factor is determinative and the intent is to provide a baseline for LAFCOs in considering boundary changes in context to locally adopted policies and practices. 47 Garfield Lane will hereinafter be referred to as "the affected territory."

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

The affected territory lies within a residential area consisting of low to moderate density housing and part of the "Vintage" neighborhood designation under the City General Plan. The affected territory is currently developed with one single-family residence and legally uninhabited given there are under 12 registered voters based on the most recent list provided by County Elections. Topography within the affected territory is relatively flat with a peak elevation of five feet above sea-level. Salvador Creek runs approximately 150 feet to the southwest of the affected territory. The current assessment value of the affected territory totals $749,088.

[1] The resident service projection based on the 2014 California Department of Finance population per household estimate (2.73) assigned to Napa County and multiplied by the number of residential sewer connections within NSD (31,865). NSD also serves 4,409 non-residential customers, including industrial and commercial users.

Proposal approval is expected to facilitate the future development of the affected territory to include eight residential lots and produce an estimated buildout population of 21 based on the applicant's tentatively approved development project.[2] All adjacent properties are already within NSD's boundary and developed to their maximum potential as contemplated in the City Zoning Ordinance.

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

There is no present need for municipal services within the affected territory. Annexation to NSD would provide permanent public sewer service going forward. Core municipal services already provided or available to the affected territory directly or indirectly by the City include water, fire, emergency medical, police, roads, and garbage collection; all at levels deemed adequate given current and planned uses.

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

- ***Sewer Service***
  If developed as contemplated in the applicant's tentatively approved development project to include eight total residential lots, the estimated daily sewer flows would total 1,680 gallons on average and 4,200 gallons during peak periods. These buildout estimates would have negligible impacts on NSD's sewer system as depicted in the following table.

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

System Avg. Day Capacity	Average Day Demand	Peak Day Demand	System Peak Day Capacity
15,400,000	6,709,120	33,722,800	126,200,000

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

System Avg. Day Capacity	Average Day Demand	Peak Day Demand	System Peak Day Capacity
15,400,000	6,710,800	33,727,000	126,200,000

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

- ***Water Service***
  The affected territory is eligible to receive water service from the City. If developed as contemplated in the applicant's tentatively approved development project to include eight total residential lots, the projected daily water demand for the affected territory would total 2,000 gallons.[3] These buildout estimates would have negligible impacts to Napa's existing water system infrastructure as measured by supply, storage, and treatment capacities as discussed in the following subsections.

Water Supply and Demand

Napa's water supplies are derived from three distinct sources: Lake Hennessey, Milliken Reservoir, and the State Water Project. These three sources collectively provide Napa with 31,340 acre-feet of raw water for treatment during normal year conditions based on historical patterns. These historical patterns also indicate Napa's annual water supply decreases during multiple and single dry year conditions to 19,896 and 13,533 acre-feet, respectively. Conversely, Napa's most recently recorded annual water demand totals 13,883 acre-feet; an amount representing an average daily use of 38 acre-feet. These current demands result in an available supply surplus during normal and multiple dry year conditions. Further, the existing shortfall projected during single dry years is relatively minimal and would be likely offset by voluntary and mandatory water conservation measures that could be adopted by the City Council consistent with their Urban Water Management Plan (UWMP).

Baseline Conditions Without Annexation of the Affected Territory
(Amounts in Acre-Feet)

Category	Normal	Multiple Dry Year	Single Dry Year
Annual Supply	31,340	19,896	13,533
Annual Demand	13,883	13,883	13,883
Difference	17,457	6,013	(350)

Adjusted Conditions With Annexation/Buildout of the Affected Territory
(Amounts in Acre-Feet)

Category	Normal	Single Dry Year	Multiple Dry Year
Annual Supply	31,340	19,896	13,533
Annual Demand	13,885	13,885	13,885
Difference	17,455	6,011	(352)

[3] This projected daily water demand would be the equivalent of 2.2 acre-feet per year.

Water Treatment and Storage

Napa operates treatment facilities for each of its three water sources. These three facilities provide a combined daily treatment capacity of 135 acre-feet.[4] This combined treatment amount is more than three times greater than the current average day water demand (38 acre-feet) and nearly two times greater than the current estimated peak day water demand (76 acre-feet).[5] Furthermore, Napa's combined treated water storage capacity overlaying its five pressure zones – including clearwell tanks – is 86 acre-feet. This combined storage amount accommodates current estimated peak day water demands in Napa.

Baseline Conditions Without Annexation of the Affected Territory
(Amounts in Acre-Feet)

Treatment Capacity	Average Day Demand	Peak Day Demand	Storage Capacity
135.00	38.03	76.07	86.20

Adjusted Conditions With Annexation/Buildout of the Affected Territory
(Amounts in Acre-Feet)

Treatment Capacity	Average Day Demand	Peak Day Demand	Storage Capacity
135.00	38.04	76.08	86.20

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

- ***Law Enforcement Services***
  The affected territory receives law enforcement services from the City. Annexation and buildout of the affected territory to include eight residential lots would increase demand for these services moving forward. The Commission's recent municipal service review on the Central County region notes that the City has developed sufficient capacities and controls to serve existing and anticipated demands. The municipal service review also notes no service deficiencies within the area surrounding the affected territory.

[4] The combined daily treatment capacity for Napa is divided between the Milliken facility at 4.0, Jamieson facility at 20.0, and Hennessey facility at 20.0 million gallons, respectively.
[5] Based on recent usage records, the estimated peak day demand factor for Napa is 2.0.

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

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

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

The proposal is consistent with the Commission's policies as codified under its General Policy Determinations. This includes the affected territory's consistency with the City General Plan designation of *Single-Family Infill – 33G*, City Zoning standard of *Residential Infill – 4*, avoidance of premature conversion of agricultural uses, and consistency with NSD's adopted sphere of influence. The affected territory does not qualify as "open-space" under LAFCO law and therefore does not conflict with G.C. Section 56377. Specifically, the affected territory is not substantially unimproved and devoted to an open-space use under the County or City General Plan.

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

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

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

The proposal is parcel-specific and includes all of the property identified by the County of Napa Assessor's Office as 038-250-003. Commission approval would include a condition requiring the applicant to submit a map and geographic description of the affected territory in conformance with the requirements of the State Board of Equalization. The submitted map and geographic description would be subject to review and possible edits by the Executive Officer before filing.

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

The proposal would provide permanent public sewer service to the affected territory. The availability of this municipal service is consistent with the City General Plan and Zoning Ordinance, which designate the affected territory as *Single-Family Infill – 33G* and *Residential Infill – 4*, respectively. The Metropolitan Transportation Commission's regional transportation plan (RTP) was updated in 2009 and outlines specific goals and objectives to direct public transportation infrastructure in the Bay Area through 2035. No projects are included in the RTP involving the affected territory. Accordingly, the proposal impact is neutral with respect to the RTP.

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

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

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

Staff provided notice of the proposal to all subject agencies and interested parties as required under LAFCO law on May 30, 2014. No comments were received.

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

Information collected and analyzed in the Commission's recent municipal service review on NSD concluded the District has established adequate administrative controls and capacities in maintaining appropriate service levels. This includes regularly reviewing and amending – as needed – NSD's two principal user fees to ensure the sewer system remains solvent and sufficiently capitalized to accommodate future demands: (a) connection fees and (b) user fees. The connection fee is currently $8,723 and serves as NSD's buy-in charge for new customers to contribute their fair share for existing and future facilities necessary to receive sewer service. The annual user fee for a single-family unit is currently $470 and is intended to proportionally recover NSD's ongoing maintenance and operation expenses.

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

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

Information provided in the UWMP identifies Napa's available water supplies are more than sufficient in accommodating both current annual demands – 13,883 acre-feet – and the projected buildout demands within the affected territory – 2.2 acre-feet – during normal and multiple dry year conditions. Napa's available water supplies, however, are deficient under current estimated single dry years; a deficit that would be slightly increased with approval of the proposal along with the development of eight residential lots as contemplated in the applicant's tentatively approved development project. Napa, accordingly, has established conservation efforts within its UWMP to address the projected deficiency during single dry years. These factors provide reasonable assurances of Napa's ability to effectively accommodate water demands with the minimal increases tied to the affected territory in accordance with G.C. Section 65352.5.

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

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

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

The landowner of 47 Garfield Lane is the petitioner seeking the annexation. There are no other landowners or registered voters within the affected territory.

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

See analysis on pages seven and eight of this report.

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

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

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

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

Other Considerations

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

- ***Environmental Review***
  The proposed annexation is categorically exempt from further environmental review under California Code of Regulations, Title 14, Section 15332 ("Class 32"), which provides an exemption for infill development projects on the basis that the project will not introduce any new environmental considerations. A Class 32 exemption consists of projects characterized as infill development meeting the conditions described below.

  - *The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with the applicable zoning designation and regulations.*

    The project is consistent with applicable general plan and zoning designations, policies, and regulations. The City has assigned General Plan and Zoning Ordinance designations for the affected territory of *Single-Family Infill – 33G* and *Residential Infill – 4*, respectively.

  - *The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.*

    The proposed development site totals 1.42 acres and is located within the City's existing jurisdictional boundary.

  - *The project site has not been identified as habitat for endangered, rare, or threatened species.*

    The City has determined that there is no reasonable possibility that the site has value as habitat for endangered, rare, or threatened species, as it is currently developed with a residential use. The site has been disturbed and developed with a 3,000 square foot dwelling, accessory structures, fencing, landscaping, and driveways. Furthermore, the site is completely surrounded by urban uses.

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

- *Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.*

  The City has previously determined that there is no reasonable possibility that the project would result in any significant effects relating to traffic, noise, air quality, or water quality as contemplated in the City General Plan Final Environmental Impact Report (FEIR) and Big Ranch Specific Plan FEIR.

- *The site can be adequately served by all required utilities and public services.*

  The City and NSD have both provided assurances the site can be adequately served by all required utilities and public services. Further discussion is provided on pages four through six of this report.

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

Attachments:
~~1) Draft Resolution Approving the Proposal~~
~~2) Application Materials~~

(Any missing attachments are available for viewing under the "Staff Reports" page)

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

1030 Seminary Street, Suite B
Napa, California 94559
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We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

August 4, 2014
Agenda Item No. 7c (Action)

July 24, 2014

TO: Local Agency Formation Commission

FROM: Brendon Freeman, Analyst

SUBJECT: **Silver Trail No. 9 Annexation to the Napa Sanitation District**
The Commission will consider a proposal initiated by landowner petition to annex six unincorporated parcels totaling 3.75 acres to the Napa Sanitation District. The subject parcels are located at 1510, 1511, 1514, 1519, 1522, and 1570 Silver Trail in the Silverado community. The purpose of the proposal is to allow the six existing single-family residences to connect to the District's public sewer infrastructure. The proposal is exempt from the California Environmental Quality Act (CEQA) under California Code of Regulations Section 15319(a).

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

A. Recommendation

Staff recommends the Commission adopt the draft resolution included as Attachment One to this report approving the proposal as submitted with standard approval conditions.

B. Background

LAFCO of Napa County ("Commission") has received a petition for a proposal from an interested landowner requesting the annexation of 3.75 acres of unincorporated territory within the City of Napa ("City") to the Napa Sanitation District (NSD). The territory proposed to be annexed represents six entire residential parcels located at 1510, 1511, 1514, 1519, 1522, and 1570 Silver Trail in the Silverado community. The County Assessor identifies the parcels as 060-331-003, 060-332-001, 060-332-002, 060-332-007, 060-341-002, and 060-342-002. The subject parcels are each currently developed with a single-family residence. An aerial map of the territory proposed to be annexed follows.

Joan Bennett, Vice Chair
Councilmember, City of American Canyon

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

Brian J. Kelly, Chair
Representative of the General Public

Greg Pitts, Commissioner
Councilmember, City of St. Helena

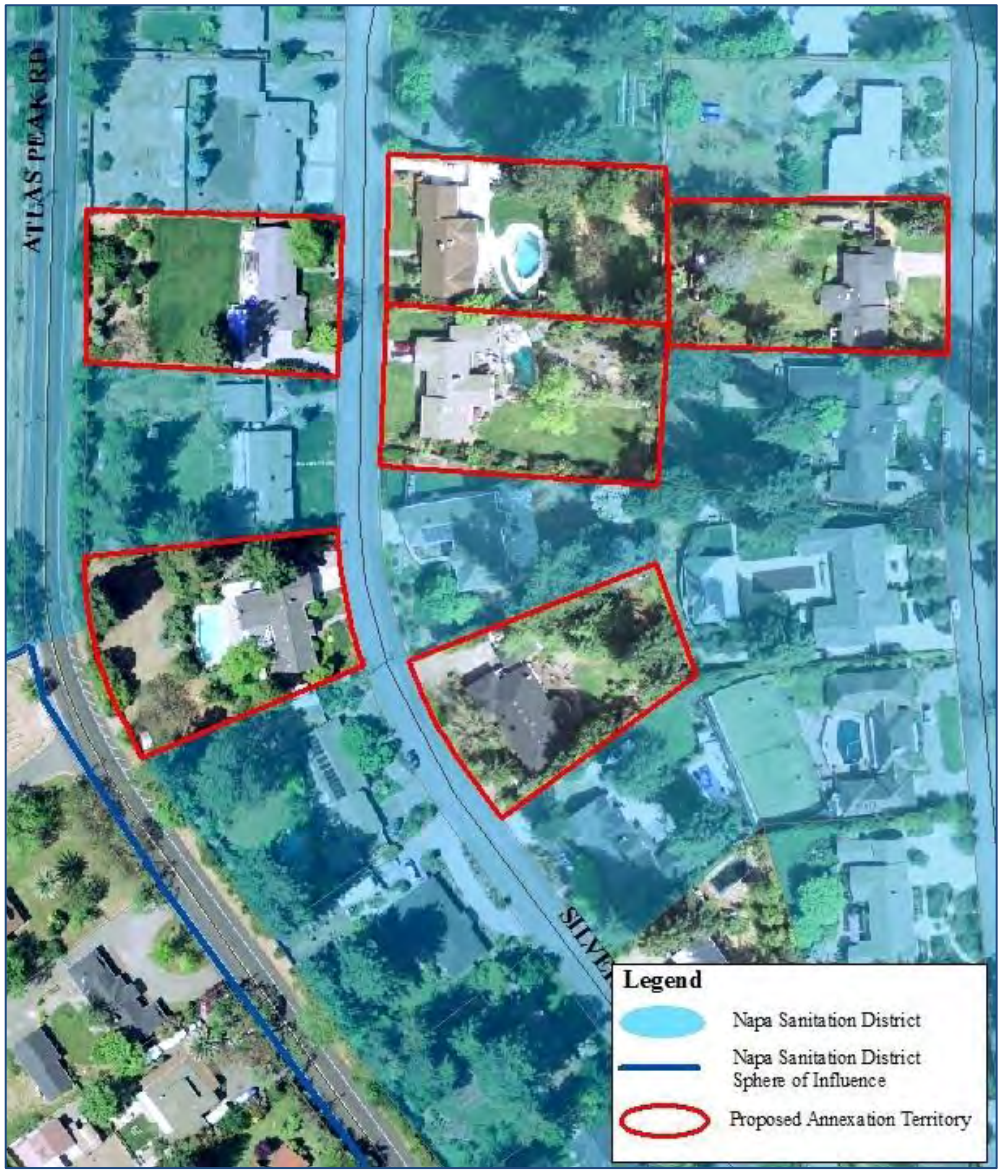
Bill Dodd, Commissioner
County of Napa Supervisor, 4th District

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

Laura Snideman
Executive Officer



C. Discussion

Agency Profile

NSD was formed in 1945 as a dependent enterprise district to provide public sewer service for the City and the surrounding unincorporated area. NSD provides sewer service to most of Napa along with several surrounding unincorporated areas, including Silverado, Napa State Hospital, and the Napa County Airport. NSD currently serves 31,865 residential customers with an estimated resident service population of 86,991.[1]

[1] The resident service projection based on the 2014 California Department of Finance population per household estimate (2.73) assigned to Napa County and multiplied by the number of residential sewer connections within NSD (31,865). NSD also serves 4,409 non-residential customers, including industrial and commercial users.

Proposal Purpose

The underlying purpose of the proposal is to extend permanent public sewer service to the six existing single-family residences within the territory proposed to be annexed. The residences currently receive sewer service through private onsite septic systems. Consideration of the service needs and related impacts associated with the future development of the subject lots are incorporated into the following analysis section.

D. Analysis

Local Policies / Discretionary Amendments

A review of the submitted application materials relative to the Commission's adopted policies indicates that the Commission should consider one discretionary amendment that would expand the boundary of the proposed annexation. The proposed annexation involves several "special district pockets" comprising parcels that are completely surrounded by NSD's boundary.[2] If the annexation is approved as proposed, there would remain one 0.5 acre parcel within close proximity representing a special district pocket. This remaining parcel is located at 1530 Silver Trail and is identified by the County Assessor as 060-342-004. The potential amendment to expand the proposed annexation boundary to also include 1530 Silver Trail is not recommended due to the lack of landowner responsiveness and therefore lack consent. If the annexation is approved with this amendment, the Commission's action would be subject to protest proceedings absent the receipt of written consent from the landowner of 1530 Silver Trail. Therefore, it is recommended that the Commission consider the proposed annexation without any amendments.

Legislative Policies / Mandated Factors for Consideration

G.C. Sections 56668 and 56668.3 require the Commission to consider 16 specific factors anytime it reviews proposals for change of organization or reorganization involving special districts. No single factor is determinative and the intent is to provide a uniform baseline for LAFCOs in considering boundary changes in context to locally adopted policies and practices.

> ***(1) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent areas, during the next 10 years.***
>
> The affected territory lies within a residential area consisting of low to moderate density housing and assigned an *Urban Residential* designation under the County General Plan. The affected territory is developed with six single-family residences. The current assessment value of the affected territory totals $2,655,051.[3]

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

[3] Individual property assessed values within the affected territory are as follows: 1510 Silver Trail at $145,247; 1511 Silver Trail at $143,510; 1514 Silver Trail at $151,116; 1519 Silver Trail at $750,000; 1522 Silver Trail at $815,274; and 1570 Silver Trail at $649,904.

The affected territory is legally uninhabited given there are under 12 registered voters based on the most recent list provided by County Elections. Topography within the affected territory is flat with a peak elevation of five feet above sea-level. Milliken Creek is located approximately 350 feet away from the easternmost portion of the affected territory. Proposal approval is not expected to induce any new development within the foreseeable future given that each parcel within the affected territory is already built out to its maximum potential as allowed under the County General Plan.

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

The need for municipal services within the affected territory is limited to public sewer for the six existing residences. Core municipal services already provided to the affected territory by the County include fire, emergency medical, police, roads, and garbage collection; all at levels deemed adequate given current and planned uses as contemplated in the County's General Plan and Zoning Ordinance. An analysis of the availability and adequacy of sewer services needed to accommodate and support current and probable future needs within the affected territory follows.

- ***Sewer Service***
  The affected territory currently receives sewer service through onsite septic systems. It is estimated the current daily sewer flow generated from the six residences within the affected territory is 1,260 gallons on average and increases by two and one-half to 3,150 gallons during peak periods. These current flow estimates represent less than one one-hundredth of a percent of NSD's current system demand. These estimates would have negligible impacts on NSD's sewer system as depicted in the following table.

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

System Avg. Day Capacity	Average Day Demand	Peak Day Demand	System Peak Day Capacity
15,400,000	6,709,120	33,722,800	126,200,000

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

System Avg. Day Capacity	Average Day Demand	Peak Day Demand	System Peak Day Capacity
15,400,000	6,710,380	33,725,950	126,200,000

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

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

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

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

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

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

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

The proposal is parcel-specific and includes all of the property identified by the County of Napa Assessor's Office as 060-331-003, 060-332-001, 060-332-002, 060-332-007, 060-341-002, and 060-342-002. Commission approval would include a condition requiring the applicant to submit a map and geographic description of the approved action in conformance with the requirements of the State Board of Equalization. The submitted map and geographic description would be subject to review and possible edits by the Executive Officer before filing.

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

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

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

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

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

Staff provided notice of the proposal to all subject agencies and interested parties as required under LAFCO law on June 10, 2014. No comments were received.

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

Information collected and analyzed in the Commission's recent municipal service review on NSD concluded the District has established adequate administrative controls and capacities in maintaining appropriate service levels. This includes regularly reviewing and amending – as needed – NSD's two principal user fees to ensure the sewer system remains solvent and sufficiently capitalized to accommodate future demands: (a) connection fees and (b) user fees. The connection fee is currently $8,723 and serves as NSD's buy-in charge for new customers to contribute their fair share for existing and future facilities necessary to receive sewer service. The annual user fee for a single-family unit is currently $470 and is intended to proportionally recover NSD's ongoing maintenance and operation expenses.

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

Proposal approval would not generate new water demand given that the six existing single-family residences within the affected territory are currently served by private onsite wells and no further development is allowed based on existing uses coupled with the County's General Plan and Zoning Ordinance.

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

The proposal would not impact any local agencies in accommodating their regional housing needs. The affected territory is already built out and no additional housing units are permitted.

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

The landowner of 1519 Silver Trail is the petitioner seeking the annexation. All other landowners within the affected territory have consented to the proposed annexation.

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

See analysis on pages five and six of this report.

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

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

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

Proposal approval would benefit current and future landowners as well as residents by providing permanent access to public sewer service. Public sewer service eliminates the need for septic systems in an urban area in which any failings would create a public health and safety threat for immediate and adjacent residents. Finally, establishing permanent public sewer service eliminates set-aside land requirements previously dedicated to the septic systems.

Other Considerations

- ***Property Tax Agreement***
  Revenue and Taxation Code Section 99(b)(6) requires adoption of a property tax exchange agreement by affected local agencies before the Commission can consider a proposed boundary change.[4] With this in mind, staff provided notice to NSD and the County of the proposed jurisdictional change affecting both agencies and the need to apply a property tax exchange to the proceedings. Both agencies confirmed a master property tax agreement adopted in 1980 shall apply to the proposal if approved by the Commission. This master property tax agreement specifies no exchange or redistribution of property tax revenues will occur as a result of annexations to NSD.

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

- ***Environmental Review***
  The Commission serves as lead agency for the annexation as it relates to complying with the provisions of CEQA. Staff has determined the annexation is a "project" subject to CEQA and has reviewed available exemptions for applicability. The annexation is categorically exempt from further environmental review under Title 14, California Code of Regulations Section 15319(a). This code section exempts annexations of areas containing existing structures developed to their maximum allowable density.

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

Attachments:
~~1) Draft Resolution Approving the Proposal~~
~~2) Application Materials~~

(Any missing attachments are available for viewing under the "Staff Reports" page)

Memorandum

To: LAFCO Commission

From: Laura Snideman, Executive Officer

Date: August 4, 2014

Re: Water Information Follow-up – Agenda Item 9 (a)

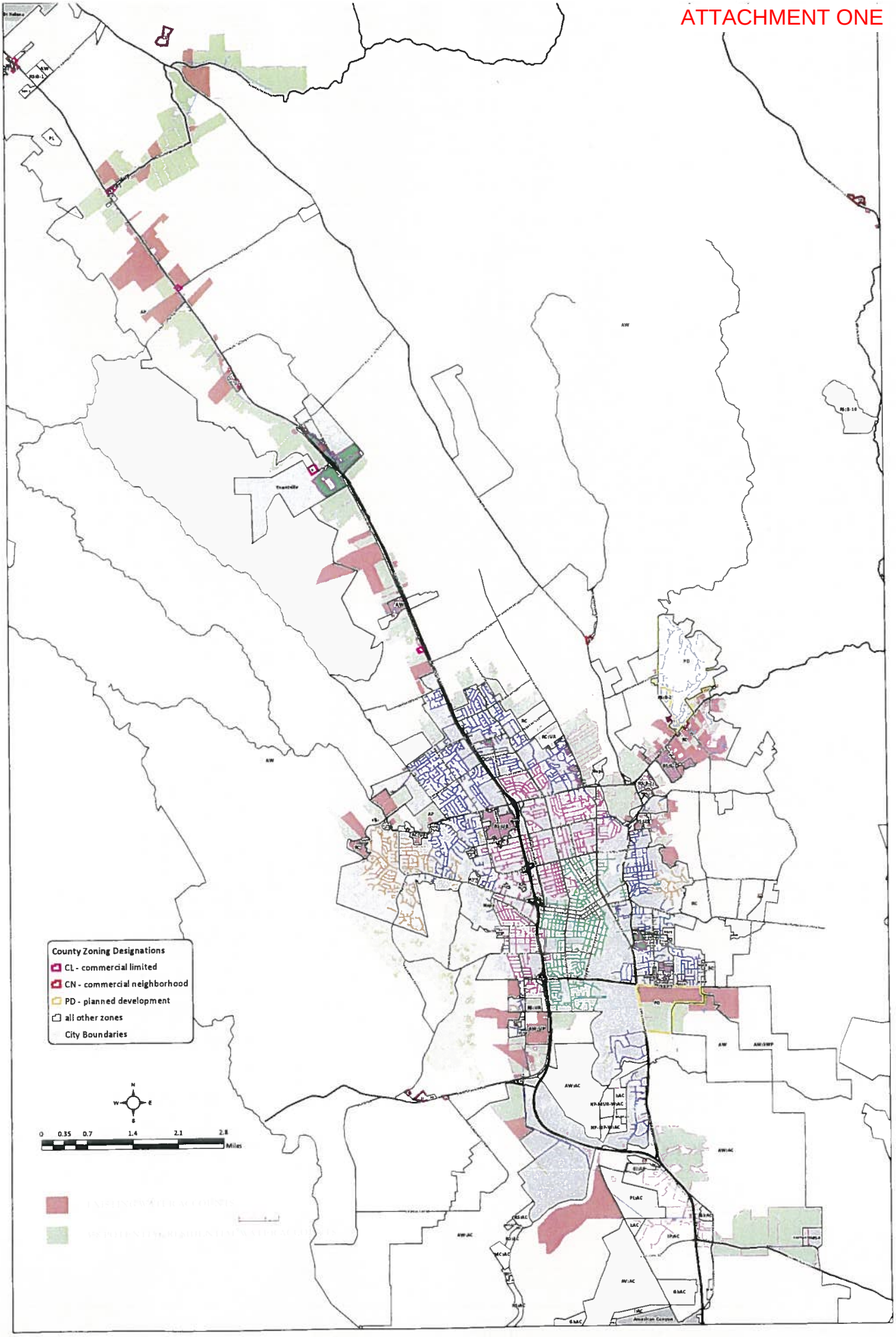
Water Information Follow-up

During the Commission's June 2 meeting, several questions related to water service were asked in conjunction with the item authorizing a new water connection to a commercial site outside of the City of Napa's sphere of influence. Below is some follow-up information.

- There are approximately 358 properties outside of the City limits that could be eligible for new City of Napa water service accounts using the criteria that a parcel would need to be immediately adjacent to an existing water line. See parcels colored in green on the attached map.

- The number of potential accounts specifically for commercial use has not been determined. The City of Napa provides four types of connections: domestic, irrigation, interruptible agriculture and dedicated fire service. Both residential and commercial accounts fall under "domestic." If one excludes winery-related uses from a definition of "commercial," then it is likely very few of the potential new accounts could be for other non-winery types of new commercial development given the current zoning in the County.

- The City of Napa currently has a total of just under 25,500 accounts/connections. Of that number, approximately 2,300, or 9%, are outside of the City limit. These numbers do not include construction hydrant meters that are signed out to facilitate bulk hauling from City of Napa sources to locations inside and outside of the City. Almost all of the accounts outside of the City limit pre-date Government Code Section 56133 which now requires LAFCO authorization for such service. The majority of these accounts are in Silverado and Rutherford or are interruptible agriculture accounts. The State hospital, Veteran's Home, and Congress Valley are also served.

- LAFCO completed a comprehensive water municipal service review in 2004 that studied all five cities and eight special districts. In addition to these primary water providers, the State of California Drinking Water Branch lists over 150 systems in Napa County. Almost half of these include a winery or vineyard reference in their name.

ATTACHMENT ONE