



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

1030 Seminary Street, Suite B
Napa, California 94559
(707) 259-8645 Telephone
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Lewis Chilton, Chair
Brad Wagenknecht, Vice Chair
Joan Bennett, Commissioner
Bill Dodd, Commissioner
Brian J. Kelly, Commissioner
Juliana Inman, Alternate Commissioner
Mark Luce, Alternate Commissioner
Gregory Rodeno, Alternate Commissioner

REGULAR MEETING AGENDA

Monday, August 6, 2012

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

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

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF AGENDA

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

4. PUBLIC COMMENTS

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

5. CONSENT ITEMS

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

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

The Commission will review a fourth quarter budget report for 2011-2012. The report compares budgeted versus actual revenues and expenses for the recently completed fiscal year. The report notes the Commission measurably improved its funding gap during the fiscal year from the budgeted total of (\$32,829) to the actual year-end total of (\$14,825). The report is being presented to the Commission to receive and file.

b) Authorization to Approve Audit Expenditure (Action)

The Commission will consider authorizing the Chair to enter into an agreement with Gallina LLP for the preparation of an independent audit for the 2011-2012 fiscal year at a cost of \$4,725.

c) Approval of Meeting Minutes (Action)

The Commission will consider approving minutes prepared by staff for the June 4, 2012 meeting.

d) CALAFCO Quarterly Report (Information)

The Commission will receive the most recent quarterly report prepared by the California Association of Local Agency Formation Commissions. The report is being presented to Commissioners for information only.

e) Current and Future Proposals (Information)

The Commission will receive a report summarizing current and future proposals. The report is being presented for information. No new proposals have been submitted since the June 4, 2012 meeting.

6. PUBLIC HEARING ITEMS

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

a) Devlin Road/South Kelly Road No. 2 Reorganization

The Commission will consider a joint proposal from the City of American Canyon and American Canyon Fire Protection District to annex approximately 1.1 acres of unincorporated territory located southwest of the intersection of Devlin and South Kelly Roads. The affected territory comprises a portion of a legal lot owned and developed with a train track by Southern Pacific Railroad and identified by the County of Napa Assessor's Office as 057-090-057. Staff recommends approval of the proposal with a discretionary amendment to concurrently detach the affected territory from County Service Area No. 4. Staff also recommends approval of a fee waiver request given the limited scope of the proposal.

PUBLIC HEARING ITEMS CONTINUED...

b) Sphere of Influence Update on County Service Area No. 3

The Commission will consider formally receiving a final report on its scheduled sphere of influence update on County Service Area No. 3. The final report recommends the Commission update the existing sphere of influence to include an additional 100 acres of unincorporated land located in the vicinity of Devlin Road's intersection with South Kelly Road. The Commission will also consider adopting a resolution confirming the final report's recommendations and related determinative statements.

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

The Commission will consider appointing voting delegates to represent the agency at CALAFCO's Annual Conference scheduled for October 3-5 at the Hyatt Regency in Monterey. The Commission will also consider making board and achievement award nominations.

8. DISCUSSION ITEMS

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

a) Update on Island Annexation Program

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

b) Legislative Report

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

9. EXECUTIVE OFFICER REPORT

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

- Report on Bay Area LAFCO Meeting for Executive Officers/Analysts
- Disadvantaged Unincorporated Communities

10. COMMISSIONER COMMENTS; REQUEST FOR FUTURE AGENDA ITEMS

11. ADJOURNMENT TO NEXT REGULAR SCHEDULED MEETING: October 1, 2012

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 6, 2012
Agenda Item No. 5a (Consent/Action)

July 30, 2012

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Fourth Quarter Budget Report for 2011-2012

The Commission will review a fourth quarter budget report for 2011-2012. The report compares budgeted versus actual revenues and expenses for the recently completed fiscal year. The report notes the Commission measurably improved its funding gap during the fiscal year from the budgeted total of (\$32,829) to the actual year-end total of (\$14,825). The report is being presented to the Commission to receive and file.

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

A. Discussion

Budget Overview

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

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

Lewis Chilton, Chair
 Councilmember, Town of Yountville

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

Brian J. Kelly, Commissioner
 Representative of the General Public

Joan Bennett, Commissioner
 Councilmember, City of American Canyon

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

Gregory Rodeno, Alternate Commissioner
 Representative of the General Public

Juliana Inman, Alternate Commissioner
 Councilmember, City of Napa

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

Keene Simonds
 Executive Officer

Operating Revenues

Actual revenues collected through the fourth quarter totaled \$394,339. This amount represents 99.7% of the adopted budget with a remaining difference of (\$1,102). The following table compares budgeted and actual revenues through the fourth quarter.

Budget Units	Adopted Revenues	Actual Revenues Through 4 th Quarter	Difference	% Collected
Agency Contributions	383,101	383,101	0	100.0
Service Charges	10,000	9,087	(913)	90.8
Investments	2,340	2,151	(189)	91.9
Total	\$395,441	\$394,339	(\$1,102)	99.7

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

Agency Contributions

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

Service Charges

The Commission budgeted \$10,000 in service charges in 2011-2012. Actual revenues collected through the fourth quarter in this unit totaled \$9,087 or 91% of the budgeted amount. The collected service charges were entirely attributed to two annexation proposals tied to the Napa Sanitation District.

Investments

The Commission budgeted \$2,340 in investment income in 2011-2012 based on actual revenues collected during the prior fiscal year.¹ Actual revenues collected through the fourth quarter in this unit totaled \$2,151 or 92% of the budgeted amount.

¹ This budgeted amount is entirely tied to interest earned on the Commission's fund balance, which is under pooled investment by the County Treasurer.

Operating Expenses

Actual expenses collected through the fourth quarter, including outstanding encumbrances, totaled \$409,164. This amount represents 95.5% of the budgeted total with a remaining difference of \$19,106. The following table compares budgeted and actual expenses through the fourth quarter.

Budget Units	Adopted Expenses	Actual Expenses Through 4 th Quarter	Difference	% Remaining
Salaries/Benefits	307,780	296,625	11,155	3.6
Services/Supplies	120,489	112,539	7,951	6.6
Contingencies/Reserves	-	-	-	-
Total	\$428,270	\$409,164	\$19,106	4.5

An expanded discussion on budgeted and actual expenses through the fourth quarter within the Commission’s three expense units follows.

Salaries and Benefits

The Commission budgeted \$307,780 in salaries and benefits in 2011-2012. The Commission’s actual expenses within the eight affected accounts through the fourth quarter totaled \$296,625. This actual total represents 96% of the budgeted amount and results in a year-end savings of \$11,155. The majority of the year-end savings is attributed to a lower-than-expected cost for group insurance.² Nonetheless, despite the overall savings in the unit, two accounts – regular salaries and group insurance – finished with negative balances. A summary of expenses in these accounts follows.

Regular Salaries

The Commission budgeted \$202,387 in the regular salaries account in 2011-2012. This amount includes a midyear adjustment to increase the total by an additional \$2,740 to account for a cost-of-living adjustment that had been approved by the County after the final budget had been adopted by the Commission in June 2011. The midyear addition to account for the cost-of-living adjustment was slightly off and resulted in a shortfall in the regular salaries account in the amount of (\$721) after totaling \$203,109.

² The Commission’s actual year-end total for group insurance was \$37,643; an amount representing nearly one-fifth less than the budgeted amount of \$45,648. The difference between the actual and budgeted costs for group insurance is tied to two factors. First, the Commission used a conservative percentage ratio in calculating its share of group insurance costs given the actual rate was not known at the time of budget adoption. Second, subsequent to the budget adoption, the County reached a new contract with employees that, among other items, decreased the employer contribution tied to employee health and dental coverage.

Retirement

The Commission budgeted \$36,702 in the retirement account in 2011-2012. This amount includes a midyear adjustment to increase the total by an additional \$497 to account for a cost-of-living adjustment that had been approved by the County after the final budget had been adopted by the Commission in June 2011. The midyear addition to account for the cost-of-living adjustment was slightly off and resulted in a shortfall in the retirement account in the amount of (\$170) after totaling \$36,872.

Services and Supplies

The Commission budgeted \$120,489 in services and supplies in 2011-2012. The Commission's actual expenses within the 16 affected accounts through the fourth quarter totaled \$112,539. This actual total represents 93% of the budgeted amount and results in a year-end savings of \$7,951. The majority of the year-end savings is attributed to a lower-than-expected cost for legal services from County Counsel. Four accounts – office expense, publications, training, and private vehicle mileage – finished with negative balances. A summary of expenses in these accounts follows.

Office Expense

The Commission budgeted \$12,000 in the office expense account in 2011-2012. This account covers the Commission's general overhead costs with the majority of charges tied to monthly copier lease/usage payments to Xerox and regular supply purchases with Office Depot. Anomaly charges tied to the Commission's administrative office relocation in April 2012 contributed to a shortfall in the office expense account in the amount of (\$3,926) after totaling \$15,926.

Publications

The Commission budgeted \$1,500 in the publications expense account in 2011-2012. This account covers the Commission's costs in publishing notices and announcements in the local newspaper relating to its own initiated regulatory and planning activities. Special notices for the alternate public member appointment and policy revisions contributed to a shortfall in the publications expense account in the amount of (\$756) after totaling \$2,256.

Training

The Commission budgeted \$4,000 in the training expense account in 2011-2012. This account covers all educational and instructional activities for members and staff with the majority of charges tied to registering participants for programs sponsored by the California Associations of LAFCOs ("CALAFCO"). A special charge to contract with an outside consultant (Alta Mesa) to facilitate a strategic workshop contributed to a shortfall in the training expense account in the amount of (\$1,141) after totaling \$5,141.

Private Vehicle Mileage

The Commission budgeted \$1,000 in the private vehicle mileage expense account in 2011-2012. This account covers all same-day automobile travel costs for members and staff with the majority tied to the Executive Officer attending various CALAFCO functions in the Bay Area/Sacramento regions.³ An increase in same-day travel to Sacramento for multiple legislative meetings/hearings on LAFCO related issues contributed to a shortfall in the private vehicle mileage expense account in the amount of (\$238) after totaling \$1,238.

Contingencies/Reserves

The Commission did not budget funds for contingencies or reserves in 2011-2012.

B. Analysis

The Commission was successful in significantly closing its budgeted funding gap in 2011-2012 from (\$32,829) to (\$14,825); an amount producing a net savings of \$18,004. This savings is attributed to sizeable reduction in budgeted group insurance and legal service costs. It is also worthwhile to note the year-end operating balance of (\$14,825) is a slight improvement over the (\$15,659) projection incorporated in adopting a final budget for 2012-2013. This latter statement helps to ensure, notably, the Commission will remain on pace to finish the current fiscal year with an unserved fund balance in excess of its minimum three month operating threshold.⁴

C. Recommendation

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

D. Alternatives for Action

The following two alternatives are available to the Commission:

Alternative Action One (Recommended)

Accept the staff report as presented.

Alternative Action Two:

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

³ The Executive Officer does not receive reimbursement for auto travel within Napa County given a monthly car allowance.

⁴ It is now projected the Commission will finish 2012-2013 with an unreserved fund balance of approximately \$109,000; an amount exceeding the minimum three month operating target of approximately \$107,000.

E. Procedures for Consideration

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

Respectfully submitted,

Keene Simonds
Executive Officer

Attachment:

- 1) 2011-2012 Operating Budget: Spreadsheet



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

2011-2012 Operating Budget: Fourth Quarter Report

Expenses

		FY2008-09		FY2009-10		FY2010-11		FY2011-12		
		Adopted FY08-09	Actual FY08-09	Adopted FY09-10	Actual FY09-10	Adopted FY10-11	Actual FY10-11	Final FY11-12	Actual FY11-12	% Available FY11-12
Salaries and Benefits										
<u>Account</u>	<u>Description</u>									
51100000	Regular Salaries	168,905.43	152,952.55	195,580.00	193,055.65	198,346.60	198,280.48	202,387.40	203,108.73	-0.4%
51300500	Group Health Insurance	40,148.04	21,405.57	36,471.00	29,210.94	37,953.96	33,872.67	45,648.12	37,643.35	17.5%
51300100	Retirement: Pension (CalPers)	34,550.93	26,282.61	34,064.00	33,015.37	34,991.95	34,924.41	36,702.14	36,871.55	-0.5%
51200500	Commissioner Per Diems	9,600.00	4,400.00	9,600.00	5,100.00	9,600.00	4,900.00	9,600.00	5,700.00	40.6%
51300120	Retirement: Non-Pension	11,295.00	11,296.00	8,706.00	8,706.00	9,138.00	9,138.00	9,341.00	9,341.00	0.0%
51300300	Medicare	2,826.27	2,440.46	2,836.00	2,657.51	2,876.49	2,738.20	2,934.74	2,790.20	4.9%
51301800	Cell Phone Allowance	840.00	845.14	840.00	843.50	840.00	843.50	840.00	843.50	-0.4%
51301200	Workers Compensation	149.00	149.00	168.00	168.00	226.00	226.00	327.00	327.00	0.0%
51200100	Extra Help	26,010.00	26,283.11	-	-	-	-	-	-	-
51200200	Overtime	-	-	-	-	-	-	-	-	-
		<u>294,324.67</u>	<u>246,054.44</u>	<u>288,265.00</u>	<u>272,756.97</u>	<u>293,973.00</u>	<u>284,923.26</u>	<u>307,780.40</u>	<u>296,625.33</u>	<u>3.6%</u>
Services and Supplies										
<u>Account</u>	<u>Description</u>									
52240500	Property Lease	27,000.00	27,000.00	29,280.00	29,280.00	29,280.00	29,280.00	29,280.00	29,280.00	0.0%
52180500	Legal Services	26,320.00	19,129.61	24,990.00	17,938.31	26,010.00	17,659.74	22,540.00	17,593.30	21.9%
52180200	Information Technology Services	17,768.00	17,768.04	22,438.00	19,182.50	18,438.91	17,625.42	24,630.83	23,385.87	5.1%
52170000	Office Expenses	15,000.00	10,916.66	15,000.00	9,697.20	15,000.00	9,628.08	12,000.00	15,925.85	-32.7%
52180510	Audit and Accounting Services	7,507.00	6,182.37	7,883.00	7,819.33	8,277.15	7,301.48	8,691.01	7,340.78	15.5%
52250800	Training	4,000.00	2,530.53	4,000.00	5,475.00	4,000.00	3,969.00	4,000.00	5,141.00	-28.5%
52250000	Transportation and Travel	4,000.00	1,716.91	3,500.00	4,510.88	3,500.00	5,171.79	4,000.00	1,015.50	74.6%
52070000	Communications	3,500.00	1,720.96	3,500.00	1,205.16	3,500.00	1,640.02	4,470.00	2,246.20	49.7%
52150000	Memberships	2,200.00	2,200.00	2,275.00	2,200.00	2,275.00	2,200.00	2,275.00	2,200.00	3.3%
52190000	Publications and Notices	1,500.00	2,490.22	1,500.00	1,112.17	1,500.00	1,433.43	1,500.00	2,255.64	-50.4%
52235000	Special Departmental Purchases	56,000.00	50,081.73	1,000.00	1,095.25	1,000.00	2,482.00	1,000.00	426.64	57.3%
52251200	Private Mileage	1,000.00	1,051.07	1,000.00	533.60	1,000.00	1,297.66	1,000.00	1,237.85	-23.8%
52243900	Filing Fees	850.00	300.00	850.00	250.00	850.00	450.00	850.00	237.50	72.1%
52250700	Meals Reimbursement - Taxable	-	-	500.00	588.92	500.00	171.97	-	-	-
52100300	Insurance: Liability	546.00	545.00	347.00	347.00	444.00	444.00	321.00	321.00	0.0%
53980200	Capital Replacement*	-	-	-	3,931.30	3,931.40	3,931.40	3,931.40	3,931.40	0.0%
		<u>167,191.00</u>	<u>143,633.10</u>	<u>118,063.00</u>	<u>105,166.62</u>	<u>119,506.46</u>	<u>104,685.99</u>	<u>120,489.23</u>	<u>112,538.53</u>	<u>6.6%</u>
Contingencies and Reserves										
<u>Account</u>	<u>Description</u>									
54000900	Operating Reserve	40,651.57	-	40,632.80	-	-	-	-	-	-
54001000	Consultant Contingency	50,000.00	-	50,000.00	-	-	-	-	-	-
		<u>90,651.57</u>	<u>-</u>	<u>90,632.80</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	EXPENSE TOTALS	<u>552,167.24</u>	<u>389,687.54</u>	<u>496,960.80</u>	<u>377,923.59</u>	<u>413,479.46</u>	<u>389,609.25</u>	<u>428,269.63</u>	<u>409,163.86</u>	<u>4.5%</u>

Revenues

		FY2008-09		FY2009-10		FY2010-11		FY2011-12		
		Adopted FY08-09	Actual FY08-09	Adopted FY09-10	Actual FY09-10	Adopted FY10-11	Actual FY10-11	Final FY11-12	Actual FY11-12	% Collected FY11-12
Intergovernmental Contributions										
<u>Account</u>	<u>Description</u>									
45080600	County of Napa	-	176,382.73	-	153,965.70	178,009.77	178,010.00	191,550.50	191,550.46	100%
45082200	City of Napa	-	119,820.40	-	105,428.75	119,646.81	119,647.00	126,330.38	126,330.35	100%
45082400	City of American Canyon	-	27,179.61	-	22,010.54	27,468.37	27,468.00	32,912.04	32,912.03	100%
45082300	City of St. Helena	-	12,134.39	-	11,135.35	12,656.54	12,657.00	12,997.37	12,997.37	100%
45082100	City of Calistoga	-	9,714.01	-	8,742.73	10,642.45	10,642.00	11,393.34	11,393.34	100%
45082500	Town of Yountville	-	7,534.31	-	6,648.33	7,595.60	7,596.00	7,917.37	7,917.37	100%
		-	352,765.45	-	307,931.40	356,019.55	356,020.00	383,101.00	383,100.92	100%
Service Charges										
<u>Account</u>	<u>Description</u>									
46003400	Standard Applications Fees	-	16,155.00	-	18,437.00	10,000.00	24,293.00	10,000.00	8,562.00	86%
46003300	Special Application Fees	-	120.00	-	625.00	-	3,187.00	-	475.00	-
48040000	Miscellaneous	-	-	-	156.30	-	-	-	50.00	-
		-	16,275.00	-	19,218.30	10,000.00	27,480.00	10,000.00	9,087.00	91%
Investments										
<u>Account</u>	<u>Description</u>									
44000300	Interest	-	10,458.70	-	3,791.48	5,000.00	2,570.00	2,340.00	2,150.91	92%
		-	10,458.70	-	3,791.48	5,000.00	2,570.00	2,340.00	2,150.91	92%
	REVENUE TOTALS	-	379,499.15	-	330,941.18	371,019.55	386,070.00	395,441.00	394,338.83	99.7%

OPERATING DIFFERENCE	-	(10,188.39)	(43,051)	(42,460)	(3,539)	(32,828.63)	(14,825.03)
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FUND BALANCE

Beginning:	204,686	206,231	150,070
<i>Reserved</i>	-	19,657	15,726
<i>Unreserved (Available Cash)</i>	204,686	186,574	134,344
Ending:	206,231	150,070	143,487
<i>Reserved</i>	19,657	15,726	11,795
<i>Unreserved (Available Cash)</i>	186,574	134,344	131,692

Minimum Three Month Operating Balance:	138,042	124,240.20	103,369.87	107,067.41
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We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

August 6, 2012

Agenda Item No. 5b (Consent/Action)

July 31, 2011

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Authorization to Approve Audit Expenditure

The Commission will consider authorizing the Chair to enter into an agreement with Gallina LLP for the preparation of an independent audit for the 2011-2012 fiscal year at a cost of \$4,725.

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

A. Background

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

B. Discussion/Analysis

The Commission has received an engagement letter from Gallina, LLP to prepare an independent audit concerning the agency’s financial statements for the 2011-2012 fiscal year. Gallina is headquartered in Sacramento, California and is entering the second year of a three-year contract to provide auditing services for the County of Napa. Gallina’s proposed cost to prepare the audit for the Commission is \$4,725. This amount equals Gallina’s charge to the Commission for preparing an audit for the 2011-2012 fiscal year.

Lewis Chilton, Chair
Councilmember, Town of Yountville

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

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

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

Brian J. Kelly, Commissioner
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

It is generally accepted governmental agencies should prepare annual audits to enhance transparency in the management of public funds. Additionally, as mentioned, the Commission relies on the annual audit process as a performance measure for staff as well as to identify opportunities to improve accounting practices. Accordingly, *while not a requirement*, it is appropriate for the Commission to enter into an agreement with Gallina based on its contractual relationship with the County to prepare an audit on the agency's financial statements for the 2011-2012 fiscal year (emphasis added).

C. Recommendation

It is recommended the Commission authorize the Chair to sign the attached engagement letter with Gallina for the preparation of an independent audit for the 2011-2012 fiscal year in the amount of \$4,725.

D. Alternatives for Action

The following three alternatives are available to the Commission:

Alternative Action One (Recommended)

Authorize the Chair to sign the attached engagement letter with Gallina for the preparation of an independent audit for 2011-2012 in the amount of \$4,725.

Alternative Action Two:

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

Alternative Action Three:

Take no action.

E. Procedures for Consideration

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

Respectfully submitted,

Keene Simonds
Executive Officer

Attachment:

- 1) Engagement Letter from Gallina LLP



June 1, 2012

Keene Simonds
Executive Officer
Local Agency Formation Commission of Napa County
1700 Second Street
Napa, CA 94559

Mr. Simonds:

We are pleased to confirm our understanding of the services we are to provide Local Agency Formation Commission of Napa County for the year ended June 30, 2012. We will audit the financial statements of the Local Agency Formation Commission of Napa County as of and for the year ended June 30, 2012. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Local Agency Formation Commission of Napa County's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Local Agency Formation Commission of Napa County's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary comparison schedule

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally

accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of Local Agency Formation Commission of Napa County and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified (unmodified), we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If during our audit we become aware that Local Agency Formation Commission of Napa County is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will prepare the trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information into a working trial balance based on management's chart of accounts. We will assist with preparation of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the Local Agency Formation

Commission of Napa County and the respective changes in financial position in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulations, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

You are responsible for preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the auditing financial statements with any presentation of the supplementary information that includes our report thereon or make the auditing financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (a) you are responsible for presentation of the supplementary information in accordance with GAAP; (b) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility

includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's view on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures – Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Local Agency Formation Commission of Napa County's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will provide bound copies, unbound copies and electronic copies in portable document format (PDF) of all reports in the quantities you have

designated. However, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of GALLINA LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the State Controller's Office or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of GALLINA LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release or for any additional period requested by the State Controller's Office. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

The parties agree that any controversy or claim arising out of or relating to the services provided pursuant to this engagement letter agreement shall be determined by arbitration in accordance with the applicable Arbitration Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association; and judgment on the award rendered by the arbitrator(s) may be rendered in any court of competent jurisdiction.

We expect to begin our audit on approximately August 20, 2012. Elba Zúñiga is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be as follows:

<i>Task</i>	<i>Cost</i>
Audit and compilation of financial statements	\$4,725

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2009 peer review accompanies this letter.

We appreciate the opportunity to be of service to Local Agency Formation Commission of Napa County and believe this letter accurately summarizes the significant terms of our engagement. If

you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,
GALLINA LLP



M. Elba Zúñiga, CPA
Partner

RESPONSE:

This letter correctly sets forth the understanding of Local Agency Formation Commission of Napa County.

By: _____

Title: _____

Date: _____

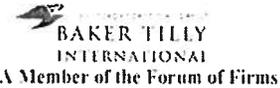
cc: Tracy Schulze, Auditor-Controller

HANSEN, BARNETT & MAXWELL, P.C.

A Professional Corporation
CERTIFIED PUBLIC ACCOUNTANTS

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Accounting Oversight Board



SYSTEM PEER REVIEW

November 20, 2009

To the Partners

Gallina LLP and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Gallina LLP (the firm) in effect for the year ended May 31, 2009. Our review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm reasonable assurance of performing and reporting in conformity with professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitation of and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*; and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Gallina LLP in effect for the year ended May 31, 2009, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Gallina LLP has received a peer review rating of *pass*.

Hansen, Barnett & Maxwell, P.C.



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

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

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

August 6, 2012
Agenda Item No. 5c (Consent/Action)

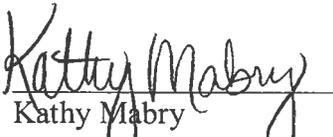
July 31, 2012

TO: Local Agency Formation Commission
FROM: Kathy Mabry, Commission Secretary
SUBJECT: **Approval of Minutes for Regular Meeting on June 4, 2012**

A. Discussion and Recommendation

Attached are summary minutes prepared for the Commission's Regular Meeting on June 4, 2012. Staff recommends approval.

Respectfully submitted,


Kathy Mabry
Commission Secretary

Attachment: as stated

Lewis Chilton, Chair
Councilmember, Town of Yountville

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

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

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

Brian J. Kelly, Commissioner
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

MEETING MINUTES OF JUNE 4, 2012

1. CALL TO ORDER; ROLL CALL

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

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

2. PLEDGE OF ALLEGIANCE

Chair Chilton led the Pledge of Allegiance.

3. AGENDA REVIEW

At this time, Executive Officer Keene Simonds formally requested to remove agenda item #6c (*Devlin Road/South Kelly Road No. 2 Annexation to American Canyon*) from the agenda due to an error in noticing requirements, and stated that the item will be noticed again for the next meeting. Upon motion by Commissioner Kelly and second by Commissioner Dodd, agenda item # 6c was removed from the agenda by unanimous vote.

4. PUBLIC COMMENT

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

5. CONSENT ITEMS

a) Third Quarter Budget Report for 2011-2012

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

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

The Commission approved a sixth amendment to its support services agreement with the County of Napa via resolution (*Napa County Agreement No. 4433, LAFCO Agreement No. 03-02*). The amendment establishes the Commission's 2012-2013 annual charge for information technology services provided by the County in the amount of \$22,009.

c) Approval of Meeting Minutes

The Commission approved the minutes prepared by staff for the April, 2, 2012 meeting.

d) Approval of Meeting Calendar for Second Half of 2012

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

e) **Report on the 2012 CALAFCO Staff Workshop**

The Commission received a report summarizing activities at the CALAFCO Staff Workshop held in Murphys on April 25th through April 27th, and was presented for information only.

f) **Current and Future Proposals**

The Commission received a report summarizing current and future proposals. No new proposals have been submitted since the April 2, 2012 meeting.

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

6. **PUBLIC HEARING ITEMS**

a) **Final Budget for Fiscal Year 2012-2013**

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

Chair Chilton opened the public hearing. No comments were received. Chair Chilton closed the public hearing.

Upon motion by Commissioner Kelly and second by Commissioner Wagenknecht, the final budget was unanimously approved by the Commission. In addition, the Commission directed the Executive Officer to work with the County Auditor's Office in issuing invoices to the funding agencies accordingly (**Resolution No. 2012-05**).

b) **Amendments to Adopted Fee Schedule**

Staff presented the Commission with amendments to its adopted fee schedule prepared by the Policy Committee. The proposed amendments include increasing the composite hourly staff rate from \$113 to \$118 along with making changes to the policy statements accompanying the fee schedule to improve implementation.

Staff provided clarification of the proposed amendments to the adopted fee schedule.

Chair Chilton opened the public hearing. No comments were received. Chair Chilton closed the public hearing.

Upon motion by Commissioner Wagenknecht and second by Commissioner Bennett, the amendments to the adopted fee schedule were unanimously approved.

d) **Municipal Service Review on Countywide Law Enforcement Services**

Staff presented the Commission with the final report on its scheduled municipal service review on countywide law enforcement services. The report examined the availability and adequacy of local law enforcement services relative to the Commission's mandates to facilitate orderly growth and development. This included making determinative statements on specific governance and service factors prescribed under law. No substantive changes were made to the report since its draft presentation in April. Staff commented the report continues – among other notable items – to recommend the Cities of Calistoga and St. Helena begin to work towards sharing law enforcement services with the eventual end-point of either establishing a joint powers authority to deliver law enforcement within the two respective communities and/or contract for law enforcement through a third party, such as County Sheriff.

Chair Chilton opened the public hearing. No comments were received. Chair Chilton closed the public hearing and invited comments from Commissioners. Commissioner Kelly commented on the report's recommendation for Calistoga and St. Helena to begin pursuing alternative law enforcement arrangements by noting it is incumbent upon all local agencies to continually consider opportunities for sharing and economizing resources irrespective of the public services. Commissioner Dodd added it will be imperative to perform outreach among the North Valley residents to help ensure their concerns and interest in any alternative law enforcement arrangement is considered. Chair Chilton cited Commissioner Kelly's comments in stating that the report highlights there are economic necessities to justify the conclusion that alternative law enforcement arrangements in the North Valley are needed in the long-term. Commissioner Rodeno agreed with other Commissioner comments and reiterated that pursuing alternative law enforcement arrangements in the North Valley is going to be a process and require commitments among multiple stakeholders. Upon motion by Commissioner Bennett and second by Commissioner Wagenknecht, the report was unanimously accepted and the resolution was approved (**Resolution No. 2012-06**).

7. ACTION ITEMS

a) Continuation: Proposed Strategic Plan for 2012-2014

The Commission continued consideration of a two-year strategic plan prepared by the Policy Committee. The strategic plan outlined goals and implementing strategies based on Commissioner comments provided at the most recent biennial workshop. The strategic plan was initially presented at the April meeting and continued to allow for public review. Staff commented no public comments were received and recommended the Commission move forward with approval with any desired changes.

Upon motion by Commissioner Wagenknecht and second by Commissioner Dodd, the proposed strategic plan was unanimously approved.

b) Approving a Commission Tagline

The Commission considered the Policy Committee's recommendation to approve an official tagline to more effectively convey the agency's core responsibilities to the public. Staff reviewed the five alternative taglines identified in the Committee's report and reiterated its belief a tagline would improve the general public's understanding of the Commission's present day activities, most of which involve post-formation actions. Staff noted the Committee's preferred alternative being "We Manage Local Governmental Boundaries and Evaluate Municipal Services". Chair Chilton invited comments from the audience, no comments were received. Chair Chilton invited comments from Commissioners. Commissioner Wagenknecht suggested the tagline should make reference to preserving agricultural resources. Commissioner Inman suggested amending the Committee's preferred alternative to read "We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture".

Upon motion by Commissioner Kelly and second by Commissioner Bennett, the Commission unanimously approved the tagline offered by Commissioner Inman.

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

The Commission considered a request from an interested property owner, Robert Joe, to waive the agency's application fees tied to processing a pending proposal to form a new special district to assume water and sewer services for the Capell Valley Estates. The total value of the fee waiver is estimated at \$9,000. Staff provided an overview of the request and its direct relationship to Mr. Joe's interest in forming a special district to assume water and sewer service responsibilities for the Capell Valley Mobile Home Estates and surrounding commercial properties. Staff commented that the estimated value of the fee waiver of \$9,000 was based on projecting 80 hours of staff time and would only cover the direct costs tied to processing the special district formation request; indirect costs, such as election and surveyor work, are estimated at \$6,000 to \$8,000 and cannot be waived by the Commission. Staff commented the Commission has broad discretion in considering the request given a lack of policy direction and past precedence. Chair Chilton invited initial comments from Commissioners before hearing from Robert Joe. Commissioner Bennett questioned the public benefit relative to LAFCO's interest in waiving its application fee. Commissioner Wagenknecht commented on his concern about the indirect consequence of waiving the application fee given it would suggest LAFCO may be encouraging the formation of a new special district in a region with existing challenges tied to special district operations. Commissioner Dodd commented that the potential of transferring the responsibility for managing the water and sewer systems from the property owner to residents by way of a special district needed to be carefully considered in terms of its long-term feasibility. Commissioner Dodd also suggested more information is needed on the part of the applicant to understand the purpose and benefits of a special district formation before deciding on whether a fee waiver is appropriate. Chair Chilton invited Robert Joe to address the Commission. Mr. Joe stated he would work with Commission staff in providing more information as needed. Mr. Joe also commented that the underlying purpose of the fee waiver request is to help maximize the amount of resources available to address the significant needed capital improvements to both water and sewer systems within the community. Commissioner Rodeno commented that it would be appropriate for Mr. Joe to complete an actual application packet for the special district formation along with submitting any related materials as part of any review of a fee waiver request.

Upon motion by Commissioner Wagenknecht and second by Commissioner Bennett, the Commission approved Alternative Action One in the staff report to disapprove the fee waiver request without prejudice to allow Mr. Joe to return with a fee waiver request along with the additional information cited.

8. **DISCUSSION ITEMS**

a) **Update on Island Annexation Program**

At staff's request, the Commission agreed to postpone consideration of the update to the next regular meeting.

b) **Legislative Report**

Staff provided the Commission with a report regarding the status on the second year of the 2011-2012 session of the California Legislature relating to bills directly or indirectly effecting Local Agency Formation Commissions. No comments were received.

9. EXECUTIVE OFFICER REPORT

The Commission received a verbal report from the Executive Officer regarding current staff activities, including the recent office move to 1030 Seminary Street, Suite B, Napa.

10. COMMISSIONER COMMENTS; REQUEST FOR FUTURE AGENDA ITEMS

There was no discussion of this item.

11. ADJOURNMENT

The meeting was adjourned at 5:48 p.m. The next regular LAFCO meeting is scheduled for Monday, August 6, 2012 at 4:00 p.m.

Lewis Chilton, Chair

ATTEST: Keene Simonds
Executive Officer

Prepared by:

Kathy Mabry
Commission Secretary



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 6, 2012

Agenda Item No. 5d (Consent/Information)

July 31, 2012

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: CALAFCO Quarterly Report

The Commission will receive the most recent quarterly report prepared by the California Association of Local Agency Formation Commissions. The report is being presented to Commissioners for information only.

A. Information

The California Association of Local Agency Formation Commissions (CALAFCO) recently adopted a new strategic plan. The strategic plan includes a goal of maintaining enhanced communication with member agencies. This includes providing quarterly updates on Board actions and related activities within CALAFCO. The most recent quarterly report was issued at the end of July 2012 and is attached.

B. Commission Review

The Commission is invited to review and discuss the attached report as needed.

Attachments: as stated

Lewis Chilton, Chair
Councilmember, Town of Yountville

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

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

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

Brian J. Kelly, Commissioner
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer



News from the Board of Directors

CALAFCO QUARTERLY

July 2012

CALAFCO Board Selects New Executive Director

At its July 13th meeting the CALAFCO Board of Directors selected **Pamela Miller** as the new Executive Director. The Board, along with the CALAFCO executive officer and deputy executive officers interviewed two finalists before making the selection. The finalists were recommended by the Board's Selection Committee (Jerry Gladbach, Ted Novelli, Mary Jane Griego, John Leopold, Clark Alsop, Steve Lucas and Lou Ann Texeira) which reviewed 11 proposals and interviewed four candidates before making the recommendation. The executive director serves through a contract with the Association.

Pamela Miller comes to CALAFCO with a diverse background that includes local government, non-profit, and private sector experience. Most recently, as Vice President of the Consortium for Community Development, a 501(c)(3) community-based organization with 27 member agencies, she provides support to its board of directors and spearheads a number of critical community initiatives. She serves as executive-on-loan to the City of Benton Harbor's (MI) state-appointed emergency manager as the City works its way out of financial crisis, and to the Benton Harbor Area School District on special projects such as the creation and implementation of the Benton Harbor Promise and College Access Network and Center. Previously Pamela served as Administrative Manager of the CEO Office and Clerk of the Board of Supervisors for Napa County and Deputy City Clerk for the City of Vallejo. She has also consulted with a number of local agencies in California and Michigan in developing individual and system capacities.



Additionally, Pamela serves as Program Director and trainer for Continuing Education for Public Officials, Inc. (CEPO), a non-profit organization that provides leader development and training to current and emerging leaders in the public sector in California. The University of California Riverside Extension recently named her as the Professor of Record for CEPO.

Pamela earned a Master's Degree in Organizational Leadership and a Bachelor's Degree in Business Administration from Siena Heights University. She is certified in Total Quality Management and is a graduate of the National Community Development Institute's Community Builders Leadership Institute. A California native, Pamela will be moving to her home in Suisun City (Solano County). She is expected to begin in early September and looks forward to meeting LAFCo staff and commissioners at the Annual Conference in Monterey. Pamela may be reached at pmiller@calafco.org.

New Board Member Appointed

The Board appointed Stanislaus LAFCo Alternate Commissioner **Matthew Beekman** to fill the vacancy created when Stephen Souza lost his re-election bid to the Davis City Council in June. Commissioner Beekman is Mayor Pro Tem of the City of Hughson. His CALAFCO Board seat is the city commissioner from the Central Region and is up for election at the annual conference this fall.

CALAFCO Annual Conference in Monterey

The CALAFCO Annual Conference is scheduled for **October 3rd-5th** at the **Hyatt Regency Monterey**.



The Program Committee, under the leadership of John Leopold, Lou Cunningham Marjorie Blom and Kate McKenna, is fully engaged in creating a rich learning and networking opportunity. Featured speakers include:

-  **Karen Ross**, Secretary of Food & Agriculture
-  **Sylvia M. Panetta**, Director of the Panetta Institute for Public Policy
-  **Mark Nechodom**, Director of the department of Conservation

Other conference highlights include a mobile workshop – *The Bounty of Monterey County*, the 2nd annual CALAFCO Open golf adventure, and the 6th wine competition. The CALAFCO Annual membership meeting will be held on Thursday, October 4th at 8:00 a.m. and includes the election of the Board of Directors.

Complete program details and registration information is available on the CALAFCO website www.calafco.org.

Legislative Activities

- * **AB 2238 (Perea)** – Has been significantly amended to remove all LAFCo mandates. Now would require Department of Public Health to consult with LAFCo prior to issuing grants or loans to agencies which may serve disadvantaged unincorporated communities. It is scheduled to be heard in Senate Appropriations on August 6.
- * **AB 2698 (Assembly Local Government Committee)** – This is the CALAFCO-sponsored annual C-K-H Omnibus bill. In addition to technical changes, AB 2698 also includes important clarifications to the protest provisions and waiver of notice provisions. It has passed the Legislature and on July 9 was signed into law.

CALAFCO U – CEQA for LAFCo



This workshop for LAFCo and local agency staff focuses on the basics, practices and responsibilities for environmental documentation on LAFCo projects. The class is scheduled for Friday, September 14th in Sacramento. Visit www.calafco.org for information and registration. AICP credits available.



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 6, 2012

Agenda Item No. 5e (Consent/Information)

July 30, 2012

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Brendon Freeman, Analyst 

SUBJECT: Current and Future Proposals

The Commission will receive a report summarizing current and future proposals. The report is being presented for information. No new proposals have been submitted since the June 4, 2012 meeting.

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

A. Information

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

Formation of the Villa Berryessa Water District

This application has been submitted by Miller-Sorg Group, Inc. The applicant proposes the formation of a new special district under the California Water District Act. The purpose in forming the new special district is to provide public water and sewer services to a planned 100-lot subdivision located along the western shoreline of Lake Berryessa. A tentative subdivision map for the underlying project has already been approved by the County. The County has conditioned recording the final map on the applicants receiving written approval from the United States Bureau of Reclamation to construct an access road and intake across federal lands to receive water supplies from Lake Berryessa. Based on their own review of the project, the Bureau is requesting a governmental agency accept responsibility for the construction and perpetual operation of the water and sewer systems serving the subdivision.

Status: Staff is currently awaiting a response to an earlier request for additional information from the applicant.

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Councilmember, Town of Yountville

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Joan Bennett, Commissioner
Councilmember, City of American Canyon

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

Keene Simonds
Executive Officer

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

The City of St. Helena proposes the annexation of approximately 100 acres of unincorporated territory located northwest of the intersection of Silverado Trail and Zinfandel Lane. The subject territory consists of one entire parcel and a portion of a second parcel, which are both owned and used by St. Helena to discharge treated wastewater from an adjacent treatment plant through a spray irrigation system. Both subject parcels are located outside the City's sphere of influence. Rather than request concurrent amendment, St. Helena is proposing only the annexation of a portion of the second parcel to ensure the subject territory is non-contiguous to its incorporated boundary and therefore eligible for annexation under Government Code Section 56742. This statute permits a city to annex non-contiguous land it owns and uses for municipal purposes without consistency with its sphere of influence. However, if sold, the statute requires the land be automatically detached. The two subject parcels are identified by the County Assessor as 030-240-017 (portion) and 030-250-018.

Status: Staff has completed its review of the proposal. St. Helena has filed a request with the Commission to delay consideration of the proposal in order to explore a separate agreement with the County to extend the current Williamson Act contract associated with the subject territory.

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

Wilkins Avenue Annexation to the City of Napa

A representative for the landowner of a 0.77 acre unincorporated property has inquired about re-initiating annexation. This property was conditionally approved for annexation by the Commission on February 2, 2009. Staff on several occasions attempted to contact the landowner to request the outstanding conditions be fulfilled. The conditions, however, were never satisfied and annexation proceedings were formally abandoned on April 5, 2010. Staff is working with the landowner's representative and the City to discuss resuming annexation proceedings. This includes preparing a new application in consultation with the City.

Easum Drive Annexation to the City of Napa

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

Imola Avenue/Tejas Drive Annexation to the City of Napa

An interested landowner within a substantially surrounded unincorporated island located near the intersection of Imola Avenue and Tejas Avenue in the City of Napa has inquired about annexation. The interested landowner owns an approximate 1.5 acre undeveloped lot and is interested in ultimately pursuing a development project, although no specific plans exist at this time. Staff worked with the landowner on gauging interest to increase the island through a survey. The results of the survey indicated, however, there is not sufficient interest to expand the boundary to eliminate the entire island. Accordingly, and in consultation with the City of Napa, staff has expressed support for the landowner to move forward with the City in initiating an application to LAFCO for the affected territory with the caveat that it may be amended at the dais if deemed appropriate by the Commission.

Formation of a Community Services District at Capell Valley

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

Alumbaugh Annexation to the City of Napa

An interested landowner has inquired about annexation to the City of Napa. The subject territory is approximately 6.0 acres and comprises one entire unincorporated parcel located at 29 Forest Drive near west Napa. The purpose of the potential proposal would be to allow the landowners to begin work with Napa in processing a residential subdivision application consistent with the City's General Plan and Zoning Ordinance. A review of LAFCO records shows the subject territory was added to Napa's sphere of influence in June 1978 as part of an approved amendment involving several other properties in the Redwood Road/Forest Drive area.

Airport Industrial Area Annexation to County Service Area No. 3

LAFCO staff has recently completed a sphere of influence review and update for County Service Area (CSA) No. 3. This includes a recommendation to amend CSA No. 3's sphere to add approximately 100 acres of unincorporated territory located immediately north of the City of American Canyon in the Airport Industrial Area. If approved, the County of Napa is expected to submit an application to annex the 100 acres to CSA No. 3. The subject territory is completely uninhabited and includes six entire parcels along with a portion of a seventh parcel. This seventh parcel, notably, comprises a railroad track owned and operated by Southern Pacific. The subject territory also includes segments of Airport Drive, Devlin Road, and South Kelly Road. Annexation would help facilitate the orderly extension of street and fire protection services to the subject territory under the land use authority of the County.

B. Commission Review

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

Attachments: none



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

August 6, 2012

Agenda Item No. 6a (Public Hearing)

July 30, 2012

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Brendon Freeman, Analyst

SUBJECT: Devlin Road/South Kelly Road No. 2 Reorganization

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

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

A. Discussion

Applicants Proposal

LAFCO of Napa County (“Commission”) has received a joint proposal from the City of American Canyon and American Canyon Fire Protection District (ACFPD) requesting approval to annex approximately 1.1 acres lying within the designated Napa County Airport Industrial Area. The applicants are also requesting a fee waiver approval from the Commission. A vicinity map depicting the affected territory follows.

Lewis Chilton, Chair
Councilmember, Town of Yountville

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

Brian J. Kelly, Commissioner
Representative of the General Public

Joan Bennett, Commissioner
Councilmember, City of American Canyon

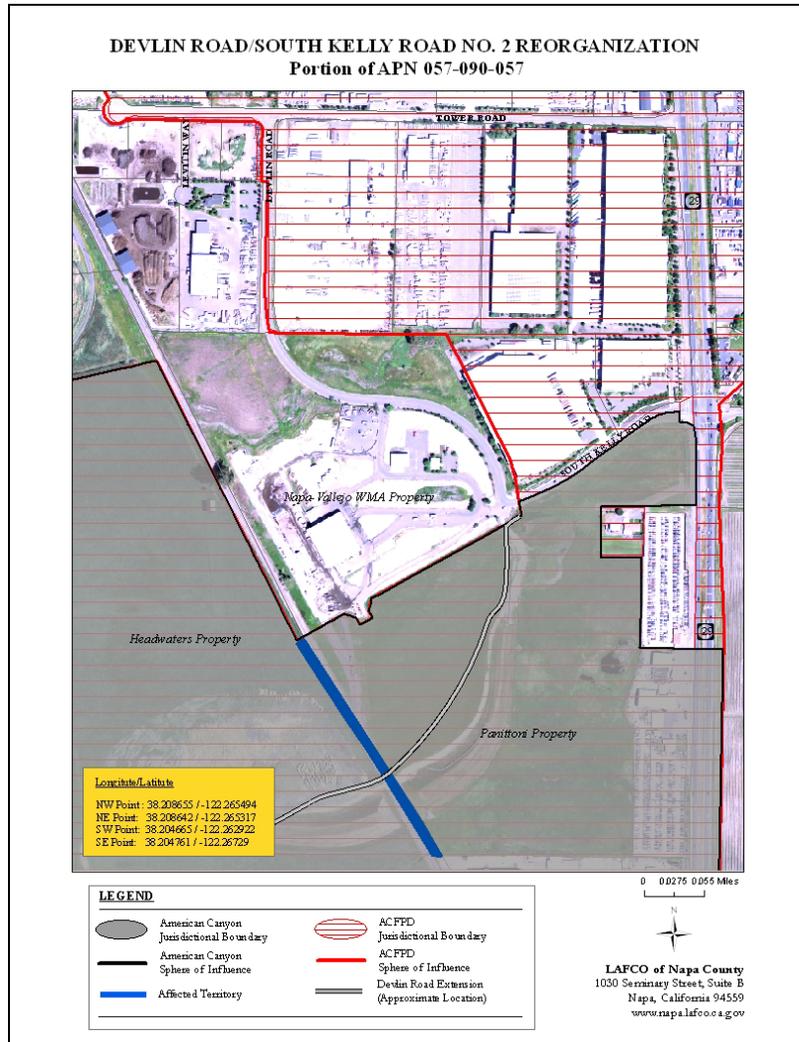
Bill Dodd, Commissioner
County of Napa Supervisor, 4th District

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

Keene Simonds
Executive Officer



The Commission added the affected territory to both agencies' spheres of influence as part of comprehensive updates completed in 2010. The affected territory consists of a portion of a legal lot owned by Southern Pacific Railroad and developed with a train track that extends north into the Napa Valley.¹ The approximate center portion of the affected territory now underlies an overcrossing of the train track as part of the recently completed Devlin Road southern extension.

The underlying and immediate purpose of the proposal is to eliminate an existing unincorporated corridor substantially surrounded by American Canyon and ensure the City has full control in operating and maintaining Devlin Road south of South Kelly Road.² Annexation to ACFPD, similarly, would eliminate a corridor substantially surrounded by the District and ensure the District fire protection and emergency medical services align with American Canyon as it relates to the affected territory.

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

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

B. Analysis

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

Discretionary Considerations

In reviewing the application materials, and in consideration of adopted policies, it appears one discretionary amendment appears appropriate with respect to the Commission's consideration of the proposal as submitted. The subject amendment would involve the Commission enforcing its policy to require all annexations to cities to be reorganized to include concurrent detachment from County Service Area (CSA) No. 4 unless waived based on specific circumstances.³ The prescribed waiver involves a determination the affected territory has been, or is expected to be, developed to include planted vineyards totaling one acre or more in size. Staff has evaluated this policy relative to the proposal and concludes the waiver does not apply given there is no indication the land has or will be used for vineyard use; all of which substantiates there is no existing or expected connection between the affected territory and CSA No. 4 in providing local public farmworker housing services.

Mandatory Considerations

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

³ CSA No. 4 was formed in 2002 and includes all unincorporated territory along with certain incorporated territory located within the Cities of Calistoga, Napa, St. Helena, and Yountville. The intent and function of CSA No. 4 is to sponsor a voter-approved assessment on all assessor parcels within its jurisdiction containing one acre or more of planted vineyards for the purpose of funding farmworker housing services. The referenced Commission policy to reorganize city annexations to include concurrent detachments from CSA No. 4 is provided under General Policy Determination VII/D/3(a).

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

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

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

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

The present and future need for elevated services within the affected territory appears limited to elevated street, fire protection, and emergency medical services. These needs, in particular, appear pertinent to the portion of the affected territory that includes the recently completed Devlin Road overpass. Based on the Commission's most recent municipal service review for the southeast region, and specific to current capacities, American Canyon and ACFPD appear best positioned in providing these respective elevated services going forward.

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

The proposal would strengthen the social and economic ties existing between the affected territory and American Canyon and ACFPD. These ties were recognized by the Commission in June and August 2010 in its decision to add the affected territory to both agencies' spheres of influence as part of comprehensive updates.

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

The Commission has previously determined American Canyon and ACFPD are the logical land use and service providers for the affected territory by including the subject land within these agencies' spheres of influence. In particular, the annexation of the affected territory represents an orderly extension of both agencies' northern jurisdictional boundaries and eliminates existing "gaps" within their current service areas. Further, annexation is not expected to induce any new development of the affected territory within the foreseeable future nor facilitate or lead to the conversion of open-space lands as defined under G.C. Section 56377.

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

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

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

The affected territory comprises an existing and known unincorporated corridor substantially surrounded by both the jurisdictional boundaries of American Canyon and ACFPD. The definiteness and certainty of the affected territory is reasonably depicted in the draft map and geographic description prepared by the applicant's surveyor. Proposal approval would be conditioned on the receipt of a final map and geographic description of the affected territory prepared in accordance with State Board of Equalization requirements and verified by the Executive Officer.

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

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

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

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

The affected territory was added to American Canyon and ACFPD's spheres of influence as part of comprehensive updates adopted by the Commission in June and August 2010, respectively. The proposal, accordingly, conforms to the affected agencies' existing spheres of influence designations.

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

Staff electronically circulated a summary of the applicants' proposal to annex the affected territory to American Canyon and ACFPD along with accompanying materials for review to all subject local agencies on April 5, 2012. The summary also noted the likelihood staff would recommend amending the proposal to include the concurrent detachment from CSA No. 4. One comment was received and is summarized below.

- **County of Napa**

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

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

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

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

The Commission has previously designated American Canyon as the appropriate water service provider for the affected territory in conjunction with establishing extraterritorial water/sewer service areas for the City in October 2007. The existing and contemplated long-term use of the affected territory is not expected to generate any new water demands on American Canyon. No additional analysis appears merited.

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

The proposal would not facilitate any new housing development based on existing and planned uses and therefore will not have an impact on American Canyon or the County in meeting their future regional housing needs.

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

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

14) Any information relating to existing land use designations.

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

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

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

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

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

With respect to ACFPD, the current and future landowners of the affected territory will benefit from annexing into the District in terms of having available an elevated level of fire protection and emergency medical response services.

Terms and Conditions

Staff proposes the Commission apply standard terms and conditions to the proposal if approved. This includes requiring the applicant to prepare a final map and geographic description identifying the approved boundary changes consistent with the requirements of the State Board of Equalization. Other standard conditions include the applicant submitting a signed indemnification agreement and paying all outstanding fees tied to the proposal. A certificate of completion would not be recorded until all terms are satisfied.⁴ No special terms or conditions are proposed.

Prezoning Determination

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

Property Tax Allocation Determination

California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement by the affected local agencies before LAFCO can consider any change of organization irrespective of current values.⁵ Accordingly, American Canyon and the County have agreed by resolution of their respective boards to a property tax exchange agreement applicable to the proposed action. The agreement specifies American Canyon and the County shall each receive 47.5% of the property tax increment tied to the affected territory with the remaining 5.0% dedicated to ACFPD.

Environmental Review

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

⁴ State law requires all terms and conditions be satisfied within one calendar year of approval unless a time extension is requested and approved by the Commission. There is no time limit on the length of the extension.

⁵ California Revenue and Taxation Code Section 99(b)(6) specifies all exchanges of property tax revenues involving special districts shall be negotiated on behalf of their respective county.

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

Conducting Authority Proceedings

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

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

D. Recommendation

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

E. Alternatives for Commission Action

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

Alternative Action One (Recommended):

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

Alternative Action Two:

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

Alternative Action Three:

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

F. Procedures for Consideration

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

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

Respectfully submitted,

Keene Simonds
Executive Officer

Brendon Freeman
Analyst

Attachments:

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

RESOLUTION NO. _____

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

DEVLIN ROAD/SOUTH KELLY ROAD NO. 2 REORGANIZATION

WHEREAS, the City of American Canyon and American Canyon Fire Protection District, by separate resolutions of application, have filed a joint proposal with the Local Agency Formation Commission of Napa County, hereinafter referred to as the “Commission,” pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000;

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

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

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

WHEREAS, the Commission heard and fully considered all the evidence presented at a public meeting held on the proposal on August 6, 2012; and

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

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

1. The Commission, as responsible agency, certifies it has reviewed and considered the environmental determinations prepared by the designated lead agency – County of Napa – concerning potential impacts associated with the proposal in accordance with the California Environmental Quality Act (CEQA). This specifically involves consideration of County of Napa’s *Beringer Wine Estates/Devlin Road Facility Final Environmental Impact Report* (re-certified on April 9, 2002) and the associated *Napa Commerce Center Project Initial Study/Addendum* (adopted January 7, 2009); documents that collectively assessed the environmental impacts tied to the proposed annexation. The Commission adopts and incorporates by reference the County’s findings as set forth in its Resolution No. 02-72 on the identified potentially significant impacts, associated mitigation measures, and unavoidable significant impacts for the affected territory, including the statement of overriding considerations. The Commission’s findings are based on its independent judgment and analysis. The records upon which these findings are made are located at the Commission office at 1030 Seminary Street, Suite B, Napa, California 94559.
2. The proposal is APPROVED with the following amendment:

a) The affected territory (1.09 acre portion of 057-090-057) is concurrently detached from County Service Area No. 4 in accordance with Commission Policy Determination VII/D/3/a.

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

DEVLIN ROAD/SOUTH KELLY ROAD NO. 2 REORGANIZATION

4. The affected territory is depicted in draft geographic description and map provided in Exhibit "A".
5. The affected territory is uninhabited as defined in Government Code Section 56046.
6. The City of American Canyon utilizes the regular assessment roll of the County of Napa.
7. Upon effective date of the proposal, the affected territory will be subject to all previously authorized charges, fees, assessments, and taxes that were lawfully enacted by the City of American Canyon and American Canyon Fire Protection District. The affected territory will also be subject to all of the rates, rules, regulations, and ordinances of the City of American Canyon and American Canyon Fire Protection District.
8. The Commission authorizes conducting authority proceedings to be waived in accordance with Government Code Section 56663(c)(1).
9. The Commission waives the application fee associated with the proposal.
10. Recordation is contingent upon receipt by the Executive Officer of the following:
 - (a) A final map and geographic description of the affected territory determined by the County Surveyor to conform to the requirements of the State Board of Equalization for annexation to the City of American Canyon and American Canyon Fire Protection District
 - (b) Payment of any outstanding fees owed to other agencies involved in the processing of this proposal.
 - (c) An indemnification agreement signed by the City of American Canyon and American Canyon Fire Protection District in a form provided by the Commission Counsel.
11. The effective date shall be the date of recordation of the Certificate of Completion.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on August 6, 2012, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

ABSENT: Commissioners _____

ATTEST: Keene Simonds
Executive Officer

Recorded by: _____
Kathy Mabry
Commission Secretary

#4106054.3
May 15, 2012

EXHIBIT A
SOUTHERN PACIFIC RAILROAD
ANNEXATION TO THE CITY OF AMERICAN CANYON
AND AMERICAN CANYON FIRE PROTECTION DISTRICT
GEOGRAPHIC DESCRIPTION

All that certain real property situated in a portion of Section 12, Township 4 North, Range 4 West, Mount Diablo Base and Meridian, in the County of Napa, State of California described as follows:

Beginning at a northern corner point on the existing City of American Canyon and American Canyon Fire Protection District boundary, said point also being the southwest corner of the lands of South Napa Waste Management Authority, as described in the Grant Deed recorded on November 19, 1993, as Series Number 1993-37831 of Official Records of Napa County and on the northeastern right of way of the Southern Pacific Railroad of the Calistoga Branch;

thence along said district boundary (1) South 28° 53' 55" East 1,225.75 feet along said right of way;

thence leaving said right of way (2) North 89° 19' 05" West 57.49 feet to a point on the existing district boundary said point also being on the southwestern right of way of the Southern Pacific Railroad of the Calistoga Branch;

thence (3) North 28° 53' 55" West 1,197.34 feet along said southwestern right of way to the purlongation of the existing district boundary from the east;

thence along said purlongation (4) North 61° 04' 14" East 50.00 feet to the **Point of Beginning**.

END OF DESCRIPTION



 **DRAFT**

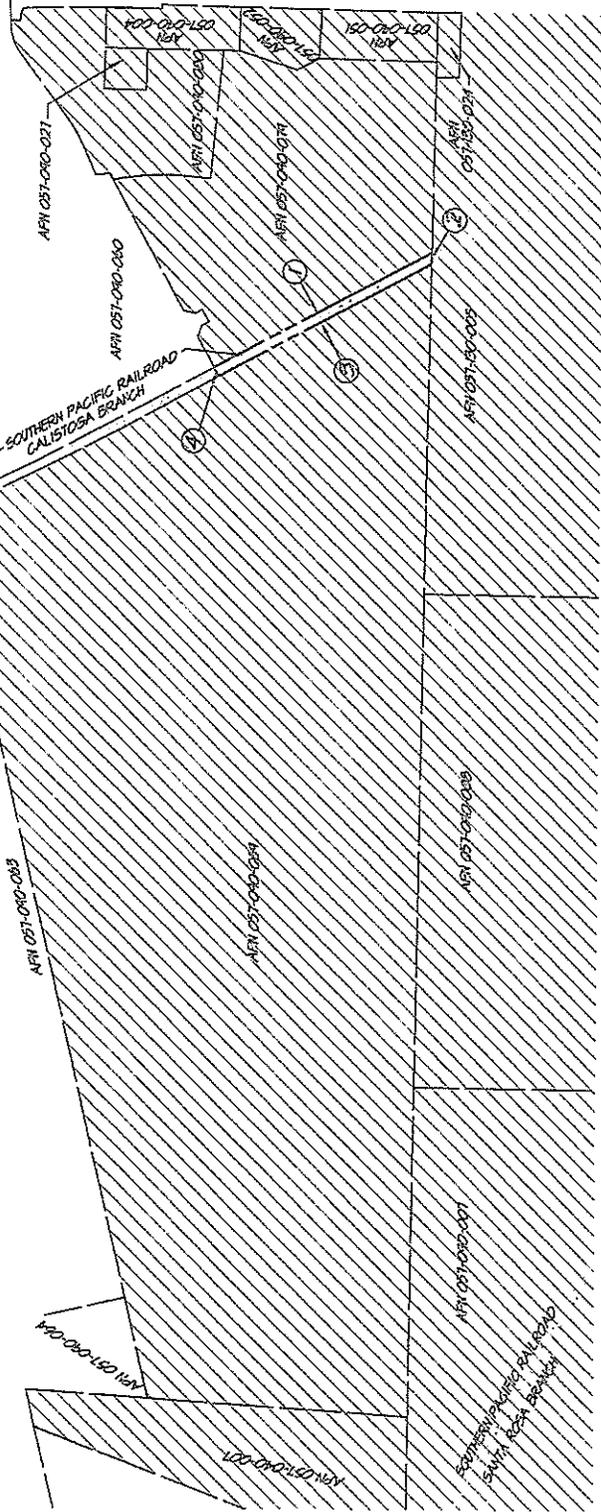
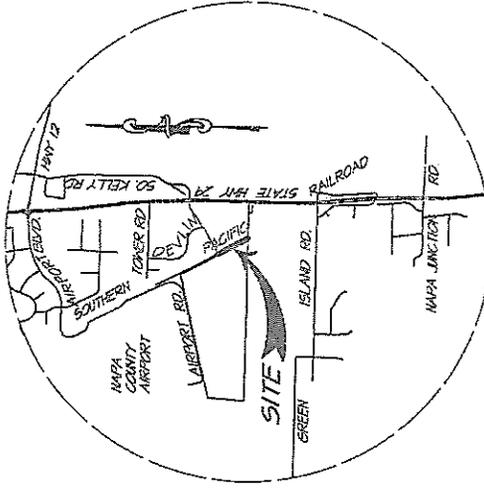
SOUTHERN PACIFIC RAILROAD ANNEXATION TO THE CITY OF AMERICAN CANYON AND AMERICAN CANYON FIRE PROTECTION DISTRICT NAPA COUNTY CALIFORNIA

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

COURSES		
COURSE 1:	S28°53'55"E	1225.15'
COURSE 2:	N89°19'05"W	57.49'
COURSE 3:	N28°53'55"W	1197.34'
COURSE 4:	N61°04'14"E	50.00'
1.39 ACRES ±		

LEGEND

-  EXISTING CITY OF AMERICAN CANYON AND AMERICAN CANYON FIRE PROTECTION DISTRICT BOUNDARY
-  PROPOSED SOUTHERN PACIFIC RAILROAD PROPERTY ANNEXATION BOUNDARY





 RICHARDS
 SPENCE
 ASSOCIATES
 CONSULTING CIVIL ENGINEERS

1515 Fourth Street
 Napa, Calif. 94559
 P 707.252.3301
 F 707.252.4966

4106054.3 MAY 15, 2012

DRAFT

CITY OF AMERICAN CANYON



April 3, 2012

Keene Simonds, Executive Officer
Local Agency Formation Commission
1700 Second Street, Suite 268
Napa, CA 94559

Subject: Submittal of Application to Annex 1.09 acres of railroad property bisected by Devlin Road in the Napa Airport Industrial Park into the City of American Canyon and the American Canyon Fire Protection District

Dear Mr. Simonds,

It is our pleasure to submit an application to annex annexation of 1.09 acres of railroad property bisected by Devlin Road in the Napa Airport Industrial Park into the City of American Canyon. Enclosed are the application materials. Per our previous discussion, and due to the de minimus aspect of the application, I would like to respectfully request the application fees be waived for this application. If you require any further information, I may be contacted at (707) 647-4335 or by e-mail at bcooper@cityofamericancanyon.org.

Sincerely,
CITY OF AMERICAN CANYON

Brent Cooper, AICP
Community Development Director

Attachments:

1. Application
2. Resolution of Support
3. Letter of support from Napa County

cc: (Without attachments)

Supervisor Keith Caldwell
Nancy Watt, Napa County CEO
Dana Shigley, City Manager
Bill Ross, City Attorney
Doug Pope, Headwaters Development Company



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

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

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

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

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

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

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

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

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

SECTION 1. ANNEXATION APPLICATION

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

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

MAYOR GARCIA:	<u>yes</u>
VICE MAYOR COFFEY:	<u>yes</u>
COUNCILMEMBER B. BENNETT:	<u>yes</u>
COUNCILMEMBER J. BENNETT:	<u>yes</u>
COUNCILMEMBER JOSEPH:	<u>yes</u>

Leon Garcia
Leon Garcia, Mayor

ATTEST:
Rebekah Barr
Rebekah Barr, MMC,
City Clerk

APPROVED AS TO FORM:
William D. Ross
William D. Ross,
City Attorney

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

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

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

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

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

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

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

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

NOW, THEREFORE, the City Council, sitting ex-officio as the Board of Directors of the American Canyon Fire Protection District does hereby **RESOLVE AS FOLLOWS**:

SECTION 1. ANNEXATION APPLICATION

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

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

CHAIRMAN GARCIA:
VICE CHAIRMAN COFFEY:
BOARDMEMBER B. BENNETT:
BOARDMEMBER J. BENNETT:
BOARDMEMBER JOSEPH:

aye
Absent
Aye
Aye
Aye

Leon Garcia
Leon Garcia, Chairman, Board of Directors

ATTEST
Glen E. Weeks
Glen E. Weeks, District Clerk

APPROVED AS TO FORM:
William D. Ross
William D. Ross, District Counsel
American Canyon Fire Protection District

FORM D

Date Filed: _____

Received By: _____

JUSTIFICATION OF PROPOSAL
Change of Organization/Reorganization

I. APPLICANT INFORMATION

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

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

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

B. Applicant Type:
(Check One)

Local Agency

Registered Voter

Landowner

II. PROPOSAL DESCRIPTION

A. Affected Agencies:

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

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

Name Address

Use Additional Sheets as Needed

B. Proposal Type:
(Check as Needed)

Annexation

Detachment

City Incorporation

District Formation

City/District
Dissolution

City/District
Merger

Service Activation
(District Only)

Service Divestiture
(District Only)

C. Purpose Statement:
(Specific)

AMERICAN CANYON PROPOSES THE CONCURRENT ANNEXATION OF AN APPROXIMATE 1.09 ACRE STRIP OF A NEAR PARCEL (#057-690-057) TO THE CITY + DISTRICT TO COORDINATE PLANNING / MAINTENANCE OF THE DEVILIN ROAD EXTENSION. AFFECTED LAND IS LOCATED IN BOTH CITY + DISTRICT'S SPHERES.

III. GENERAL INFORMATION

A. Location:

—	PORTION OF 057-090-057	1.09 1/2
Street Address	Assessor Parcel Number	Acres
Street Address	Assessor Parcel Number	Acres
Street Address	Assessor Parcel Number	Acres
Street Address	Assessor Parcel Number	Acres
Total Location Size (Including Right-of-Ways) _____		

B. Landowners:

(1) Assessor Parcel Number :	057-090-057	Name:	SOUTHERN PACIFIC R/R
Mailing Address:	PO BOX 2500 BLOOMFIELD CO 80038-2500		
Phone Number:	—	E-mail:	—
(2) Assessor Parcel Number :		Name:	
Mailing Address:			
Phone Number:		E-mail:	
(3) Assessor Parcel Number :		Name:	
Mailing Address:			
Phone Number:		E-mail:	
(4) Assessor Parcel Number :		Name:	
Mailing Address:			
Phone Number:		E-mail:	

Use Additional Sheets As Needed

C. Population:

(1) Total Number of Residents:	0
(2) Total Number of Registered Voters:	0

IV. GOVERNMENTAL SERVICES AND CONTROLS

A. Plan For Providing Services:

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

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

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

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

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

IMMEDIATELY UPON ANNEXATION

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

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

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

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

V. ENVIRONMENTAL INFORMATION

A. Environmental Analysis

(1) Lead Agency for Proposal: AMERICAN CANYON
Name

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

- Environmental Impact Report w/ ADDENDUM = COUNTY EIR /
- Negative Declaration/Mitigated Negative Declaration BERNARD WINE ESTATES
- Categorical/Statutory Exemption: _____
Type
- None

4/1/02 + 1/7/09

Provide Copies of Associated Environmental Documents

VI. ADDITIONAL INFORMATION

A. Approval Terms and Conditions Requested For Commission Consideration:

Use Additional Sheets As Needed

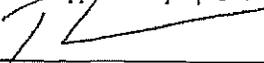
B. Identify Up to Three Agencies or Persons to Receive Proposal Correspondence:

- (1) Recipient Name: BREAST COOPER, CITY OF AMERICAN CANYON
Mailing Address: 1331 BROADWAY STREET, #29, AMERICAN CANYON, CA 94703
E-Mail: BCOOPER@CITYOFAMERICANCANYON.CA.GOV
- (2) Recipient Name: GLENN WEEKS, AMERICAN CANYON F.D.D
Mailing Address: 911 DAWSON WAY, AMERICAN CANYON, CA 94703
E-Mail: GLENNW@AMCANFIRE.COM
- (3) Recipient Name: _____
Mailing Address: _____
E-Mail: _____

VII. CERTIFICATION

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

Signature:



Printed Name:

Brent Cooper

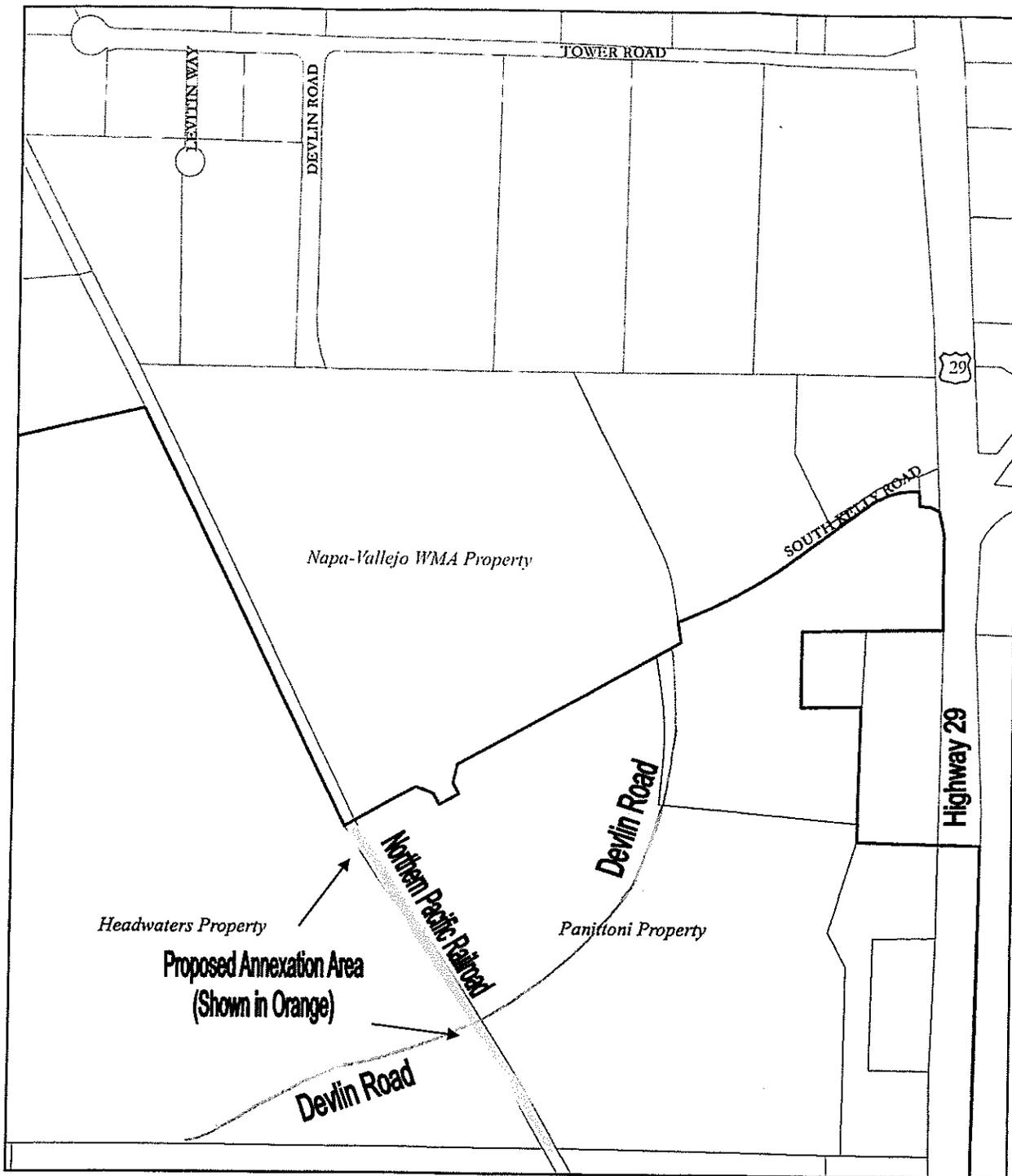
Title:

Community Development Director

Date:

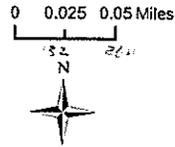
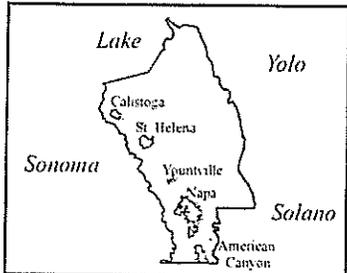
1/24/12

**PROPOSED ANNEXATION
Portion of APN 057-090-057**



Legend

-  City of American Canyon Jurisdictional Boundary
-  City of American Canyon Sphere of Influence
-  Affected Territory



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

#4106054.3
May 15, 2012

EXHIBIT A
SOUTHERN PACIFIC RAILROAD
ANNEXATION TO THE CITY OF AMERICAN CANYON
AND AMERICAN CANYON FIRE PROTECTION DISTRICT
GEOGRAPHIC DESCRIPTION

All that certain real property situated in a portion of Section 12, Township 4 North, Range 4 West, Mount Diablo Base and Meridian, in the County of Napa, State of California described as follows:

Beginning at a northern corner point on the existing City of American Canyon and American Canyon Fire Protection District boundary, said point also being the southwest corner of the lands of South Napa Waste Management Authority, as described in the Grant Deed recorded on November 19, 1993, as Series Number 1993-37831 of Official Records of Napa County and on the northeastern right of way of the Southern Pacific Railroad of the Calistoga Branch;

thence along said district boundary (1) South 28° 53' 55" East 1,225.75 feet along said right of way;

thence leaving said right of way (2) North 89° 19' 05" West 57.49 feet to a point on the existing district boundary said point also being on the southwestern right of way of the Southern Pacific Railroad of the Calistoga Branch;

thence (3) North 28° 53' 55" West 1,197.34 feet along said southwestern right of way to the purlongation of the existing district boundary from the east;

thence along said purlongation (4) North 61° 04' 14" East 50.00 feet to the **Point of Beginning**.

END OF DESCRIPTION



SOUTHERN PACIFIC RAILROAD ANNEXATION TO THE CITY OF AMERICAN CANYON AND AMERICAN CANYON FIRE PROTECTION DISTRICT NAPA COUNTY CALIFORNIA

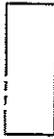
FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR ANY OFFER FOR SALE OF THE LAND DESCRIBED.

COURSES	
COURSE 1:	S28°53'55"E 1225.75'
COURSE 2:	N89°19'05"W 51.49'
COURSE 3:	N28°53'55"W 1917.34'
COURSE 4:	N61°04'14"E 50.00'
1.39 ACRES ±	

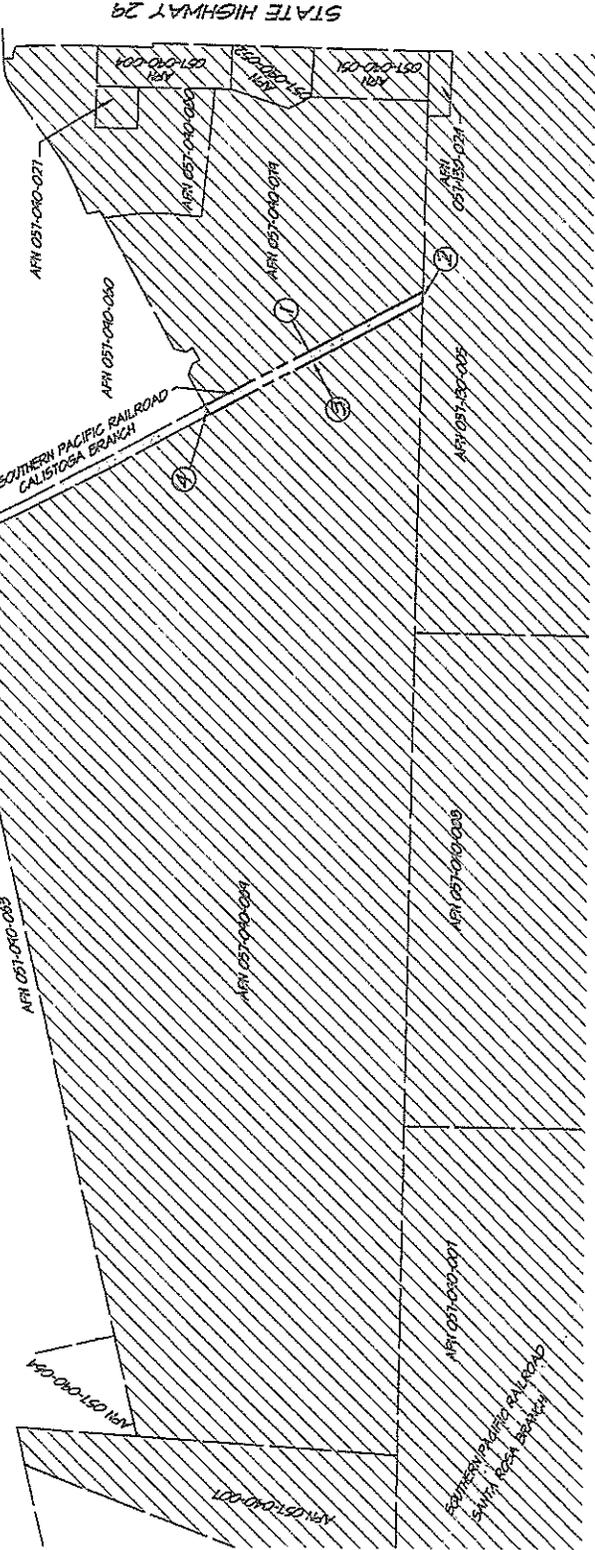
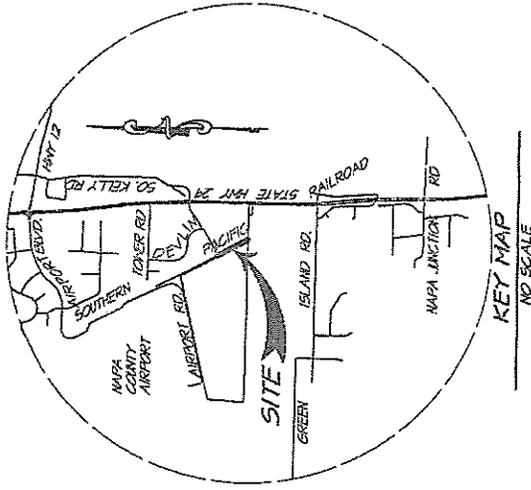
LEGEND



EXISTING CITY OF AMERICAN CANYON AND AMERICAN CANYON FIRE PROTECTION DISTRICT BOUNDARY



PROPOSED SOUTHERN PACIFIC RAILROAD PROPERTY ANNEXATION BOUNDARY



STATE HIGHWAY 29

GRAPHIC SCALE



1515 Fourth Street
 Napa, Calif. 94559
 P 707.252.3301
 F 707.252.4966

41060343 MAY 15, 2012



A Tradition of Stewardship
A Commitment to Service

REC

MAR 23 2012

NAPA COUNTY
LAFCO

1195 Third Street, Suite 310
Napa, CA 94559-3092
www.countyofnapa.org

Main: (707) 253-4386
Fax: (707) 253-4176

March 20, 2012

Lewis Chilton, Chair
Local Agency Formation Commission of Napa County
1700 Second Street, Suite 268
Napa, CA 94559

Dear Lewis,

I am writing to express the support of the County of Napa for the annexation of railroad property currently proposed by the City of American Canyon.

In January, 2011, your Commission certified the annexation of two properties to the City of American Canyon. Parcel 057-090-069 is owned by Napa Industrial LLC and is the subject of a proposed development known as the Headwaters project. Parcel 057-090-079 is owned by Napa Airport Corporate Centre LLC and is the subject of a proposed development known as the Panattoni project. The development of these parcels, and their annexation to the City of American Canyon, is consistent with the Rural-Urban Limit Line Agreement which was entered between the County and the City in 2008.

The developers of the Headwaters project constructed an extension of Devlin Road from South Kelly Road, to and through their site, including an overcrossing of the Southern Pacific Railroad line, which separates the Headwaters and Panattoni properties.

The railroad property which separates the Headwaters and Panattoni parcels was not included in the 2011 annexation action. However, now that the road improvements are complete, the result is that all of the new roadway except the railroad overcrossing is inside the City of American Canyon, while the overcrossing itself is in the unincorporated area. The City is now applying to LAFCO to annex the railroad property, to clear up this inconsistency. The total area to be annexed through this action is 1.09 acres, which comprises a portion of Parcel 057-090-057.

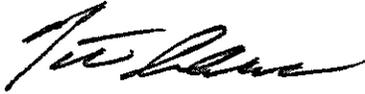
Both the Headwaters and Panattoni projects began their entitlement process through the County, while each site was still within the unincorporated area. However, due to knowledge of the impending annexation, County staff worked with staff from the City of American Canyon throughout the review and approval of both the site development and the design/construction of the road extension. Our mutual understanding throughout this process has been that the City would be responsible for operation and maintenance of the new road, beginning at the intersection of South Kelly Road and continuing to its southern terminus. American Canyon will be extending the road southerly

Lewis Chilton, LAFCO Chair
March 20, 2012
Page 2 of 2

from this point to Green Island Road in the future, as a function of development of land in that area which was already within the city limits. The County of Napa supports the proposed annexation of the railroad property, as it will clean up the potential problem of having the railroad overcrossing as an isolated piece of County road, detached from the rest of the County system (and providing access to no unincorporated areas).

In addition to supporting the annexation, the County of Napa is willing to enter into the process of developing a property tax sharing agreement. Property tax sharing agreement number 7070-1, entered into between American Canyon and Napa County in May 2009, will need to be amended to include this parcel.

Regards,

A handwritten signature in black ink, appearing to read "Keith Caldwell", written in a cursive style.

Keith Caldwell
Chairman, Napa County Board of Supervisors



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

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

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

August 6, 2012

Agenda Item No. 6b (Public Hearing)

July 30, 2012

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Brendon Freeman, Analyst

SUBJECT: Sphere of Influence Update on County Service Area No. 3

The Commission will consider formally receiving a final report on its scheduled sphere of influence update on County Service Area No. 3. The final report recommends the Commission update the existing sphere of influence to include an additional 100 acres of unincorporated land located in the vicinity of Devlin Road's intersection with South Kelly Road. The Commission will also consider adopting a resolution confirming the final report's recommendations and related determinative statements.

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

A. Discussion

Staff has prepared a final report representing LAFCO of Napa County's ("Commission") scheduled sphere update on County Service Area (CSA) No. 3; the governmental entity responsible for providing miscellaneous street and fire protection services for the Napa County Airport and surrounding area. The basic objective of the report is to independently identify and evaluate areas warranting consideration for inclusion or removal from CSA No. 3's sphere relative to the policies and goals codified in CKH and adopted by the Commission. The report supersedes the last comprehensive sphere update for CSA No. 3 adopted by the Commission in October 2007. The report also draws on information collected and analyzed in the Commission's recently completed municipal service review on the southeast county region, which included evaluating the availability, adequacy, and capacity of services provided by CSA No. 3.

Lewis Chilton, Chair
Councilmember, Town of Yountville

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

Brian J. Kelly, Commissioner
Representative of the General Public

Joan Bennett, Commissioner
Councilmember, City of American Canyon

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

Keene Simonds
Executive Officer

B. Summary/Analysis

Report Policy Focus

A central premise underlying the final report and its analysis – including identifying potential changes – is considering the current and probable relationship between CSA No. 3 and the implementation of the County of Napa’s Airport Industrial Area Specific Plan (AIASP). Specifically, and to a significant degree, the report is premised on the policy tenet that unincorporated lands lying within the AIASP should be served by CSA No. 3 unless unique circumstances suggest otherwise. Markedly, this premise is consistent with past Commission actions concerning CSA No. 3 and the designation of its sphere.

In step with the referenced central premise, the report evaluates the merits of adding the remaining 360 acres of unincorporated lands that lie within the County’s AIASP to CSA No. 3’s current sphere. Further, due to geopolitical considerations, these subject lands have been divided into four distinct subareas labeled “A-1” through “A-4” and are depicted in the map provided as Attachment One.

Report Recommendations

The final report recommends the Commission update CSA No. 3’s existing sphere to include the subarea identified as A-1 at this time. A-1 comprises approximately 100 acres and includes all or parts of seven parcels located immediately south-central of the current sphere. All lands in A-1 are already developed for urban purposes, immediately adjacent and accessible, and can be reasonably served based on current capacities and controls. Adding A-1 would also be responsive to the perceived preferences of the landowners to establish services with CSA No. 3 as well as complement the pending completion of the Devlin Road extension; a project that will improve traffic circulation in the subarea and, accordingly, warrant elevated street and fire protection services. Adding A-1 would – importantly – also improve continuity between municipal service providers in the south county region by facilitating a definitive demarcation of the jurisdictional authorities of CSA No. 3 and American Canyon.

With respect to the remaining 260 acres of unincorporated lands lying within the AIASP, the report recommends it would be appropriate to continue to exclude these lands from CSA No. 3’s sphere at this time. This recommendation to exclude these remaining lands is principally drawn from the lack of strong and distinguishable social and economic ties to CSA No. 3. In particular, the report concludes the majority of these remaining lands’ – identified as A-2 and A-3 – social and economic ties with CSA No. 3 have become stagnant over the last several decades and have seemingly been matched or surpassed by American Canyon. The report, accordingly, recommends American Canyon and the County collaborate in developing a strategy to address the long-term and comprehensive municipal needs of the two subareas to help inform subsequent sphere updates by the Commission in the south county region.

Public Review on Report

The final report on the CSA No. 3 sphere update was made available for public review on July 16, 2012 through the agency website. Also on this date staff published a public hearing notice on the sphere update and mailed announcements to landowners in all four subareas as well as other interested parties.¹ The announcements provided a brief description of the report and its recommendations and invited landowners and other interested parties to provide written comments on the sphere update through July 26th. One written comment was received and is addressed below.

- **Larry Atkins / Landowner / 057-040-007**

Mr Atkins is the principal landowner for a 25.4 acre lot located in A-2 and objects to the report's recommendation to continue to exclude his land from CSA No. 3's sphere. Mr. Atkins, in contrast, is requesting the Commission add the lot to the sphere to assist his long-standing interest in developing and/or selling the land at fair market value; actions Mr. Atkins asserts have been undermined by the County "through all sorts of devious means."

Mr. Atkins' comments, while helpful in providing context to his interests as a landowner to develop and/or sell his lot, does not substantively change staff's recommendation to continue to exclude the land from CSA No. 3's sphere. Specifically, staff believes this conclusion is merited given the majority of the subarea – including Mr. Atkins' lot – remains undeveloped, outside the reasonable range of most utilities, and not immediately accessible to CSA No. 3.² There is also, importantly, a lack of distinguishable social and economic ties existing between the subarea and CSA No. 3. Nonetheless, given the probable need for municipal services in the future, staff continues to recommend in the report the County and American Canyon cooperate in evaluating the long-term comprehensive needs of the lands in A-2 for purposes of informing subsequent sphere updates in the region by the Commission. A copy of Mr. Atkins' letter to the Commission is attached along with a vicinity map of his lot prepared by staff.

C. Recommendation

Staff recommends the Commission formally accept the final report with any desired changes or edits as identified by members. Staff also recommends the Commission adopt the attached draft resolution confirming the determinative statements in the report. Markedly, in adopting the draft resolution as presented, the Commission would update CSA No. 3's existing sphere to also include the subject lands comprising A-1; an action that would make the subject lands eligible for annexation into the District.

¹ The mailing to individual landowners within the four subareas was voluntary; State law only requires the Commission publish/post a notice for the scheduled hearing on the sphere update 21 days prior to the action.

² Mr. Atkins notes in his comment letter the County has agreed to a right-of-way easement to provide road access between his lot and Airport Drive. No construction, however, has been performed in establishing actual road access to date.

D. Alternatives for Action

The following alternative actions are available to the Commission.

Alternative Action One (Recommended)

Approve a motion to formally accept the final report with any desired changes and adopt the attached draft resolution confirming the determinative statements contained therein in updating CSA No. 3's sphere.

Alternative Action Two

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

E. Procedures for Consideration

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

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

Respectfully submitted,

Keene Simonds
Executive Officer

Brendon Freeman
Analyst

Attachments:

- ~~1) Map Depicting the Four Subareas Evaluated in Final Report~~
- 2) Draft Resolution Approving Determinative Statements in Final Report
- ~~3) Final Report~~ (Please visit the "Staff Reports" or "Studies" page to view the Final Report)
- 4) Comment Letter from Larry G. Atkins /
~~Map of Atkins Lot in A-2~~

RESOLUTION NO. ____

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

**COUNTY SERVICE AREA NO. 3
SPHERE OF INFLUENCE UPDATE 2012**

WHEREAS, the Local Agency Formation Commission of Napa County, hereinafter referred to as the “Commission”, adopted a schedule to conduct studies of the provision of municipal services in conjunction with reviewing the spheres of influence of the local governmental agencies whose jurisdictions are within Napa County;

WHEREAS, the Executive Officer of the Commission, hereinafter referred to as the “Executive Officer”, prepared a comprehensive review of the sphere of influence of County Service Area No. 3 pursuant to said schedule and California Government Code Section 56425;

WHEREAS, the Executive Officer prepared a written report of the review, including his recommendation to add certain lands to the sphere of influence identified as “A-1”;

WHEREAS, said Executive Officer’s report has been presented to the Commission in the manner provided by law;

WHEREAS, the Commission heard and fully considered all the evidence presented at a public meeting held on August 6, 2012; and

WHEREAS, the Commission considered all the factors required under California Government Code Section 56425.

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

1. The Commission has evaluated County Service Area No. 3’s sphere of influence in conjunction with information collected and analyzed as part of the Southeast County Municipal Service Review, which was formally accepted by the Commission on June 1, 2009.
2. County Service Area No. 3’s existing sphere of influence is updated to include all lands comprising A-1 as depicted in the attached Exhibit “One.”

3. The Commission, as lead agency, finds the approved update to County Service Area No. 3's sphere of influence is exempt from further review under the California Environmental Quality Act pursuant to California Code of Regulations Section 15061(b)(3). This finding is based on the Commission determining with certainty the update will have no possibility of significantly affecting the environment given no new land use or municipal service authority is granted.
4. The updated sphere is approved with the Commission's explicit expectation any future annexations to County Service Area No. 3 involving lands in A-1 will not adversely affect the existing jurisdictional boundary and authority of the American Canyon Fire Protection District.
5. The approved update to County Service Area No. 3's sphere of influence shall be immediate upon the completion of the following condition:
 - a) County Service Area No. 3 shall comply with Government Code Section 56425(i) and provide a written statement to the Commission confirming the District's active services are currently limited to street lighting, street cleaning, street landscaping, and fire protection.
6. This sphere of influence update is assigned the following distinctive short-term designation:

**COUNTY SERVICE AREA NO. 3
SPHERE OF INFLUENCE UPDATE 2012**

7. Pursuant to Government Code Section 56425, the Commission makes the statements of determinations in the attached Exhibit "Two."
8. The Executive Officer shall revise the official records of the Commission to reflect this update of the sphere of influence.

The foregoing resolution was duly and regularly adopted by the Commission at a meeting held on August 6, 2012 by the following vote:

AYES:	Commissioners	_____
NOES:	Commissioners	_____
ABSENT:	Commissioners	_____
ABSTAIN:	Commissioners	_____

ATTEST: Keene Simonds
Executive Officer

Recorded by: _____
Kathy Mabry
Commission Secretary

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EXHIBIT TWO
STATEMENT OF DETERMINATIONS

COUNTY SERVICE AREA NO. 3
SPHERE OF INFLUENCE UPDATE 2012

1. The Present and Planned Land Uses in the Area

The recommended sphere of influence for County Service Area No. 3 comprises unincorporated lands designated for urban uses by the County of Napa. The majority of existing development within the recommended sphere of influence is tied to corporate offices, distribution warehouses, and public facilities highlighted by the Napa County Airport. None of the lands within the recommended sphere of influence qualify as prime agriculture under LAFCO law.

2. The Present and Probable Need for Public Services in the Area

There is a present and probable future need for the miscellaneous street and fire protection services provided by County Service Area No. 3 throughout the recommended sphere of influence. These public services are needed to help support the planned and orderly development of the affected territory consistent with the County of Napa's Airport Industrial Area Specific Plan.

3. The Present Capacity and Adequacy of Public Services Provided by the Agency

The Commission's municipal service review on the southeast county region indicates County Service Area No. 3 has generally established adequate administrative, service, and financial capacities to provide an effective level of miscellaneous street and fire protection services within the recommended sphere of influence in a manner consistent with constituent needs.

4. The Existence of Relevant Social or Economic Communities of Interest

The affected territory within the recommended sphere of influence has established strong social and economic interdependencies with County Service Area No. 3 distinct from neighboring areas and agencies. These social and economic ties are affirmed and strengthened by this update.

5. If the Agency Provides Water, Sewer, or Fire Protection, the Present and Probable Need for the Services for Any Disadvantaged Unincorporated Community within the Area

The affected territory comprising the recommended sphere of influence for County Service Area No. 3 does not appear to include any disadvantaged unincorporated communities under LAFCO law based on available information.

Simonds, Keene

From: WOLF1938@aol.com
Sent: Thursday, July 26, 2012 2:21 PM
To: Simonds, Keene; jgong@napa.lafco.ca.gov; Freeman, Brendon; Mabry, Kathy; lchilton@napa.lafco.ca.gov; bwagenknecht@napa.lafco.ca.gov; jbennett@napa.lafco.ca.gov; bdodd@napa.lafco.ca.gov; bkelly@napa.lafco.ca.gov; jinman@napa.lafco.ca.gov; mluce@napa.lafco.ca.gov; grodeno@napa.lafco.ca.gov
Cc: wolf1938@aol.com
Subject: Atkins response to LAFCO Sphere of Influence for County Service Area No. 3

July 26, 2012

Keene Simonds, Executive Officer, LAFCO
ksimonds@napa.lafco.ca.gov

Larry G. Atkins, Property Owner 25.44 acres Napa Co Airport (noted as "Atkins" property)
PO Box 1138
Fairacres, NM 88033-1138
575-522-1630 home 503-680-7553 cell
wolf1938@aol.com

Re: Update the Sphere of Influence for County Service Area No. 3

Dear Mr. Simonds, your Staff and all the Commissioners;

I am replying to the letter I just received (Monday, July 23, 2012) from LAFCO regards to my property. I am also sending copies of this letter to your Staff, the Commissioners and my partners.

First and foremost I want you to know that I am totally against this recommendation.

I also want you to understand and be aware that I knew nothing of this update. I was never apprised or notified by mail or E-Mail as to what is being proposed for my 25.44 acres at the Napa County Airport until I received your letter dated July 16, 2012. I also new nothing of a Public Hearing Scheduled for August 6, 2012 until receipt of your letter.

After receiving your letter and after reading the electronic copy of the report, I find this recommendation to be totally devastating to me and my partners. Not only financially but also emotionally.

I feel Napa County and LAFCO are personally signaling this property out because Napa County has been attempting to acquire this property for over 30+ years thru all sorts of devious means. Be it thru condemnation or by not offering the fair current market value.

This started back in the early 1970's when my Mother, Eloise Atkins and her partners won a judgement against the county of Napa in a condemnation action. And as you can see by the actions your are now proposing, it is still ongoing.

Approximately around year 2000 the County of Napa destroyed our road access easement to our land and land locked us. They built the now Highway Patrol Building smack dab in the middle of the easement road and never notified us they were doing this. My wife and I had a meeting with a Napa

County Official, Mr. Norgrath who was in charge of the Airport. And he was the boss of the then Airport Manager, Wanda Kennedy. His reply to us was, "if you do not like it, sue us!"

Thru legal action we were able to get a Right-A-Way on Airport Road. This Right-A-Way provides utilities and ingress and egress. Also thru this legal action the County of Napa is to build us a road to our property line.

It has been noted in several Master Plans, including the current existing plan, that my property is needed for airport expansion and it is stated they need my land for this purpose. I say fine. Buy it for market value.

Consequently any possible purchasers or developers would not want to battle the County of Napa over the purchase of my property. So this is in fact another way to condemn the property.

After reading the electronic report I find various inaccuracies. Especially regards to utilities, sewer, water & electric.

The report states we are 8000 ft from any utilities. This is false. We are in proximity of utilities. Our Southern property line borders the new 650,000 sq ft warehouse of Kendall Jackson & Biagi Brother's Warehouse. American Canyon provides all their utilities.

The Napa Tower which is located only a few 100 ft or so from our property line is supplied with water, sewer & eclectic by local sources.

The Reef Corporation is developing the ex-Beringer property and they will bring in utilities onto their property thanks to the cooperation etc. of Napa County on the completion of the overpass on Devlin Road. Our properties adjoin on our Eastern border.

Regard to the Railroad you state is inoperative. It is very much operative! Kendall Jackson and Biagi Brother's are shipping box cars of wine daily.

And lastly, we have a Right-A-Way easement over County land to allow for Railroad access.

Also in your recommendation you neglect to mention that Napa County now owns 40% to 45% of the property you are describing in the A-2 area. This Napa County land borders our Western, Northern and North Eastern property lines.

By including us in this A-2 area (reference page 15 of electronic report, very bottom) the County could deem we need 40+ acres to develop our property. This is impossible for us because Napa County owns everything to the North, Northeast and West. Kendall Jackson has the large warehouse on their land to the South and Reef Corporation, ex-Beringer owns everything to the East. So in retrospect this is Inverse Condemnation on us again and our property.

We had a meeting in November 2011 with the County of Napa, mediated by Judge Snowden, to purchase the 25.44 acre property. In this meeting there were various Napa County officials including the Napa County Airport manager, Martin Pehl. Never once was there any mention of the LAFCO recommendation to put our land into what you call A-2 area. I can't help but feel this is another underhanded measure by the County to take my land. There was never any agreement reached because the amount offered by the County was considerably lower than recent sales of property in the immediate area.

I just received a notice of reappraisal by the Napa County Assessors office valuing the 25.44 acre property over 5 times the offer the County offered last November.

Regard to expansion of Napa County Airport the FAA ,which provides Grant monies, said in order to lengthen runways 18R & 36L the County of Napa would need to purchase the Atkins / Borge property.

It appears to me the County has no intention to purchase the property, but they are doing an Inverse Condemnation or taking by not allowing us to build on this property and by not including us in the CSA-3 zone. And by not notifying us in a timely manner of these pending recommendations this goes to show that I am correct in my assumptions.

This land has been in my family for over 60 years. My dad owned a lot of that airport land at one time and he worked with the County on acquiring needed land for the airport. But now I feel I am being singled out and discriminated on, not only as a private land owner but also as a Senior Citizen by Napa County and now LAFCO. I grew up in Napa, went to school there and also had a very successful business in town. I am certain if I still lived in the area this would not be happening.

I feel my property should have been and should now be included in the CSA-3 Sphere of Influence by LAFCO and the scheduled Public Hearing be postponed until the correct accurate facts about my property have been adopted into the recommendation.

I may not have everything included in this letter that should be noted or addressed all the inaccuracies of your report on my property due to the lack of time I have had to acknowledge, reply and send off to you. But please feel free to call me. I will be able to give you all the information you'll need for an accurate report related to my property.

I feel the actions taken are highly irregular of any governmental agencies to act in this manner. I should have been contacted and apprised of your actions regards to my property. I know you would personally feel the same if the table was turned and someone was trying to do you an injustice.

I will hope to hear a response from you as I am sure my letter has brought some insight to the atrocities Napa County has been pulling on me, my family and my partners for years and years. Please help us in stopping the County of Napa take our land.

Sincerely,
Larry G. Atkins



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

August 6, 2012
Agenda Item No. 7a (Action)

July 30, 2012

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

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

The Commission will consider appointing voting delegates to represent the agency at CALAFCO's Annual Conference scheduled for October 3-5 at the Hyatt Regency in Monterey. The Commission will also consider making board and achievement award nominations.

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

A. Background/Discussion

Monterey LAFCO is hosting the 2012 CALAFCO Annual Conference on October 3-5 at the Hyatt Regency in Monterey. The keynote speaker for the opening session will be State of California's Food and Agriculture Secretary Karen Ross to discuss, among other topics, current and emerging statewide trends in agricultural commerce. Napa LAFCO ("Commission") will also have representatives serving as panelists for sessions involving strategic planning practices and regulating outside service extensions. A preliminary program of scheduled sessions is available on the CALAFCO website.

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

Lewis Chilton, Chair
Councilmember, Town of Yountville

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

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

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

Brian J. Kelly, Commissioner
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Appointment of Voting Delegates

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

A recent list of Commission appointed voting delegates follows.

Conference / Host	Delegate	Alternate Delegate
2007 / Sacramento	Brad Wagenknecht	Brian J. Kelly
2008 / Los Angeles	Brian J. Kelly	Keene Simonds
2009 / Fresno	Brian J. Kelly	Juliana Inman
2010 / Riverside	Juliana Inman	Bill Dodd
2011 / Napa	Bill Dodd	Juliana Inman

Board Nominations

This will be the third year that CALAFCO implements its new regional voting process for electing board members. This new process was approved by mail-ballot in July 2010 for purposes of improving statewide representation within CALAFCO. Two key changes underlie the new voting process. First, the Board has been expanded from 15 to 16 seats with four seats dedicated each to county, city, district, and public members. Second, the elections have been changed from at-large to regional caucus voting. Regions are defined by geography to include northern, central, coastal, and southern. Each region elects one county, city, district, and public member from among their respective ranks. All terms are four years. The Commission has been assigned to the coastal region. Terms for the county and district seats in the coastal region expire at the end of the calendar year.

CALAFCO has circulated a memorandum to each LAFCO inviting nominations to serve on the Board relative to the open positions in their respective region (Attachment One). Nominations must be signed by the respective LAFCO Chair and include a completed resume form for the candidate. The deadline for submitting nominations is Tuesday, September 4th. Candidates may also be nominated from the floor with the regional caucuses scheduled for the morning of Thursday, October 4th. Alternates are eligible.

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

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

Achievement Award Nominations

CALAFCO invites LAFCOs to nominate persons or projects for various achievement awards. The awards were established in 1997 and currently include 10 categories ranging from “Most Effective Commission” to “Legislator of the Year” (Attachment Two). The deadline for submitting nominations is Friday, August 17th. Award winners will be announced during the banquet dinner scheduled for Thursday, October 4th.

A list of past Commission award recipients follows.

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

B. Analysis

In step with recent practice, it would be fitting for the Commission to appoint Chair Chilton and Vice Chair Wagenknecht as the delegate and alternate delegate, respectively, for the Annual Conference given both are expected to attend. Members Dodd, Luce, and Wagenknecht should also consider their interest in running for the available county seat on the CALAFCO Board with the Commission approving a nomination as appropriate. Finally, with respect to the award nominations, staff respectfully suggests the Commission consider nominating its recent municipal service review on countywide law enforcement services for “Project of the Year.” This municipal service review was prepared entirely in-house and provides a detailed assessment of the availability and adequacy of law enforcement services relative to the Commission’s interest in facilitating orderly and sustainable urban growth. The municipal service review is also notable given it takes a proactive position – and irrespective of political discord – in advocating for the need to reorganize law enforcement in the north Napa Valley cities given the conclusion of an approaching “tipping point” in which existing costs do not appear sustainable.

C. Recommendation

Staff recommends the Commission appoint Chair Chilton and Vice Chair Chilton as the delegate and alternate delegate, respectively, for the CALAFCO Annual Conference. It is also recommended the Commission nominate any interested county member for the Board as well as nominate the law enforcement municipal service review for “Project of Year.”

D. Alternatives for Action

The following alternative actions are available to the Commission.

Alternative Action One (Recommended)

Approve a motion to authorize the Executive Officer to complete the necessary forms associated with the following actions:

- (a) Appoint Chair Chilton and Vice Chair Wagenknecht as Delegate and Alternate Delegate, respectively, for the CALAFCO Annual Conference;
- (b) Nominate any interested County Commissioner for the CALAFCO Board;
and
- (c) Nominate the Law Enforcement Municipal Service Review for CALAFCO “Project of the Year”

Alternative Action Two

Make appointments and nominations by motion that serves as alternatives to the actions prescribed in Action One.

Alternative Action Three

Continue item to a future meeting by motion and request additional information as needed with the understanding the fixed deadline to nominate achievement awards is August 17th.

E. Procedures for Consideration

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

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

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

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



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 6, 2012

Agenda Item No. 8a (Discussion)

July 31, 2012

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Brendon Freeman, Analyst

SUBJECT: Update on Island Annexation Program

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

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

A. Background

Legislation

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

Lewis Chilton, Chair
Councilmember, Town of Yountville

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

Brian J. Kelly, Commissioner
Representative of the General Public

Joan Bennett, Commissioner
Councilmember, City of American Canyon

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

Keene Simonds
Executive Officer

Islands in Napa County

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

Initial Interest in an Annexation Program

The genesis for the Commission developing an island annexation program is drawn from an annexation proposal filed by the City in 2008 involving a residential lot located within a substantially surrounded island near Napa State Hospital.¹ The review of this particular proposal, notably, prompted a broader policy discussion among Commissioners with respect to a collective interest to pursue more proactive measures in eliminating entire unincorporated islands rather than continuing the practice of incremental reductions. In conveying this sentiment to pursue more proactive measures, the City responded affirmatively and pledged its commitment to partner with the Commission on an island annexation program while noting its preference for the proposal on file move forward given other timing considerations. The Commission agreed to move forward and approved the proposal on February 2, 2009 with the explicit expectation City and Commission would begin work on a joint island annexation program.²

B. Discussion / Analysis

Program Development

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

¹ The affected territory referenced in the 2008 proposal is located at 2138 Wilkins Avenue.

² The referenced proposal was conditionally approved by the Commission on February 2, 2009. The proposal approval, however, was subsequently terminated given certain conditions – namely the preparation of a map and geographic description of the affected territory – was not provided within a statutory deadline; the latter being attributed to the death of the principal landowner.

Outreach Efforts

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

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

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

Results of Outreach

Outreach efforts to date have generated responses from approximately five percent of the contacted island landowners/residents.³ The relatively low number of responses to the mailings seemingly indicates most island landowners/residents are indifferent towards annexation and presumably would remain neutral if an application is proposed and there are no costs. Furthermore, with regards to the island landowners/residents responding to the mailings, the breakdown is relatively close between those opposing (58%) and supporting (42%) annexation.

Next Steps

Staff believes an appropriate next step is to move forward in cooperation with the City and initiate actual annexation proceedings for an island with the highest probability of success based on our outreach efforts to date. Specifically, annexing one island now would build momentum in demonstrating to other island landowners/residents the ease and practicality tied to the jurisdictional change in making use of the expedited island annexation proceedings available through January 1, 2014. Additionally – and of equal importance going forward – making use of the expedited annexation proceedings would help provide justification for the California Association of LAFCOs in seeking approval from the Legislature to strike or extend the current sunset date.

³ Over two-fifths of the responding landowners/residents have expressed support for annexation. The remaining three-fifths of contacted landowners/residents oppose annexation with nearly all citing general misgivings regarding subjectivity to additional government. More specific reasons cited by these opposing landowners/residents have included concerns regarding potential property losses tied to sidewalk construction and the long-term ability to keep animals on site.

Easum Island

With the preceding in mind, and as previously discussed during the last update, it appears the island with the highest probability of annexation success is located off of Easum Drive in Westwood. The “Easum Island” comprises three parcels all of which are developed and include two single-family residences and one bed/breakfast lodge.⁴ Two of the three affected landowners have expressed strong support in participating in an annexation; the third affected parcel recently changed ownership and it is not known whether the new landowner is agreeable to an annexation. However, the two affected landowners in the Easum Island who are agreeable to annexation premise their support with the qualification they would not be responsible for any direct or indirect application fees. Towards this end, the Commission recently eliminated the direct fees tied to processing an island annexation as part of an amendment to the fee schedule. Eliminating indirect fees, however, remains an outstanding issue and will specifically require the external cooperation of the following agencies:

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

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

⁴ The referenced bed/breakfast lodge is the Stahlecker House.

C. Commission Review

Commissioners are encouraged to discuss and provide feedback on the update. This includes providing direction with respect to its preferences in formalizing interest for the City and County to consider eliminating and/or reducing their respective fees tied to processing island annexations.

Attachments:

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

(Please visit the "Staff Reports"
page to view these maps)



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>

May 29, 2012

Name
 Street Address

SUBJECT: Information Regarding Island Annexation Program

To Whom it May Concern:

A review of the County of Napa records indicates you are either a landowner or resident at *****. As you may know, this property is part of an unincorporated "island" surrounded by the City of Napa's jurisdictional boundary. This unincorporated designation means the property is generally dependent on the County for providing key municipal services, such as public safety, public works, and community development.

The Local Agency Formation Commission (LAFCO) of Napa County is a political subdivision of the State of California. LAFCO is responsible for coordinating the orderly formation and development of governmental agencies and municipal services within its county jurisdiction. This includes regulating all boundary changes involving local cities and special districts. Most commonly, this involves annexing unincorporated lands for purposes of accommodating orderly development and or enhanced municipal services. LAFCO's composition includes a total of eight members; three board of supervisors, three city councilmembers, and two public representatives.

The California Legislature encourages LAFCO to work with local cities to proactively eliminate islands and the governance inefficiencies they often perpetuate. In particular, islands commonly lack equitable municipal service provision and create additional expenses for both citizens and government. For example, island properties are charged 40 percent more by Napa for an equivalent amount of water usage than neighboring incorporated properties. Island properties also create a funding inequity for Napa given several statewide tax revenues that support general services, such as roads and parks, are apportioned on a per-capita basis. As a result, Napa is not equitably compensated for providing certain municipal services enjoyed by island residents. Further, annexing islands enhances public safety service by eliminating confusion and helping to ensure first-responders are the closest to the incident site with regards to available resources.

Lewis Chilton, Chair
 Councilmember, Town of Yountville

Joan Bennett, Commissioner
 Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner
 Councilmember, City of Napa

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

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

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

Brian J. Kelly, Commissioner
 Representative of the General Public

Gregory Rodeno, Alternate Commissioner
 Representative of the General Public

Keene Simonds
 Executive Officer

With the preceding comments in mind, LAFCO is interested in discussing the benefits of annexation with island landowners and residents. If you are interested, LAFCO staff would like the opportunity to meet with you and other island neighbors to discuss the annexation process in detail. Towards this end, I have prepared an informational flyer outlining key governance distinctions between island and non-island properties. This flyer is enclosed for your review.

I respectfully ask you review the enclosed information and contact me at your earliest convenience to discuss interest in participating in an island annexation. I would also be interested in hearing from you if you are not interested in participating in an island annexation to better inform our understanding of key concerns or objections. I am available by telephone at (707) 259-8645 or by e-mail at ksimonds@napa.lafco.ca.gov.

Sincerely,



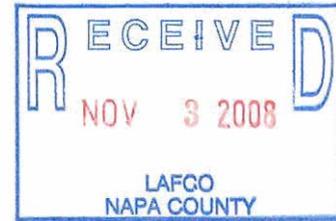
Keene Simonds
Executive Officer

~~Enclosures: as stated~~

cc: Rick Tooker, City of Napa
Hillary Gitelman, County of Napa



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



October 30, 2008

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

Dear Keene,

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

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

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

Sincerely,

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

CC: Michael Parness, City Manager
Mayor and Council



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

August 6, 2012
Agenda Item No. 8b (Discussion)

July 30, 2012

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Legislative Report

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

The Local Agency Formation Commission (LAFCO) of Napa County has two appointed members on the California Association of LAFCOs' ("CALAFCO") Legislative Committee: Juliana Inman and Keene Simonds. The Committee meets on a regular basis to review, discuss, and offer recommendations to the CALAFCO Board of Directors with regard to new legislation that would have either a direct impact on LAFCO law or laws LAFCO helps to administer. Committee actions are guided by the Board's adopted policies, which are annually reviewed and amended to reflect current year priorities.

A. Discussion and Analysis

The Committee has been tracking 28 bills with direct or indirect impacts on LAFCOs as part of the second year of the 2011-2012 session. Several of these bills, however, have or will become "dead" given they remain in their assigned committees. The last day for the Legislature to amend bills is August 24th. The Legislature must also approve bills no later than August 31st with the Governor signing or vetoing no later than September 30th. A copy of CALAFCO's current legislative report is attached.

With respect to active bills, staff believes the lone item of particular interest to Napa LAFCO involves Assembly Bill 2238, which is authored by Assemblymember Henry Perea and sponsored by the California Rural Legal Assistance. This bill has been significantly amended from its original submittal as a result of negotiations with CALAFCO and other stakeholders. The bill no longer establishes new mandates for LAFCOs and instead reinforces existing language in municipal service review law to explicitly encourage LAFCOs to study consolidation opportunities for all water and sewer providers. The legislation would also – significantly – direct the State Department

Lewis Chilton, Chair
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County of Napa Supervisor, 2nd District

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Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

of Public Health to first consult with any affected LAFCOs and their municipal service reviews before approving funding for any improvements for community water systems. Staff believes the amended bill and its directive to the Department of Public Health to consult with LAFCOs before issuing grants or loans to community water systems would measurably strengthen the municipal service review process. Cities and special districts, in particular, would need to respond affirmatively to concerns and related issues identified in municipal service reviews in seeking State funding for improvements to their water systems. CALAFCO has adopted a “support” position for the bill.

B. Commission Review

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

Attachments:

- 1) CALAFCO Status Report on Current Legislation

CALAFCO Daily Legislative Report as of 7/30/2012

1

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

Current Text: Amended: 6/25/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Last Amended: 6/25/2012

Status: 7/3/2012-From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 0.) (July 2). Re-referred to Com. on APPR.

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

Calendar:

8/6/2012 9 a.m. - John L. Burton Hearing Room (4203)
SENATE APPROPRIATIONS, KEHOE, Chair

Summary:

Current law , the Safe Drinking Water State Revolving Fund Law of 1997, requires the State Department of Public Health to administer programs to fund specified projects for public water systems that will enable suppliers to meet safe drinking water standards . This bill would require the department to take specified actions in considering an application for funding pursuant to these provisions, including, but not limited to, reviewing and considering the determinations and recommendations made by the affected local agency formation commission within the previous 5 calendar years in certain specified studies.

Attachments:

[CALAFCO Support Letter - June 2012](#)

[CALAFCO Remove Opposition Letter - May 2012](#)

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

[CALAFCO Opposition Letter - March 2012](#)

Position: Support

Subject: Water, Municipal Services

CALAFCO Comments: This bill has been significantly amended to address the concerns raised by CALAFCO. The requirements for LAFCo to conduct reorganization studies in all water and wastewater MSR's has been entirely removed. There are no mandates or requirements for LAFCo in the June amended bill. The bill now would require local water agencies which receive grants for a feasibility study to consider reorganization and efficiency recommendations in a LAFCo MSR, SOI update or special study in that study. It also requires the Department of Public Health to consult with the LAFCo prior to issuing infrastructure grants to ensure alternative delivery options identified by a LAFCo were considered in the feasibility study.

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

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

Introduced: 2/24/2012

Status: 6/25/2012-In committee: Placed on APPR. suspense file.

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

Summary:

The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, an initiative measure approved by the voters at the

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

Attachments:

[CALAFCO Support Letter - April 2012](#)

Position: Support

Subject: Sustainable Community Plans

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

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

Current Text: Chaptered: 7/9/2012 [pdf](#) [html](#)

Introduced: 3/21/2012

Last Amended: 6/6/2012

Status: 7/9/2012-Chaptered by the Secretary of State, Chapter Number 62, Statutes of 2012

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

Summary:

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

Attachments:

[Request for Governor's Signature - 25 June 2012](#)

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

Position: Sponsor

Subject: CKH General Procedures

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

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

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

Introduced: 2/24/2012

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

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

Summary:

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

Position: None at this time

Subject: Disadvantaged Communities, Municipal Services

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

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

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

Introduced: 2/24/2012

Last Amended: 4/10/2012

Status: 5/25/2012-Failed Deadline pursuant to Rule 61(b)(8). (Last location was S. APPR. on 5/24/2012)

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

Summary:

Current law requires that a specified amount of motor vehicle license fees deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund be allocated by the Controller, as specified, to the Local Law Enforcement Services Account in the Local Revenue Fund 2011, for allocation to cities, counties, and cities and counties. This bill would instead require, on and after July 1, 2012, that those revenues be distributed first to each city that was incorporated from an unincorporated territory after August 5, 2004, in an amount determined pursuant to a specified formula, second to each city that was incorporated before August 5, 2004, in an amount determined pursuant to a specified formula, and third to the Local Law Enforcement Services Account in the Local Revenue Fund 2011, for allocation to cities, counties, and cities and counties. By authorizing within the Motor Vehicle License Fee Account in the Transportation Tax Fund, a continuously appropriated fund, to be used for a new

purpose, the bill would make an appropriation. This bill contains other related provisions and other current laws.

Attachments:

[CALAFCO Support Letter](#)

Position: Support

Subject: Annexation Proceedings, Tax Allocation

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

2

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

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

Introduced: 12/6/2010

Last Amended: 6/28/2011

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

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

Summary:

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

Position: None at this time

Subject: Disincorporation/dissolution

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

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

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

Introduced: 2/17/2011

Last Amended: 8/29/2011

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

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

Summary:

Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, sets forth the procedures for incorporations and changes of organizations of cities, including procedures for disincorporation. This bill would authorize the board of supervisors of a county in which a city that will be disincorporated pursuant to statute is located to vote to continue that city if, after receipt of an audit conducted by the State

Auditor, the board of supervisors determines that the territory to be disincorporated is not expected to generate revenues sufficient to provide public services and facilities, maintain a reasonable reserve, and pay its obligations during the 5 years following disincorporation. The bill would require a city that is audited pursuant to these provisions to reimburse the State Auditor for the costs incurred to perform the audit, thereby imposing a state-mandated local program. This bill contains other related provisions and other current laws.

Position: Watch

Subject: Disincorporation/dissolution, Special District Principle Acts

CALAFCO Comments: This bill was gutted and amended on 20 June to create a CSD in any unincorporated area that was previously a city and was disincorporated by the legislature. It is specifically targeted at Vernon. It also contains language directing LAFCo on the terms and conditions of the disincorporation.

AB 2208 (Perea D) Drinking water.

Current Text: Amended: 6/12/2012 [pdf](#) [html](#)

Introduced: 2/23/2012

Last Amended: 6/12/2012

Status: 7/5/2012-Read second time. Ordered to consent calendar. Ordered to inactive file at the request of Senator Simitian.

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

Summary:

Current law, the California Safe Drinking Water Act, requires the State Department of Public Health to administer provisions relating to the regulation of drinking water to protect public health. Current law, the Safe Drinking Water State Revolving Fund Law of 1997, establishes the Safe Drinking Water State Revolving Fund, which is continuously appropriated to the department for the provision of grants and revolving fund loans for the design and construction of projects for public water systems that will enable suppliers to meet safe drinking water standards. Current law prohibits the department from approving applications for this funding unless the department determines the proposed study or project meets specified criteria. This bill would authorize the department , with the consent of the applicants, to combine proposed studies and projects from multiple applicants .

Position: Watch

Subject: Water

CALAFCO Comments: While currently this bill does not directly affect LAFCos it is sponsored by the same people at AB 2238 (CRLA) and is in many ways tied to that bill. The current amendments do affect water and wastewater agencies which may be of concern to LAFCos and CALAFCO. It is also likely this bill will be significantly amended but at this time we don't know where it is going.

AB 2210 (Smyth R) County assessors: notification.

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

Introduced: 2/23/2012

Last Amended: 5/21/2012

Status: 7/6/2012-Failed Deadline pursuant to Rule 61(b)(13). (Last location was S. G. & F. on 6/14/2012)

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

Summary:

Current law requires a county assessor, upon the request of the governing body of the jurisdiction where the assessor performs the duty of assessing taxes, to furnish an estimate of the assessed valuation of property within the jurisdiction for the succeeding

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

Position: None at this time

Subject: Annexation Proceedings

CALAFCO Comments: Placeholder bill on property tax exchange agreements.

AB 2418 (Gordon D) Health districts.

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

Introduced: 2/24/2012

Last Amended: 5/1/2012

Status: 5/25/2012-Failed Deadline pursuant to Rule 61(b)(8). (Last location was A. APPR. SUSPENSE FILE on 5/16/2012)

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

Summary:

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

Position: Watch

Subject: Special District Principle Acts

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

ACA 17 (Logue R) State-mandated local programs.

Current Text: Introduced: 2/15/2011 [pdf](#) [html](#)

Introduced: 2/15/2011

Status: 4/14/2011-Referred to Com. on L. GOV.

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

Summary:

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

Position: None at this time

Subject: LAFCo Administration

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

SB 46 (Correa D) Public officials: compensation disclosure.

Current Text: Amended: 6/2/2011 [pdf](#) [html](#)

Introduced: 12/9/2010

Last Amended: 6/2/2011

Status: 8/22/2011-In Assembly. Read first time. Held at Desk.

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

Summary:

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

Attachments:

[CALAFCO Opposition Letter](#)

Position: Oppose

Subject: LAFCo Administration

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

SB 191 (Committee on Governance and Finance) Validations.

Current Text: Amended: 5/16/2011 [pdf](#) [html](#)

Introduced: 2/8/2011

Last Amended: 5/16/2011

Status: 5/25/2012-In Assembly. Held at Desk.

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

Summary:

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

Attachments:

[CALAFCO Support Letter](#)

Position: Support

Subject: LAFCo Administration

CALAFCO Comments: One of three annual acts which validate the boundaries of all local agencies.

SB 192 (Committee on Governance and Finance) Validations.**Current Text:** Amended: 5/16/2011 [pdf](#) [html](#)**Introduced:** 2/8/2011**Last Amended:** 5/16/2011**Status:** 5/25/2012-In Assembly. Held at Desk.

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

Summary:

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

Attachments:[CALAFCO Support Letter](#)**Position:** Support**Subject:** LAFCo Administration**CALAFCO Comments:** One of three annual acts which validate the boundaries of all local agencies.**SB 804 (Corbett D) Health care districts: transfers of assets.****Current Text:** Amended: 6/6/2012 [pdf](#) [html](#)**Introduced:** 2/18/2011**Last Amended:** 6/6/2012**Status:** 6/28/2012-Read second time. Ordered to third reading.

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

Summary:

Current law authorizes a health care district to transfer, for the benefit of the communities served by the district, in the absence of adequate consideration, any part of the assets of the district to one or more nonprofit corporations to operate and maintain the assets. Current law deems a transfer of 50% or more of the district's assets to be for the benefit of the communities served only upon the occurrence of specified conditions. This bill would include among the above-described conditions the inclusion within the transfer agreement of the appraised fair market value of any asset transferred to the nonprofit corporation, as specified. This bill contains other related provisions and other current laws.

Position: None at this time**Subject:** Special District Principle Acts**CALAFCO Comments:** Current law allows the transfer of Health Care District assets to a non profit to operate and maintain the asset. This bill would include in the transfer, the transfer of the fair market value of the asset.**SB 1084 (La Malfa R) Local government: reorganization.****Current Text:** Introduced: 2/14/2012 [pdf](#) [html](#)**Introduced:** 2/14/2012**Status:** 5/11/2012-Failed Deadline pursuant to Rule 61(b)(6). (Last location was S. RLS. on 3/1/2012)

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

Summary:

Current law, for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, makes various legislative findings and declarations

regarding the use of local government reorganization. This bill would make a technical, nonsubstantive change to that provision.

Position: None at this time

CALAFCO Comments: This is a placeholder bill.

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

Current Text: Amended: 6/15/2012 [pdf](#) [html](#)

Introduced: 2/15/2012

Last Amended: 6/15/2012

Status: 6/27/2012-From committee: Do pass and re-refer to Com. on APPR. with recommendation: To consent calendar. (Ayes 9. Noes 0.) (June 27). Re-referred to Com. on APPR.

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

Summary:

Current law requires the Controller to compile and publish reports of the financial transactions of each county, city, and special district within this state, together with any other matter he or she deems of public interest. Current law requires the Controller to annually publish reports of the financial transactions of each school district within this state, together with any other matter he or she deems of public interest. This bill would require the Controller to publish the annual reports of the financial transactions of each school district on the Internet Web site of the Controller. This bill contains other related provisions and other current laws.

Position: None at this time

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

3

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

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

Introduced: 2/18/2011

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

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

Summary:

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

Position: None at this time

Subject: Ag Preservation - Williamson

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

AB 1902 (Jones R) Publication: newspaper of general circulation: Internet Web site.**Current Text:** Introduced: 2/22/2012 [pdf](#) [html](#)**Introduced:** 2/22/2012**Status:** 5/11/2012-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. L. GOV. on 4/18/2012)

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

Summary:

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

Position: None at this time**Subject:** LAFCo Administration**CALAFCO Comments:** Allows posting of notices in a web-based newspaper.**AB 2452 (Ammiano D) Political Reform Act of 1974: online disclosure.****Current Text:** Chaptered: 7/13/2012 [pdf](#) [html](#)**Introduced:** 2/24/2012**Last Amended:** 5/8/2012**Status:** 7/13/2012-Chaptered by the Secretary of State, Chapter Number 126, Statutes of 2012

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

Summary:

The Political Reform Act of 1974 requires specified candidates, committees, slate mailer organizations, and lobbyists, lobbying firms, and lobbyist employers to file campaign statements and reports online or electronically with the Secretary of State, as specified. The act requires certain of these entities to also file campaign statements and reports with local filing officers, as specified. This bill, with certain exceptions, would authorize a local government agency to require an elected officer, candidate, committee, or other person required to file specified statements, reports, or other documents to file those statements, reports, or other documents online or electronically with a local filing officer. The bill would prescribe criteria that must be satisfied by a local government agency that requires online or electronic filing of statements, reports, or other documents, as specified, including, among others, that the system be available free of charge to filers and to the public for viewing filings, and that the system include a procedure for filers to comply with the requirement that they sign statements and reports under penalty of perjury. This bill contains other related provisions and other current laws.

Position: None at this time**Subject:** LAFCo Administration**CALAFCO Comments:** Allows on-line filing of Political Reform Act documents with local agencies.**SB 878 (DeSaulnier D) California Transportation Commission.****Current Text:** Amended: 6/25/2012 [pdf](#) [html](#)**Introduced:** 2/18/2011**Last Amended:** 6/25/2012

Status: 7/5/2012-From committee: Do pass as amended and re-refer to Com. on APPR. (Ayes 9. Noes 3.) (July 3).

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

Summary:

Current law creates the California Transportation Commission and imposes various duties on the commission, including, but not limited to, assisting the Legislature in formulating and evaluating state policies and plans for transportation programs in the state. Under current law, there is also a Department of Transportation and its duties include, among others, supporting the commission in coordinating and developing, in cooperation with local and regional entities, comprehensive balanced transportation planning and policy for the movement of people and goods within this state. Current law requires the state transportation improvement program to include a listing of all capital improvement projects that are expected to receive a specified allocation of state transportation funds from the commission. Under current law, the commission is required to biennially adopt and submit a state transportation improvement program to the Governor and the Legislature. This bill would require the commission to undertake a study to assess the appropriateness of establishing an office of inspector general to ensure that the department and transportation agencies with projects funded completely or in part from funds in the state transportation improvement program are operating efficiently, effectively, and in compliance with the state and federal laws governing the performance of transportation agencies. The bill would require the commission to consult with specified federal and state agencies in this regard and would require the commission to prepare a written report regarding the advisability of creating an office of inspector general and to submit it to the Governor and the Legislature by January 31, 2014.

Position: None at this time

Subject: Sustainable Community Plans

CALAFCO Comments: Provides legislative direction to the Bay Area counties on development of their sustainable communities strategy and requires the "joint committee" to report back to the Legislature by 1 January 2013.

SB 1149 (DeSaulnier D) Bay Area Regional Commission.

Current Text: Amended: 5/15/2012 [pdf](#) [html](#)

Introduced: 2/21/2012

Last Amended: 5/15/2012

Status: 5/25/2012-Failed Deadline pursuant to Rule 61(b)(8). (Last location was S. APPR. on 5/15/2012)

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

Summary:

Current law creates the Metropolitan Transportation Commission, the Bay Area Toll Authority, the Bay Area Air Quality Management District, and the San Francisco Bay Conservation and Development Commission, with various powers and duties relative to all or a portion of the 9-county San Francisco Bay Area region with respect to transportation, air quality, and environmental planning, as specified. Another regional entity, the Association of Bay Area Governments, is created as a joint powers agency comprised of cities and counties under current law with regional planning responsibilities. Current law provides for a joint policy committee of certain regional agencies to collaborate on regional coordination. Current law requires regional transportation planning agencies, as part of the regional transportation plan in urban areas, to develop a sustainable communities strategy coordinating transportation, land use, and air quality planning, with specified objectives. This bill would create the Bay Area Regional Commission with specified powers and duties, including the powers and duties previously exercised by the joint policy committee. The bill would require the

regional entities that are funding the joint policy committee to continue to provide the same amount of funding as provided in the 2012-13 fiscal year, as adjusted for inflation, but to provide those funds to the commission rather than to the committee. The bill would provide for the Bay Area Toll Authority to make contributions to the commission, as specified, in furtherance of the exercise of the authority's toll bridge powers. The bill would require federal and state funds made available to the Metropolitan Transportation Commission for purposes of transportation planning to be budgeted to the Bay Area Regional Commission. The bill would specify the powers and duties of the commission relative to the other regional entities referenced above, including the power to approve the budgets of those regional entities and to develop an integrated budget for the commission and the regional entities. The bill would provide for the commission's executive director to develop a regional reorganization plan, with consolidation of certain administrative functions of the regional entities under the commission, with a final plan to be adopted by the commission by June 30, 2016. The bill would require organization of the regional entities as divisions of the commission, and would require the executive director to recommend candidates for vacant executive director positions at the regional entities as these positions become vacant. The bill would require the commission to adopt public and community outreach policies by October 31, 2015. The bill would require the commission to review and comment on policies and plans relative to the transportation planning sustainable communities strategy of the regional entities under Senate Bill 375 of the 2007-08 Regular Session, and beginning on January 1, 2017, the bill would provide for the commission to adopt or seek modifications to the functional regional plan adopted by each regional entity in that regard and would provide that the commission is responsible for ensuring that the regional sustainable communities strategy for the region is consistent with Senate Bill 375 of the 2007-08 Regular Session. The bill would require the commission to prepare a 20-year regional economic development strategy for the region, to be adopted by December 31, 2015, and updated every 4 years thereafter. The bill would require any changes proposed by the commission with respect to bridge toll revenues managed by the Bay Area Toll Authority to be consistent with bond covenants, and would prohibit investment in real property of toll revenues in any reserve fund. This bill contains other related provisions and other current laws.

Position: Watch

Subject: Sustainable Community Plans

SB 1305 (Blakeslee R) Regional open-space district: County of San Luis Obispo.

Current Text: Introduced: 2/23/2012 [pdf](#) [html](#)

Introduced: 2/23/2012

Status: 5/11/2012-Failed Deadline pursuant to Rule 61(b)(6). (Last location was S. G. & F. on 3/8/2012)

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

Summary:

Current law permits proceedings for the formation of a regional park and open-space district in specified counties of the state to be initiated by resolution of the county board of supervisors adopted after a noticed hearing, and specifies the contents of the resolution. This bill, in addition, would permit the formation of a regional open-space district in the County of San Luis Obispo to be initiated by resolution of the county board of supervisors after a noticed hearing, if the boundaries of a proposed district are coterminous with the exterior boundaries of the County of San Luis Obispo. The bill would specify the contents of the resolution, including a requirement to call an election, as prescribed.

Position: None at this time

Subject: Special District Principle Acts

CALAFCO Comments: Allows the creation of an open space district in San Luis Obispo County and circumvents the LAFCo process.

SB 1337 (DeSaulnier D) Zone 7 Water Agency Act.

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

Introduced: 2/24/2012

Last Amended: 5/1/2012

Status: 5/25/2012-Failed Deadline pursuant to Rule 61(b)(8). (Last location was S. APPR. on 5/1/2012)

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

Summary:

Current law, the Alameda County Flood Control and Water Conservation District Act, establishes the Alameda County Flood Control and Water Conservation District and grants to the district authority relating to, among other things, flood control and stormwater. Under the district law, the Board of Supervisors of Alameda County serves as the Board of Supervisors of the Alameda County Flood Control and Water Conservation District. This bill would create the Zone 7 Water Agency, as prescribed, with specified authorizations, powers, and duties. This bill would permit the Alameda County Local Agency Formation Commission to exclude some or all of the agency's territory from the boundaries of the district and would eliminate from the district act provisions relating to the governance of a zone lying, in whole or in part, in Pleasanton or Murray Townships. This bill would authorize the agency to continue to impose any special taxes based upon assessed value or any other special taxes, assessments, or charges imposed by or on behalf of the former Zone 7, would authorize the agency to impose new special taxes or levy assessments, as prescribed, and would require any taxes or assessments to be levied and collected together with taxes for county purposes, as specified. This bill would also authorize the agency to designate the county treasury as its treasury, as prescribed. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Water

CALAFCO Comments: CALAFCO typically opposes legislation which circumvents the LAFCo process. This is a slightly different situation where the legislature is being asked to change an old special act district (which would have previously circumvented the LAFCo process) with some complex changes.

SB 1380 (Rubio D) Environmental quality: California Environmental Quality Act: bicycle transportation plan.

Current Text: Amended: 5/3/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Last Amended: 5/3/2012

Status: 7/2/2012-Do pass as amended and be re-referred to the Committee on Appropriations.

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

Summary:

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on

the environment. CEQA requires the lead agencies to make specified findings in an EIR. This bill, until January 1, 2018, would exempt from CEQA a bicycle transportation plan for an urbanized area, as specified and would also require a local agency or person who determines that the bicycle transportation plan is exempt under this provision and approves or determines to carry out that project, to file notice of the determination with the OPR. This bill contains other current laws.

Position: Watch

Subject: CEQA

CALAFCO Comments: The bill has been significantly amended to require certain documentation in a CEQA report prepared for a Bicycle Transportation Plan.

SB 1459 (De León D) Regional and local park districts: cities and counties.

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

Introduced: 2/24/2012

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

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

Summary:

Current law prescribes procedures for the formation of regional park districts, regional park and open-space districts, or regional open-space districts. Current law authorizes 3 or more cities, together with any parcel or parcels of city or county territory, whether in the same or different counties, to organize and incorporate, but requires that all the territory in the proposed district be contiguous. This bill would revise the above authorization to instead only allow district formation for 4 or more cities.

Position: None at this time

Subject: Special District Principle Acts

SB 1501 (Kehoe D) Open-space easements.

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

Introduced: 2/24/2012

Last Amended: 4/11/2012

Status: 6/14/2012-Read second time. Ordered to third reading.

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

Summary:

Current law regulates the execution and acceptance of a grant of an open-space easement, as defined. The execution and acceptance of a grant of an open-space easement constitutes a dedication to the public of the open-space character of the lands for the term specified. Current law provides that the easement and covenant run for a term of not less than 20 years. Current law authorizes an open-space easement to contain a covenant against the extraction of natural resources or other activities that may destroy the unique physical and scenic characteristics of the land, as specified. This bill would make technical, nonsubstantive changes to these provisions. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Ag/Open Space Protection

CALAFCO Comments: Currently a placeholder bill regarding open space easements.

SB 1519 (Fuller R) Desert View Water District-Bighorn Mountains Water Agency consolidation.

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

Introduced: 2/24/2012

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

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

Summary:

Current law, the Desert View Water District-Bighorn Mountains Water Agency Consolidation Law, effected a consolidation between the Desert View Water District and the Bighorn Mountains Water Agency and required the successor board of directors to operate under the Bighorn Mountains Water Agency Law. Under current law, for a period of not less than 10 years after January 1, 1990, meetings of the successor board of directors are required to be held, as prescribed. This bill would make a technical, nonsubstantive change in these provisions.

Position: None at this time

Subject: Special District Principle Acts

Total Measures: 28

Total Tracking Forms: 28

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