



LAFCO MEETING AGENDA

Monday, February 4, 2008

Board Chambers, County Administration Building
1195 Third Street, Room 305
Napa, California 94559

Brad Wagenknecht, Chair
Brian J. Kelly, Vice-Chair
Bill Dodd, Commissioner
Jack Gingles, Commissioner
Juliana Inman, Commissioner
Cindy Coffey, Alternate Commissioner
Mark Luce, Alternate Commissioner
Gregory Rodeno, Alternate Commissioner

Keene Simonds, Executive Officer
Jacqueline Gong, Commission Counsel
Kathy Mabry, Secretary

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

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

Minutes of December 3, 2007

4. PUBLIC COMMENT

In this time period, anyone may comment to the Commission regarding any subject over which the Commission has jurisdiction, or request consideration to place an item on a future Agenda. No comments will be allowed involving any subject matter that is scheduled for hearing or discussion as part of this Agenda. Individuals will be limited to a three-minute presentation. No action will be taken by the Commission as a result of any item presented at this time.

5. CONSENT CALENDAR

Staff recommends approval of all items on the consent calendar without discussion. Proposed changes of organization or reorganization appearing on the consent calendar meet the provisions of applicable sections of the California Government Code that allow the Commission to waive subsequent protest proceedings.

a) Second Quarter Budget Report for Fiscal Year 2007-2008 (Action)

The Commission will receive a second quarter budget report for the 2007-2008 fiscal year. The budget report summarizes overall expenses through the second quarter and is being presented to the Commission to receive and file.

b) Amendment to Professional Services Agreement with Baracco and Associates (Action)

The Commission will consider amending its agreement for staff support services with Baracco and Associates to extend the term to May 31, 2008. No change is proposed for the financial component of the agreement.

c) Cancellation of March 3, 2008 Regular Meeting (Action)

The Commission will consider canceling its next scheduled regular meeting for March 3, 2008 due to a lack of business.

6. PUBLIC HEARING ITEMS

a) Congress Valley Water District: Sphere of Influence Review

The Commission will receive a written report representing its scheduled sphere of influence review of the Congress Valley Water District. The Commission will consider a draft resolution adopting the recommendations of the report to add four distinct areas to the sphere comprising approximately 457 unincorporated acres pursuant to Government Code §56425.

b) Adoption of Final Study Schedule for 2008-2012

The Commission will consider adopting a final study schedule for 2008-2012. The final study schedule calendars municipal service reviews and sphere of influence reviews for each local agency pursuant to Government Code Sections 56430 and 56425, respectively.

7. COMMISSION ACTION ITEMS

a) Draft Proposed Budget for Fiscal Year 2008-2009

The Commission will receive a draft proposed budget from the 2008-2009 Budget Committee. The draft proposed budget projects a total increase in expenses of 6.4% from the current fiscal year and is being presented to the Commission for approval.

b) Reorganization Proceedings: Napa River Reclamation District No. 2109

The Commission will receive a report from staff estimating the timeline and cost to reorganize the Napa River Reclamation District No. 2109 into a community services district. The Commission will consider taking actions to initiate reorganization proceedings for approval at future meeting.

c) Adoption of Policy on Political Contributions and Expenditures

The Commission will consider adopting a policy regarding the disclosure of political contributions and expenditures involving change of organization or reorganization proposals. The proposed policy specifies the circumstances and manner in which affected parties spending more than \$1,000 in support of or in opposition to a proposal must disclose their contributions to the Commission.

8. COMMISSION DISCUSSION ITEMS

None

9. EXECUTIVE OFFICER REPORT

The Commission will receive a verbal report from the Executive Officer regarding current staff activities, communications, studies, and special projects. This includes the following topics:

- Report from the CALAFCO Legislative Committee
- Current Study Schedule (2001-2007)
- 2008 Work Plan

10. INFORMATION ITEMS

Information items are provided for the Commission to receive and file. The Commission may choose to discuss individual items or to receive and file the entire calendar.

a) New Legislation for 2008

The Commission will receive a report from staff summarizing the new legislation affecting LAFCOs that became effective January 1, 2008.

b) Current and Future Proposals

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

11. CLOSED SESSION

None

12. COMMISSIONER COMMENTS; REQUEST FOR FUTURE AGENDA ITEMS

13. ADJOURNMENT TO NEXT REGULAR SCHEDULED MEETING:

April 7, 2008 (pending approval of Agenda Item No. 5c)

Commissioners of the Local Agency Formation Commission of Napa County are disqualified from voting on any proposals involving entitlements of use (such as annexations) 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 who actively supports or opposes the proposal and has a financial interest in it.

If you intend to speak on any hearing item, please indicate in your testimony if you have made campaign contributions totaling \$250 or more to any Commissioner during the past 12 months, and, if so, to which Commissioner(s) you have contributed and the amount(s). Please consult with LAFCO Counsel if you have any questions about the laws that pertain to campaign contributions or conflicts of interest. Contact LAFCO staff if you have any other questions or require special accommodations at (707) 259-8645.



Local Agency Formation Commission
LAFCO of Napa County

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

February 4, 2008
Agenda Item No. 5a

January 7, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Second Quarter Budget Report for Fiscal Year 2007-2008
(Consent: Action)

The Commission will receive a second quarter budget report for the 2007-2008 fiscal year. The budget report summarizes overall expenses through the second quarter and is being presented to the Commission to receive and file.

The Commission's annual operating costs are funded by the County of Napa and the Cities of American Canyon, Calistoga, Napa, St. Helena, and the Town of Yountville. State law provides that the County is responsible for 50% of the Commission's operating costs. The remaining 50% of the Commission's operating costs are proportionally shared by the five cities based on a weighted calculation of population and general tax revenues. Each agency is responsible for paying their share of the Commission's adopted budget at the beginning of each fiscal year. It is the practice of the Commission to only budget operating costs.

The Commission's annual budget is divided into three units: 1) salaries and benefits; 2) services and supplies; and 3) contingencies. The Commission practices bottom-line accounting. This allows for shortfalls within individual accounts in the salaries and benefits and services and supplies units as long as the overall balance remains positive. Funds may not be drawn from the contingencies unit without Commission approval.

Discussion

The second quarter of the Commission's 2007-2008 fiscal year ended on December 31, 2007. Overall expenses through the second quarter totaled \$123,430. This amount represents one-third of the adopted budget (not including contingency funds) with half of the fiscal year complete. An overview of total expenses through the second quarter within the Commission's three budget units follows.

Salaries and Benefits

At the end of the second quarter the Commission expended \$72,569 on salaries and benefits. This amount represents 28% of the total amount budgeted, as amended, in the seven affected accounts for the fiscal year. Savings have been accumulating in several of the accounts due to the vacancy of the analyst position. All accounts finished the second quarter with balances at or above 50%.

Jack Gingles, Commissioner
Mayor, City of Calistoga

Juliana Inman, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

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

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

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

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Services and Supplies

At the end of the second quarter the Commission expended \$50,861 on services and supplies. This amount represents 41% of the total amount budgeted, as amended, in the 14 affected accounts for the fiscal year. Five accounts – memberships, publications and notices, property lease, training, and private vehicle miles – finished the second quarter with balances below 50%. A summary of expenses in these five accounts follows.

Memberships

The membership account covers the Commission's annual due for the California Association of Local Agency Formation Commissions (CALAFCO). The Commission's budgeted membership due for CALAFCO in 2007-2008 is \$2,000, which was paid in full during the first quarter.

Publications and Notices

The publications and notices account covers the Commission's legal noticing requirements for all public hearings. Through the second quarter the Commission expended \$1,058 in this account, which represents approximately 71% percent of the total amount budgeted for the fiscal year. A modest shortfall is expected to occur in this account. Expected savings in the salaries and benefits unit will be used to cover this anticipated shortfall.

Property Lease

The property lease account covers the Commission's lease for office space at 1700 Second Street, Suite 268 in Napa. The Commission's current lease provides a fixed monthly rate of \$2,250 through June 2009. The total lease amount for the fiscal year (\$27,000) has been encumbered by the County Auditor's Office for the purpose of simplifying payment to the landlord.

Training

The training account is used for a variety of instructional activities for staff and Commissioners. Through the second quarter the Commission expended \$2,594 in this account, which represents approximately 65% of the total amount budgeted for the fiscal year. The majority of expenses in this account occurred in the first quarter from registration costs for the 2007 CALAFCO Annual Conference, which was held in Sacramento and attended by two staff and four Commissioners. Remaining funds are sufficient to cover the registration costs for staff to attend the CALAFCO Workshop, which is scheduled for April 2-4 in San Jose. No other training activities are currently planned.

Private Vehicle Miles

This account provides reimbursement to staff and Commissioners for automobile travel associated with official LAFCO business. Through the second quarter the Commission expended \$935 in this account, which represents approximately 94% percent of the total amount budgeted for the fiscal year. A modest shortfall is expected to occur in this account. Expected savings in the salaries and benefits unit will be used to cover this anticipated shortfall.

Contingencies

Through the second quarter the Commission has not drawn funds from its two budgeted contingency accounts, professional services reserve (\$50,000) and operating reserve (\$37,879). It is not expected that the Commission will draw funds from either contingency account during the remainder of the fiscal year.

Summary

The Commission is currently on course to finish the 2007-2008 fiscal year with excess operating funds in all three of its budget units. All unexpended funds will be returned to the agencies along with any other revenues, such as application fees, in the form of credits towards their calculated share of the Commission's operating costs in 2008-2009.

Recommendation

It is recommended that the Commission take the following action:

- 1) Receive and file the "Second Quarter Budget Report for Fiscal Year 2007-2008."

Respectfully submitted,

Keene Simonds
Executive Officer

Attachment:

- 1) Second Quarter General Ledger Report: July 1, 2007 through December 31, 2007

**County of Napa
General Ledger Organization Budget Status**

Report ID: GLC8020w

Fund: 2910 NAPA CO LOCAL AGENCY FORMATION

Dept: 02910 NAPA LAFCO

For Periods: 1 To: 6

FY: 2008

Account	Account Description	Final Budget	Adjustments	Encumbrances	Expenditures	Remaining Balance	Percent Available
51100000	S/W:REGULAR SALARIES	185,527	-18,500.00	0.00	55,786.62	111,240.17	66.60
51200500	S/W:PER DIEM	9,600	0.00	0.00	3,100.00	6,500.00	67.71
51300100	E/B:RETIREMENT	31,583	0.00	0.00	9,510.17	22,073.27	69.89
51300300	E/B:MEDICARE	2,650	0.00	0.00	751.20	1,898.72	71.65
51300500	E/B:GROUP INSURANCE	43,168	0.00	0.00	9,421.11	33,747.21	78.18
51301200	E/B:INS:WORKERS COMP	185	0.00	0.00	92.50	92.50	50.00
51301800	E/B:CELL PHONE ALLOWANCE	840	0.00	0.00	386.54	453.46	53.98
	Total Salaries & Employee Benefits	273,553		0.00		176,005.33	69.01
			-18,500.00		79,048.14		
52070000	COMMUNICATIONS	3,500	0.00	0.00	572.95	2,927.05	83.63
52100300	INSURANCE:LIABILITY	352	0.00	0.00	176.00	176.00	50.00
52150000	MEMBERSHIPS	2,000	0.00	0.00	2,000.00	0.00	0.00
52170000	OFFICE EXPENSE	15,000	0.00	3,049.26	3,049.58	8,901.16	59.34
52180200	PSS:MGMT INFO SVCS	16,387	0.00	0.00	8,193.48	8,193.52	50.00
52180500	PSS:LEGAL EXPENSE	21,500	0.00	0.00	0.00	21,500.00	100.00
52185000	PSS:OTHER	7,150	18,500.00	0.00	629.96	25,020.04	97.54
52190000	PSS:PUBLCATNS/LGL NOTICE	1,500	0.00	0.00	1,057.77	442.23	29.48
52235000	SDE:OTHER	1,000	0.00	0.00	128.67	871.33	87.13
52240500	SDE:PROPERTY LEASE	27,000	0.00	11,250.00	15,750.00	0.00	0.00
52243900	SDE:FILING FEE	850	0.00	0.00	400.00	450.00	52.94
52250000	TRANSPORTATION & TRAV	4,000	0.00	0.00	1,074.21	2,925.79	73.14
52250800	T/T:TRAINING	4,000	0.00	0.00	2,594.00	1,406.00	35.15
52251200	T/T:PRIVATE VEH MILE	1,000	0.00	0.00	935.43	64.57	6.46
	Total Services & Supplies	105,239		14,299.26		72,877.69	58.90
			18,500.00		36,562.05		
54000900	OPERATING RESERVE	37,879	0.00	0.00	0.00	37,879.25	100.00
54001000	PROFESSIONAL SERVICES RESERVE	50,000	0.00	0.00	0.00	50,000.00	100.00
	Total Contingencies & Reserves	87,879		0.00		87,879.25	100.00
			0.00		0.00		
02910		466,672				336,762.27	72.16
	NAPA LAFCO		0.00	14,299.26	115,610.19		
2910	NAPA CO LOCAL AGENCY FORMATION	466,672	0.00	14,299.26	115,610.19	336,762.27	72.16



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February 4, 2008
Agenda Item No. 5b

January 22, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Amendment to Professional Services Agreement with Baracco and Associates (Consent: Action)

The Commission will consider amending its agreement for staff support services with Baracco and Associates to extend the term to May 31, 2008. No change is proposed for the financial component of the agreement.

On September 14, 2007, the Local Agency Formation Commission (LAFCO) of Napa County entered into a professional services agreement with Baracco and Associates. The agreement is for planning and support services relating to the preparation of three municipal service reviews. The financial term of the agreement is for a not-to-exceed amount of \$18,500 with an end-date of January 31, 2008.

In preparing the contract, staff anticipated that the final reports for all three municipal service reviews would be delivered by the February 4, 2008 meeting. However, due to unexpected delays in data collection, it is now anticipated that the final reports will be delivered to LAFCO at its April 7, 2008 and May 5, 2008 meetings. As a result, LAFCO and Baracco and Associates staff would like to extend the term of the agreement by four months to May 31, 2008. The proposed extension will allow for the delivery of the final reports covered by the agreement and provide for some additional follow-up. No increase in the dollar amount of the agreement is proposed.

Recommendation

It is recommended for the Commission to take the following action:

- 1) Approve the attached First Amendment to the LAFCO Professional Services Agreement No. 07-01, extending the term to May 31, 2008.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- ~~1. LAFCO Professional Services Agreement No. 07-01 – First Amendment~~
- ~~2. LAFCO Professional Services Agreement No. 07-01~~

Jack Gingles, Commissioner
Mayor, City of Calistoga

Juliana Inman, Commissioner
Councilmember, City of Napa

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February 4, 2008
Agenda Item No. 5c

January 28, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Cancellation of March 3, 2008 Regular Meeting (Consent: Action)
The Commission will consider canceling its next scheduled regular meeting for March 3, 2008 due to a lack of business. The next scheduled regular meeting following March 3rd is April 7, 2008

Staff believes it would be appropriate for the Commission to cancel its next scheduled regular meeting for Monday, March 3, 2008 due to a lack of business. The few items that are expected to be ready for presentation to the Commission at the March 3rd meeting are for discussion and would not be affected by the cancellation.

The next scheduled meeting of the Commission following March 3rd is Monday, April 7, 2008.

Recommendation

It is recommended that the Commission take the following action:

- 1) Cancel its scheduled regular meeting for March 3, 2008

Respectfully submitted,

Keene Simonds
Executive Officer

Jack Gingles, Commissioner
Mayor, City of Calistoga

Juliana Inman, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

Brad Wagenknecht, Chair
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February 4, 2008
Agenda Item No. 6a

January 23, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

**SUBJECT: Congress Valley Water District: Sphere of Influence Review
(Public Hearing)**

The Commission will receive a written report representing its scheduled sphere of influence review of the Congress Valley Water District. The Commission will consider a draft resolution adopting the recommendations of the report to add four distinct areas to the sphere comprising approximately 457 unincorporated acres.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires Local Agency Formation Commissions (LAFCOs) to review and update each local agency's sphere of influence every five years as needed. A sphere is a planning device used by LAFCO to designate the probable physical boundary and service area of the affected local agency. Change of organizations, such as annexations or detachments, must be consistent with the spheres of the affected local agencies. In order to review a local agency's sphere, LAFCO must prepare municipal services reviews to determine the availability and adequacy of services in the region. The collective purpose of these reviews is to inform and direct LAFCOs in their legislative mandate to coordinate the orderly development of local agencies and services in a manner that meets the present and future needs of the community.

Background

In October 2004, LAFCO of Napa County completed a countywide municipal service review on public water service providers. The review included an evaluation of the Congress Valley Water District (CVWD), which was formed in 1949 and provides potable water service to an unincorporated area immediately southwest of the City of Napa. The review culminated with the adoption of determinations making statements on a range of service and governance issues regarding CVWD. Markedly, the determinations identified that CVWD is operating efficiently and providing an appropriate level of service consistent with the preferences and needs of its constituents.

Jack Gingles, Commissioner
Mayor, City of Calistoga

Juliana Inman, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

Brad Wagenknecht, Chair
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County of Napa Supervisor, 4th District

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

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Discussion

Drawing from the information collected and analyzed during the municipal service review, staff has prepared the attached report representing the sphere of influence review of CVWD. The report considers whether changes to the sphere are appropriate in planning the orderly development of CVWD. The report recommends adding to the sphere four distinct study areas that collectively comprises approximately 457 acres. In making this recommendation, the report concludes that the addition of the four affected study areas provides an appropriate service area for CVWD that is responsive to its existing jurisdictional boundary, service commitments, and infrastructure.

The attached draft resolution codifies the recommendations of the sphere report and is being presented from Commission consideration. The draft resolution includes statements addressing the four planning factors the Commission is required to consider anytime it makes a sphere determination. The adoption of the draft resolution would fulfill the Commission's sphere review requirement for CVWD through 2012.

Additionally, attached to this agenda report is a memorandum summarizing the timeline and circumstances underlying the preparation of the sphere review. The memorandum addresses the earlier comments provided by CVWD that it believes its jurisdictional boundary on file with the Commission is not accurate.

Recommendation

It is recommended for the Commission to take the following actions:

- 1) Receive and file the attached written report representing the sphere of influence review of the Congress Valley Water District; and
- 2) Approve the attached draft resolution with any desired changes making statements with respect to updating the sphere of influence for the Congress Valley Water District pursuant to California Government Code §56425.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- 1) Congress Valley Water District: Sphere of Influence Review
- ~~2) Draft Resolution~~
- 3) Memorandum

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

CONGRESS VALLEY WATER DISTRICT SPHERE OF INFLUENCE REVIEW

Final Report

October 2005

February 2008 (Updated)

Prepared by:

Local Agency Formation Commission of Napa County

Committed to serving the citizens and government agencies of its jurisdiction by encouraging the preservation of agricultural lands and open-space and coordinating the efficient delivery of municipal services.

Brad Wagenknecht, Chair, County Member

Brian J. Kelly, Vice Chair, Public Member

Bill Dodd, Commissioner, County Member

Jack Gingles, Commissioner, City Member

Juliana Inman, Commissioner, City Member

Cindy Coffey, Alternate Commissioner, City Member

Mark Luce, Alternate Commissioner, County Member

Gregory Rodeno, Alternate Commissioner, Public Member

Keene Simonds, Executive Officer

Jacqueline Gong, Commission Counsel

Kathy Mabry, Commission Secretary

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INTRODUCTION

Local Agency Formation Commissions

Local Agency Formation Commissions (LAFCOs) were established in 1963 and are responsible for administering California Government Code §56000 et seq., which is now known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. LAFCOs are delegated regulatory and planning responsibilities to coordinate the orderly formation and development of local governmental agencies and services, preserve agricultural and open-space resources, and discourage urban sprawl. Duties include regulating governmental boundary changes through annexations or detachments, approving or disapproving city incorporations, and forming, consolidating, or dissolving special districts. LAFCOs are also responsible for conducting studies that address a range of service and governance issues to inform and direct regional planning activities and objectives. LAFCOs are located in all 58 counties in California.

Spheres of Influence

A principal planning responsibility for LAFCO is the determination of a sphere of influence (“sphere”) for each city and special district under its jurisdiction.¹ California Government Code §56076 defines a sphere as “a plan for the probable physical boundary and service area of a local agency, as determined by the commission.” LAFCO establishes, amends, and updates spheres to indicate to local agencies and property owners that, at some future date, a specific area will likely require the services provided by the affected agency. The sphere determination also indicates the agency LAFCO believes is best situated to serve the affected area. Jurisdictional changes, such as annexations and detachments, must be consistent with the spheres of the affected agencies. LAFCO is required to review each agency’s sphere by January 1, 2008 and every five years thereafter as needed.

In establishing, amending, or updating a city or special district’s sphere, LAFCO is required to prepare written statements addressing four specific planning factors. These planning factors are intended to capture the legislative intent of the sphere determination with regard to coordinating the logical and orderly development of each local agency. These planning factors are:

- The present and planned land uses in the area, including agricultural and open-space lands.
- The present and probable need for public facilities and services in the area.
- The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

¹ LAFCOs have been required to determine spheres for cities and special districts within its jurisdiction since 1972.

- The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

In addition, when reviewing a sphere for a special district, LAFCO must also do the following:

- Require the special district to file a written statement with LAFCO specifying the functions or classes of services it provides.
- Establish the nature, location, and extent of any functions or classes of services provided by the existing special district.

Beginning in 2001, to help inform the sphere review process, LAFCO is responsible for preparing a municipal service review. A municipal service review is a comprehensive evaluation of the level and range of governmental services provided by a local agency or within a defined area. The municipal service review culminates in the preparation of written determinations addressing specific factors enumerated under California Government Code §56430(a). These factors range from infrastructure needs or deficiencies to local governance and accountability. The municipal service review is a prerequisite to updating an agency's sphere and may also lead LAFCO to take other actions under its authority.

Congress Valley Water District

In October 2004, LAFCO of Napa County, hereafter referred to as the "Commission," completed a countywide municipal service review on public water service providers. The review included an evaluation of the Congress Valley Water District. The review culminated with the adoption of determinations making statements on a range of service and governance issues involving the District.² The municipal service review is available for viewing at the LAFCO office and website: <http://napa.lafco.ca.gov>.

Drawing from information collected and analyzed as part of the municipal service review, this report represents the sphere review of the District pursuant to California Government Code §56425. The report considers whether changes to the sphere are warranted to plan the orderly development of the District in a manner that supports the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and the adopted policies of the Commission.

² LAFCO Resolution No. 04-18.

OVERVIEW

The Congress Valley Water District (CVWD) was formed in 1949 to provide water service to the unincorporated community of Congress Valley in southwest Napa County. CVWD's formation was engendered by local property owners in response to diminishing groundwater supplies. Following its formation, CVWD entered into an agreement with the City of Napa, hereinafter referred to as the "City," for an annual supply of potable water. The agreement was renewed in 1987 and provides CVWD up to 100 acre-feet of potable water annually through 2017. The agreement designates a water service area for CVWD, and specifies that the District only serve lands within its service area upon annexation. The agreement also states that CVWD shall voluntarily dissolve and turn over all assets to the City in July 2017.³

CVWD is as an independent special district governed by an elected five-member board of directors that serve staggered four-year terms. Elections are based on a registered-voter system. CVWD is staffed by one part-time administrator and is responsible for authorizing service connections, collecting connection fees, and coordinating service requests with the City. Billing and collections is performed by the City. (The City also retains all user charges.) CVWD currently administers water service to 72 single-family residences with an estimated resident population of 185.⁴

Congress Valley Water District	
Date Formed	1949
District Type:	Independent
Enabling Legislation	California Water Code §30000-33901
Services Provided	Water

Sphere of Influence

Establishment

CVWD's sphere was established by the Commission in 1985. Principal planning factors used by the Commission in establishing the location of the sphere included recognizing CVWD's existing service obligations, the projected capacity of the distribution system, and need for future service. Included in the establishment of the sphere were all lands in CVWD with the exception of two parcels located at its western and southern border, which were determined to be outside the range and capacity of the existing distribution system. Conversely, certain parcels outside CVWD were included in the sphere based on their close proximity to the distribution system. There have been no amendments to the sphere since its establishment in 1985.⁵

³ As part of the earlier municipal service review, the Commission determined that LAFCO should evaluate and consider options with respect to whether the scheduled dissolution of CVWD is appropriate.

⁴ The population estimate has been calculated by LAFCO staff and based on CVWD's current number of residential service connections (72) and multiplied by the average population per-household estimate for Napa County (2.57) as determined by the California Department of Finance.

⁵ The Commission did approve a sphere amendment in 1995 involving two parcels located on the northeast side of Buhman Avenue south of its intersection with Congress Valley Road. However, approval was conditioned on the affected property owners entering into an outside service agreement with CVWD. An outside service agreement was not reached and the sphere amendment was abandoned.

Current Relationship to Jurisdictional Boundary

CVWD's sphere is approximately 1,119 acres in size, or 1.9 square miles, and includes 110 unincorporated parcels. There are no parcels in the sphere that are not in CVWD. The sphere is smaller than CVWD's jurisdictional boundary, which is approximately 1,400 acres in size, or 2.2 square miles, and includes 113 unincorporated parcels.

- * A map depicting CVWD's current sphere and jurisdictional boundary is provided in Attachment One.

Land Use Factors

CVWD is under the land use authority of the County of Napa, hereinafter referred to as the "County." The County designates all land located within CVWD as *Agriculture, Watershed and Open Space*. This designation requires a minimum parcel size of 160 acres and prescribes the intended land uses as agriculture, processing of agriculture products, and single-family dwellings. The majority of lands adjacent to CVWD are unincorporated and also designated *Agriculture, Watershed and Open Space*. Unincorporated lands within and adjacent to CVWD are primarily characterized by agricultural and rural residential uses.

The remaining lands adjacent to CVWD are incorporated and under the land use authority of the City. These incorporated lands are generally undeveloped with the exception of moderately-dense residential uses in the "Browns Valley" section of the City, which is located along the northwest border of CVWD. The City's adopted urban growth boundary does not include any lands located in CVWD or within its sphere.

- * A map depicting the current land uses in and around CVWD is provided in Attachment Two.
- * A map depicting the land use designations under the County General Plan is provided in Attachment Three.

DISCUSSION

The objective of this report is to identify and evaluate areas that warrant consideration for inclusion or removal from CVWD's sphere as part of a comprehensive review. Underlying this objective is to encourage the orderly development of CVWD in a manner that is consistent with the provisions of Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and the Commission's own adopted policies. This includes considering the basic policy of the Commission that CVWD is a rural service provider and that its services support rural residential and agricultural development in Congress Valley.⁶ Consideration is also given to the service capacity of CVWD, which is drawn from information collected and analyzed as part of the Commission's earlier municipal service review on public water provision in Napa County.

⁶ LAFCO Resolution No. 85-2, Section 2(a).

As noted, a sphere is defined as “the probable physical boundary and service area of a local agency, as determined by the commission.” The legislative intent of the sphere is for the Commission to coordinate and encourage the orderly development of local governmental agencies and services based upon local conditions and circumstances. Jurisdictional changes, such as annexations and detachments, must be consistent with the spheres of the affected agencies. The Commission’s “Policy Determinations” emphasizes its commitment to these concepts and includes a statement that a special district’s sphere shall reflect its existing and planned service facilities. The Policy Determinations also state that the Commission shall exclude lands from a special district’s sphere that are designated as agricultural or open-space for the purpose of urban development. Finally, the Policy Determinations specify that the Commission will use the County General Plan to determine agricultural and open-space designations.

California Government Code §56425 requires the Commission to review and update each local agency’s sphere by January 1, 2008 and every five years thereafter as needed. It has been the practice of the Commission to review and update each local agency’s sphere in a manner that emphasizes a probable five-year service area.

Study Areas

Four study areas were developed by staff in the course of considering areas to add or remove as part of a comprehensive sphere review of CVWD. All four study areas represent unincorporated lands that are located outside the existing sphere and are evaluated to consider the merits of their inclusion.⁷ Study Areas “A” and “B” were chosen because they comprise lands that are already in CVWD. Study Areas “C” and “D” were chosen because they are directly contiguous to CVWD’s existing distribution system, and if annexed, would not result in the extension of the distribution system.

* A map depicting Study Areas A, B, C, and D is provided in Attachment Four.

ANALYSIS

Analysis of each study area is organized to address the four planning factors the Commission is required to consider anytime it makes a sphere determination under California Government Code §56425(e). These planning factors are 1) present and planned land uses; 2) present and probable need for public facilities and services; 3) present adequacy and capacity of public services; and 4) existence of any social or economic communities of interest. Recommendations are offered for each study area with respect to whether a sphere modification is appropriate at this time.

⁷ Staff did not identify any lands located within CVWD’s sphere that warranted consideration for removal based on its general contiguity with the District’s jurisdictional boundary.

Study Area A

This study area consists of one unincorporated parcel located along Buhman Avenue northwest of its intersection with Congress Valley Road. The study area is approximately 270 acres in size and appears to have been included in CVWD's jurisdictional boundary at the time of formation in 1949. The Commission excluded the study area from the sphere at the time of establishment in 1985 after concluding that it was outside the range and capacity of the existing distribution system. In 1987, the study area was included in CVWD's service area as defined under its service agreement with the City. CVWD approved and extended water service to the study area in 1988 following the resizing of its distribution system.

Present and Planned Land Uses

Present land uses in the study area include a single-family residence and a commercial vineyard. A sizeable portion of the study area also remains undeveloped. As land use authority, the County designates the study area *Agriculture, Watershed, and Open Space* with a zoning standard of *Agricultural Watershed*. These assignments collectively require a minimum parcel size of 160 acres, and as a result, prohibit the creation of additional lots. The study area is also under a Williamson Act contract with the County. This contract helps to ensure that the present land uses will remain intact for at least the next 10 years.

Present and Probable Need for Public Facilities and Services

The study area currently receives water service from CVWD. Water service is for domestic use and is needed to support an existing single-family residence. Other services provided to the study area include a basic level of fire protection, law enforcement, and road maintenance from the County. These basic services appear adequate given the present and planned land uses in the study area.

Present Capacity of Public Facilities and Adequacy of Public Services

The Commission's recent municipal service review involving CVWD indicates the District has established adequate service capacities and administrative controls to continue to provide an effective level of water service to the study area.

Existence of Social or Economic Communities of Interest

The study area has established communities of interests with CVWD. These interests are drawn from the social ties associated with the study area's inclusion in CVWD and the economic benefits underlying the provision of water service by the District. Adding the study area to the sphere would recognize and strengthen these existing interests.

Recommendation

It is recommended that the Commission modify CVWD's sphere to include the land comprising Study Area A as part of this comprehensive review. Inclusion would recognize CVWD's current delivery of water service to the study area and promote the planned and orderly development of the District by modifying the sphere to become congruent with its jurisdictional boundary. Inclusion would also be consistent with the Commission's adopted policies that CVWD's sphere reflect its infrastructure and service capacity as well as support existing rural residential and agricultural development in Congress Valley. Finally, inclusion would be consistent with recent amendments to California Government Code emphasizing that governmental services should be limited to areas located within the affected agency's sphere.

Study Area B

This study area consists of one unincorporated parcel and a portion of second unincorporated parcel located north of Highway 12 along the western side of the Congress Valley Creek. Both parcels are owned by the same property owner. The study area is approximately 46 acres in size and appears to have been included in CVWD's jurisdictional boundary at the time of formation in 1949. The Commission excluded the study area from the sphere at the time of establishment in 1985 after concluding that it was outside the range and capacity of the existing distribution system. In 1987, the majority of the study area was included in CVWD's service area as defined under its service agreement with the City. CVWD approved and extended water service to this portion of the study area in 1988 following the resizing of its distribution system.

The portion of the study area currently receiving water service from CVWD is hereafter identified as "B-1." The remaining portion of the study area not receiving water service from CVWD is hereafter identified as "B-2."

Present and Planned Land Uses

Present land uses in B-1 and B-2 include a commercial vineyard along with auxiliary structures and facilities. As land use authority, the County designates B-1 and B-2 as *Agriculture, Watershed, and Open Space* with a zoning standard of *Agricultural Watershed*. These assignments collectively require a minimum parcel size of 160 acres, and as a result, prohibit the creation of additional lots. B-1 and B-2 are also under a Williamson Act contract with the County. This contract helps to ensure that the present land uses will remain intact for at least the next 10 years.

Present and Probable Need for Public Facilities and Services

B-1 currently receives water service from CVWD. Water service is for domestic use and is needed to support existing vineyard operations, which includes drinking water for workers. B-2 is served by groundwater and/or captured surface water. Although these sources appear presently sufficient, the history of groundwater shortages in the area suggests there is a probable need to extend public water service to B-2 to provide long-term support for existing development. B-1 and B-2 also receive a basic level of fire protection, law enforcement, and road maintenance from the County. These basic services appear adequate given the present and planned land uses.

Present Capacity of Public Facilities and Adequacy of Public Services

The Commission's recent municipal service review involving CVWD indicates the District has established adequate service capacities and administrative controls to continue to provide an effective level of water service to B-1. These capacities and controls also appear sufficient to extend service to B-2 without impacting existing customers. Extension of the distribution system would not be required to serve B-2.

Existence of Social or Economic Communities of Interest

B-1 and B-2 have established communities of interests with CVWD. These interests are drawn from the social ties associated with B-1 and B-2's inclusion in CVWD and the economic benefits underlying the provision of water service to B-1. Adding B-1 and B-2 to the sphere would recognize and strengthen these existing interests.

Recommendation

It is recommended that the Commission modify CVWD's sphere to include the lands comprising Study Area B as part of this comprehensive review. Inclusion would recognize CVWD's current delivery of water service to B-1 and promote the planned and orderly development of the District by modifying the sphere to become congruent with its jurisdictional boundary. Inclusion would also be consistent with the Commission's adopted policies that CVWD's sphere reflect its infrastructure and service capacity as well as support existing rural residential and agricultural development in Congress Valley. Finally, inclusion would be consistent with recent amendments to California Government Code emphasizing that governmental services should be limited to areas located within the affected agency's sphere.

- * Staff also recommends the Commission encourage CVWD and the City to review their service agreement and consider amending the District's defined service area to include B-2.

Study Area C

This study area consists of one unincorporated parcel located on the northwestern side of Old Sonoma Road along a hillside known as Old Sonoma Notch. The study area is approximately 37 acres in size and outside both the jurisdictional boundary and sphere of CVWD. It appears that the Commission did not consider adding the study area to the sphere at the time of establishment in 1985 in deference to the preferences expressed by the property owner at the time. However, in preparing this review, the current property owner has asked the Commission to add the study area into the sphere to help facilitate annexation to CVWD. The property owner is seeking annexation to secure a supplemental water supply for her existing single-family residence (See Attachment Four).⁸

The study area is located directly adjacent to an interconnection between the distribution systems of CVWD and the City. Markedly, because it is adjacent to a portion of the distribution system, the study area is eligible to receive an outside service connection from the City under its Policy Resolution No. 7.⁹ However, this type of extraterritorial service arrangement must be approved by the Commission and based on specific determinations pursuant to California Government Code §56133.

Present and Planned Land Uses

Present land uses in the study area include a single-family residence and a private vineyard. As land use authority, the County designates the study area *Agriculture, Watershed, and Open Space* with a zoning standard of *Agricultural Watershed*. These assignments collectively require a minimum parcel size of 160 acres, and as a result, prohibit the creation of additional lots.

Present and Probable Need for Public Facilities and Services

The study area is currently served by groundwater. Although this source appears presently sufficient, the history of groundwater shortages in the area suggests there is a probable need to extend public water service to the study area to provide long-term support for existing development. Other services provided to the study area include a basic level of fire protection, law enforcement, and road maintenance from the County. These basic services appear adequate given the present and planned land uses in the study area.

Present Capacity of Public Facilities and Adequacy of Public Services

The Commission's recent municipal service review involving CVWD indicates the District has established adequate service capacities and administrative controls to extend water service to the study area without impacting existing customers. Extension of the distribution system would not be required to serve the study area.

⁸ In order to serve the study area, upon annexation, CVWD would need to amend its service agreement with the City to add the territory to its defined service area.

⁹ The City's Policy Resolution No. 7 authorizes the Public Works Director to approve outside service connections to residential properties of legal record as of December 31, 1982 that are contiguous to an existing City water line.

Existence of Social or Economic Communities of Interest

An implicit relationship exists between the study area and CVWD. This relationship is drawn from the study area's ties to the Congress Valley community, which is based on location and present and planned land uses. Adding the study area to the sphere would compliment this existing relationship and help establish social and economic communities of interests with CVWD.

Recommendation

It is recommended that the Commission modify CVWD's sphere to include the land comprising Study Area C as part of this comprehensive review. Inclusion would be consistent with Commission policies that CVWD's sphere reflect its existing infrastructure and service capacity as well as provide support for existing rural residential and agricultural development in Congress Valley. Inclusion would also signal to all local agencies the Commission's determination that CVWD is the appropriate service provider for the study area.

- * Staff also recommends the Commission encourage CVWD and the City of Napa to review their service agreement and consider amending the District's agency-defined service area to include the study area.

Study Area D

This study area consists of three unincorporated parcels located along the northwestern side of Old Sonoma Road at its intersection with Buhman Road. The study area is approximately 138 acres in size and located outside both the jurisdictional boundary and sphere of CVWD. It appears that the Commission did not consider adding the study area to the sphere at the time of establishment in 1985 after concluding that it was outside the range and capacity of the existing distribution system. In 1987, two of the three affected parcels were added to CVWD's service area as defined under its service agreement with the City.

In 1988, CVWD requested a sphere modification to include the entire study area as part of a concurrent annexation proposal involving seven additional parcels that were already in the sphere.¹⁰ In its review, the Commission expressed concern that expanding the sphere and the subsequent annexation of the study area was inconsistent with its policies to discourage the extension of urban services in agricultural areas. The Commission stated its preference that the study area receive water service from CVWD through outside service agreements, which at the time, did not require LAFCO approval. Accordingly, the Commission deferred considering the sphere modification and directed CVWD to negotiate an amendment to its agreement with the City to allow the District to serve the study area through outside service agreements.

¹⁰ In submitting the proposal to the Commission, CVWD stated that it was in the process of negotiating an amendment to its agreement with the City to include the last of the three affected parcels within its service area. However, an amendment was not reached and the affected parcel remains outside CVWD's service area.

In deferring consideration of the sphere modification, the Commission approved the annexation of the seven other parcels included in the proposal already in the sphere. These actions were apparently miscommunicated to CVWD as it believed the annexation approval included the study area. This miscommunication led to CVWD approving and extending water service to one of the three affected parcels in 1990. In 1995, a second affected parcel, which lies outside CVWD's service area, began receiving water service through an outside service agreement with the City. The third parcel in the study area, which is in CVWD's service area, remains unserved.

The portion of the study area currently receiving water service from CVWD is hereafter identified as "D-1." The portion of the study area receiving water service from the City is hereafter identified as "D-2." The remaining portion of the study area not receiving water from CVWD or the City is hereafter identified as "D-3."

Present and Planned Land Uses

Present land uses in D-1, D-2, and D-3 include two single-family residences, a farm labor residence, and commercial vineyards with auxiliary structures and facilities. As land use authority, the County designates D-1, D-2, and D-3 *Agriculture, Watershed, and Open Space* with a zoning standard of *Agricultural Watershed*. These assignments collectively require a minimum parcel size of 160 acres, and as a result, prohibit the creation of additional lots.

Present and Probable Need for Public Facilities and Services

D-1 receives water service from CVWD. D-2 receives water service from the City through CVWD's distribution system. Water services to both D-1 and D-2 are for domestic uses and are needed to support existing single-family residences, a farm labor residence, and vineyard operations, which includes providing drinking water for workers. D-3 is served by groundwater and/or captured surface water, which is needed to support a commercial vineyard. Although these sources appear presently sufficient, the history of groundwater shortages in the area suggests there is a probable need to extend public water service to D-3 to provide long-term support for existing development. D-1, D-2, and D-3 also receive a basic level of fire protection, law enforcement, and road maintenance from the County. These basic services appear adequate given the present and planned land uses.

Present Capacity of Public Facilities and Adequacy of Public Services

The Commission's recent municipal service review involving CVWD indicates that the District has established adequate service capacities and administrative controls to continue to provide water service to D-1. These capacities and controls are also sufficient for CVWD to assume service from the City for D-2 as well as to extend service to D-3 without impacting existing customers.

Existence of Social or Economic Communities of Interest

D-1 and D-2 have established communities of interests with CVWD. These interests are reflected in the economic benefits underlying the provision of water service provided by CVWD directly and indirectly to D-1 and D-2, respectively. Adding D-1 and D-2 to the sphere would recognize and strengthen these existing interests.

Adding D-3 to the sphere would compliment its existing relationship with the Congress Valley community, which is based on location and present and planned land uses, while helping to establish social and economic communities of interests with CVWD.

Recommendation

It is recommended that the Commission modify CVWD's sphere to include the lands comprising Study Area D as part of this comprehensive review. Inclusion would recognize the current delivery of water service to a substantial portion of the study area either by CVWD or through its distribution system. Inclusion would also be consistent with Commission policies that CVWD's sphere reflect its existing infrastructure and service capacity as well as provide support for existing rural residential and agricultural development in Congress Valley. Finally, inclusion would signal to all local agencies the Commission's determination that CVWD is the appropriate service provider for the study area.

- * Staff also recommends the Commission encourage CVWD and the City to review their service agreement and consider amending the District's defined service area to include D-2.

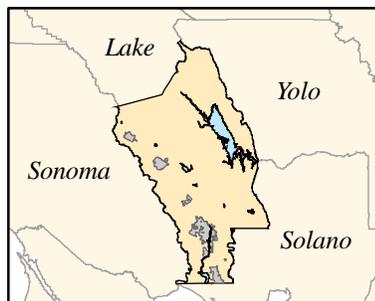
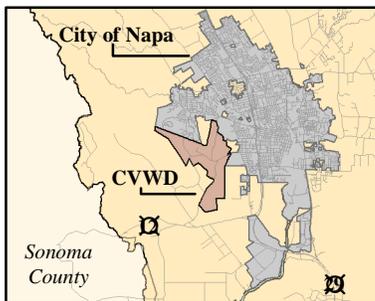
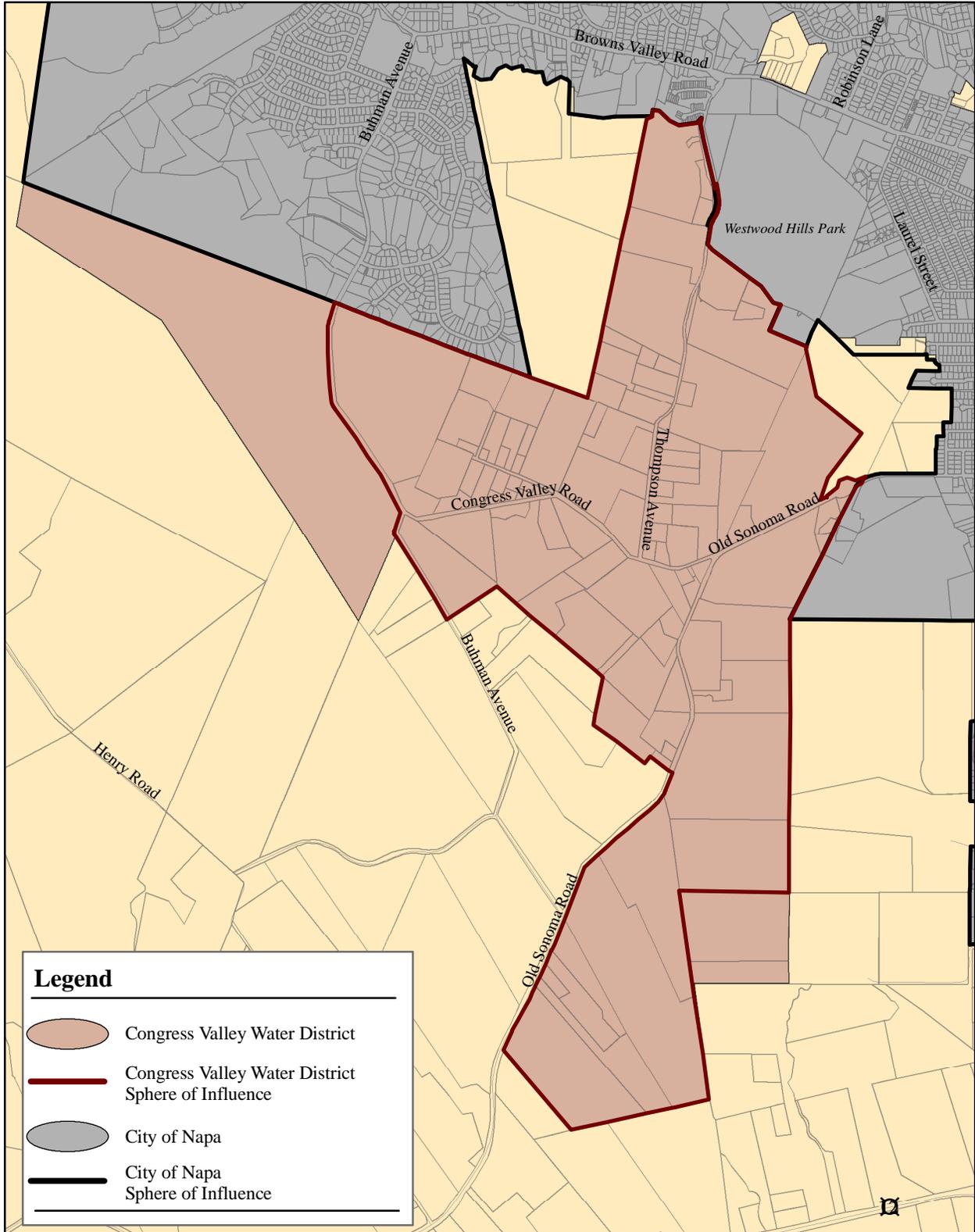
SUMMARY OF RECOMMENDATIONS

Modifications to the sphere are appropriate to add all lands comprising Study Areas A, B, C, and D. These modifications are responsive to the CVWD's existing jurisdictional boundary and distribution system. These modifications are also consistent with the adopted policies of the Commission to plan the orderly development of CVWD in manner that supports existing agricultural and rural residential uses in Congress Valley.

Attachments

- 1) Map: CVWD's current sphere and jurisdictional boundary
- ~~2) Map: Current land uses in and around CVWD~~
- ~~3) Map: County General Plan Land Use Plan~~
- 4) Map: Study Areas A, B, C, and D
- ~~5) Correspondence: Letter from Nancy Otton, dated December 29, 2004~~
- ~~6) Map: CVWD service area as defined under agreement with City~~

Congress Valley Water District

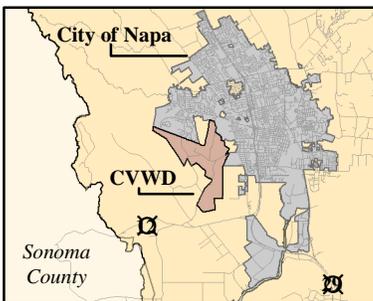
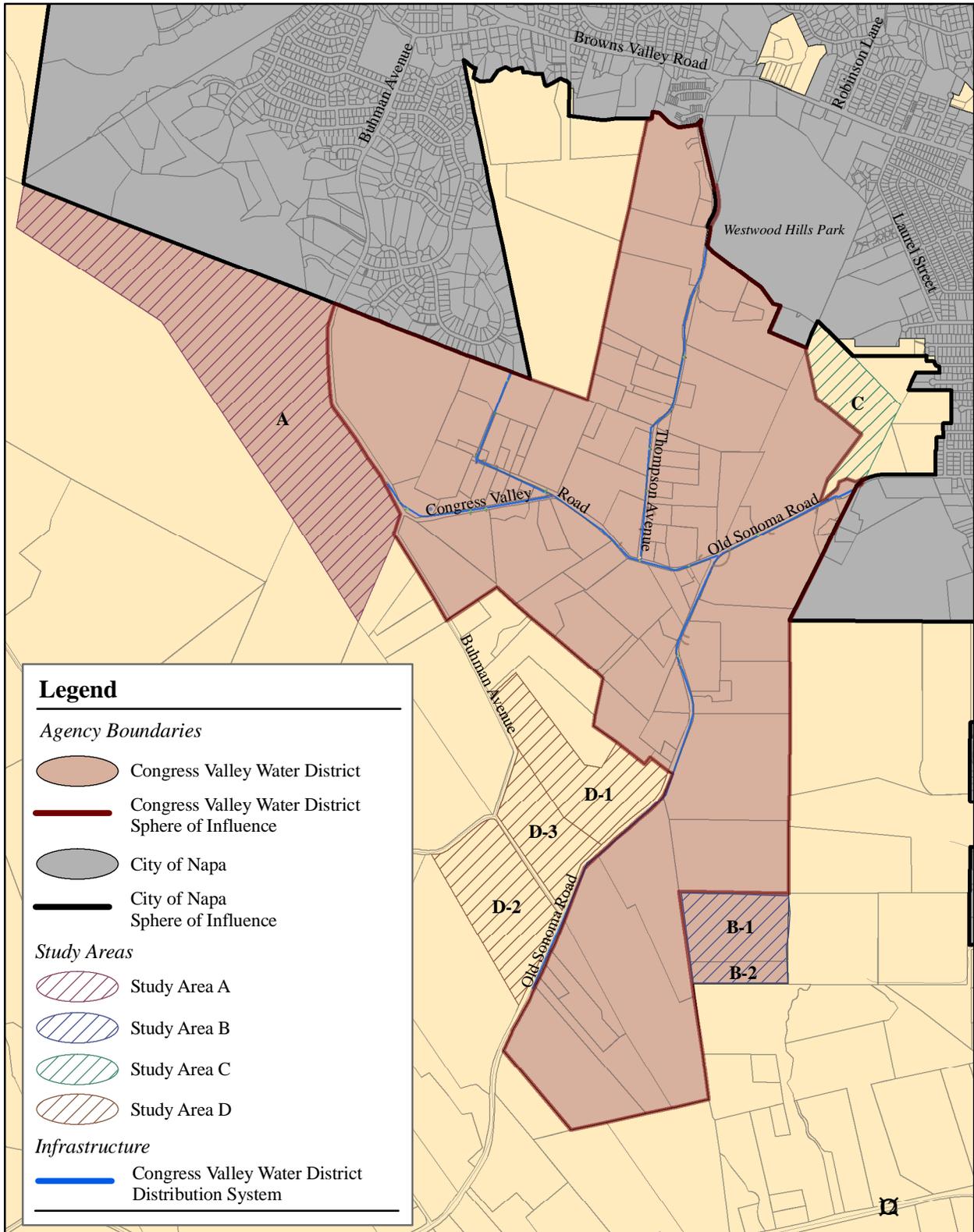


Not to Scale
January 17, 2008
Prepared by KS



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Congress Valley Water District



Not to Scale
January 17, 2008
Prepared by KS



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Memorandum

January 23, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Congress Valley Water District: Sphere of Influence Review

Memorandum addresses the timeline and circumstances underlying the preparation for the sphere review on the Congress Valley Water District.

In November 2004, staff began work on a sphere of influence review for the Congress Valley Water District (CVWD). A draft report on the sphere review was presented to the Commission for discussion at its June 6, 2005 meeting. Following a public review period, staff made two separate attempts to present a final report on the sphere review for Commission consideration at its August 1 and October 3, 2005 meetings. However, in both instances, the final reports were pulled from the meetings at the request of staff to address previously undocumented information submitted by property owners and CVWD.

All but one issue raised in the initial attempts to present a final sphere report to the Commission have been addressed. The outstanding issue pertains to a comment received from CVWD that it believes there is an error with the depiction of its jurisdictional boundary on file with the Commission. Specifically, based on an initial review by its own surveyor, CVWD believes that its jurisdictional boundary is measurably larger than what is on file with the Commission (see attachment). CVWD commented that its surveyor would prepare a report and final map summarizing his findings to the Commission. However, as of date, staff has not received any final documentation from CVWD or its surveyor on this matter.

Staff appreciates CVWD has experienced unexpected delays in submitting final documentation to the Commission in addressing the apparent mapping discrepancy involving the location of its jurisdictional boundary. Nonetheless, the Commission has a responsibility to complete its inaugural round of sphere reviews as soon as possible given that its statutory deadline of January 1, 2008 has already passed. With this in mind, drawing on the information on record with the Commission, staff has prepared an update to its initial final report that was prepared in October 2005. The update is generally limited to formatting changes to reflect the current practice employed by staff in preparing recent sphere reviews.

It is important to note CVWD is not adversely impacted by the Commission moving forward and adopting a sphere review at this time. Once CVWD submits final documentation, staff will work closely with the District as well as all other affected parties, including the County of Napa and State Board of Equalization, in addressing any warranted changes to the jurisdictional boundary. Updates to the Commission will be provided by staff as appropriate.

Jack Gingles, Commissioner
Mayor, City of Calistoga

Juliana Inman, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

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

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

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

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer



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February 4, 2008
Agenda Item No. 6b

January 28, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Adoption of Final Study Schedule for 2008-2012 (Public Hearing)

The Commission will consider adopting a final study schedule for 2008-2012. The final study schedule calendars municipal service reviews and sphere of influence reviews for each local agency pursuant to California Government Code Sections 56430 and 56425, respectively.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires Local Agency Formation Commissions (LAFCOs) to review and update each local agency's sphere of influence by January 1, 2008 and every five years thereafter as needed. As part of this requirement, LAFCOs must also prepare municipal service reviews to determine the adequacy and range of governmental services that are being provided in the affected region. The collective purpose of these reviews is to inform LAFCO and make it more proactive in fulfilling its legislative mandate to coordinate the logical development of local governmental agencies and services.

Background

At its December 3, 2007 meeting, staff presented the Commission with a proposed study schedule calendaring its next and second round of municipal service reviews and sphere of influence reviews for 2008-2012. During the meeting, the Commission also received an application from the City of American Canyon requesting an amendment to its sphere of influence (copy attached). The Executive Officer recommended that it would be appropriate to defer making any changes in response to American Canyon's request until all local agencies were given an opportunity to review and comment on the proposed study schedule. The Commission approved the proposed study schedule as submitted and directed staff to circulate the schedule for review to each affected local agency in anticipation of taking final action at its February 4, 2008 meeting.

On December 4, 2007, staff circulated the approved proposed study schedule to each affected local agency for their review and comment. The review period ended on January 14, 2008. No comments were received.

Jack Gingles, Commissioner
Mayor, City of Calistoga

Juliana Inman, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

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

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

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

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Discussion

Staff has prepared a final study schedule calendaring municipal service reviews and sphere of influence reviews for 2008-2012 for adoption by the Commission. The final study schedule retains the structure of the proposed schedule approved in December by focusing on preparing mostly agency-specific municipal service reviews. Markedly, this approach will allow the Commission to concentrate on the breadth of services provided by each agency as part of a single report. This approach will also benefit each affected local agency by limiting the number of instances it will need to provide information to the Commission over the next five years.

Changes made to the proposed study schedule reflected in the final schedule include moving up the review dates for American Canyon, American Canyon Fire Protection District, and County Service Area No. 3 one year to 2008. The rationale in making these changes is to satisfy American Canyon's request that its sphere of influence be reviewed as soon as possible while preserving the Commission's interest to review all three local agencies under its jurisdiction in south Napa County in the same timeframe. In order to accommodate these changes, the review dates for County Service Area No. 4 and the Napa County Regional Park and Open Space District have been moved back one year to 2009. It is not expected that these changes will affect either special district given that neither agency is likely to be seeking an annexation in the near future.

It is important to note the adoption of a final study schedule will provide direction to staff with respect to developing annual work plans that are consistent with the preferences of the Commission in fulfilling its legislative-prescribed responsibilities. The Commission, however, reserves the right to amend the study schedule to address changes in circumstances and conditions, priorities, and available resources.

Recommendation

It is recommended that the Commission take the following action:

- 1) Adopt the attached final study schedule for 2008-2012 with any desired changes.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- 1) Final Study Schedule for 2008-2012
- 2) Application from the City of American Canyon Proposing Sphere of Influence Amendment



**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
FINAL STUDY SCHEDULE (2008-2012)**

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

Adoption Date _____

Calendar Year 2008

City of American Canyon
Municipal Service Review and Sphere of Influence Review

American Canyon Fire Protection District
Municipal Service Review and Sphere of Influence Review

County Service Area No. 3
Municipal Service Review and Sphere of Influence Review

Comprehensive Study of the Lake Berryessa Region
Governance Study, Municipal Service Review, and Sphere of Influence Review

Calendar Year 2009

County Service Area No. 4
Municipal Service Review and Sphere of Influence Review

Napa County Regional Park & Open Space District
Municipal Service Review and Sphere of Influence Establishment

Napa County Mosquito Abatement District
Municipal Service Review and Sphere of Influence Review

Law Enforcement Services
Municipal Service Review

Calendar Year 2010

City of Napa
Municipal Service Review and Sphere of Influence Review

Napa Sanitation District
Municipal Service Review and Sphere of Influence Review

Napa River Reclamation District No. 2109
Municipal Service Review and Sphere of Influence Review

Silverado Community Services District
Municipal Service Review and Sphere of Influence Review

Transportation Services (Public Transit and Roads)
Municipal Service Review

Calendar Year 2011

Town of Yountville

Municipal Service Review and Sphere of Influence Review

Circle Oaks County Water District

Municipal Service Review and Sphere of Influence Review

Congress Valley Water District

Municipal Service Review and Sphere of Influence Review

Napa County Flood Control and Water Conservation District

Municipal Service Review and Sphere of Influence Review

Napa County Resource Conservation District

Municipal Service Review and Sphere of Influence Review

Calendar Year 2012

City of Calistoga

Municipal Service Review and Sphere of Influence Review

City of St. Helena

Municipal Service Review and Sphere of Influence Review

Los Carneros Water District

Municipal Service Review and Sphere of Influence Review

Monticello Public Cemetery District

Municipal Service Review and Sphere of Influence Review

Pope Valley Cemetery District

Municipal Service Review and Sphere of Influence Review



**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
FINAL STUDY SCHEDULE (2008-2012)**

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

Adoption Date _____

Calendar Year 2008

City of American Canyon

Municipal Service Review and Sphere of Influence Review

American Canyon Fire Protection District

Municipal Service Review and Sphere of Influence Review

County Service Area No. 3

Municipal Service Review and Sphere of Influence Review

Comprehensive Study of the Lake Berryessa Region

Governance Study, Municipal Service Review, and Sphere of Influence Review

Calendar Year 2009

County Service Area No. 4

Municipal Service Review and Sphere of Influence Review

Napa County Regional Park & Open Space District

Municipal Service Review and Sphere of Influence Establishment

Napa County Mosquito Abatement District

Municipal Service Review and Sphere of Influence Review

Law Enforcement Services

Municipal Service Review

Calendar Year 2010

City of Napa

Municipal Service Review and Sphere of Influence Review

Napa Sanitation District

Municipal Service Review and Sphere of Influence Review

Napa River Reclamation District No. 2109

Municipal Service Review and Sphere of Influence Review

Silverado Community Services District

Municipal Service Review and Sphere of Influence Review

Transportation Services (Public Transit and Roads)

Municipal Service Review

Calendar Year 2011

Town of Yountville

Municipal Service Review and Sphere of Influence Review

Circle Oaks County Water District

Municipal Service Review and Sphere of Influence Review

Congress Valley Water District

Municipal Service Review and Sphere of Influence Review

Napa County Flood Control and Water Conservation District

Municipal Service Review and Sphere of Influence Review

Napa County Resource Conservation District

Municipal Service Review and Sphere of Influence Review

Calendar Year 2012

City of Calistoga

Municipal Service Review and Sphere of Influence Review

City of St. Helena

Municipal Service Review and Sphere of Influence Review

Los Carneros Water District

Municipal Service Review and Sphere of Influence Review

Monticello Public Cemetery District

Municipal Service Review and Sphere of Influence Review

Pope Valley Cemetery District

Municipal Service Review and Sphere of Influence Review



Local Agency Formation Commission
LAFCO of Napa County

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

February 4, 2008
Agenda Item No. 7a

January 29, 2008

TO: Local Agency Formation Commission

FROM: 2008-2009 Budget Committee

SUBJECT: Draft Proposed Budget for Fiscal Year 2008-2009 (Action)

The Commission will receive a draft proposed budget from the 2008-2009 Budget Committee. The draft proposed budget projects a total increase in expenses of 6.4% and is being presented for Commission approval.

California Government Code §56381 directs the Commission to annually prepare and adopt a proposed budget by May 1st and a final budget by June 15th. In preparing for its own provisions, it is the policy of Commission to establish a budget committee that includes two appointed Commissioners and the Executive Officer. The budget committee's initial responsibility is to prepare and present a draft proposed budget for approval by the Commission before it is circulated for comment to each funding agency. It has been the practice of the Commission to receive proposed and final budgets from the Budget Committee for adoption at its April and June meetings, respectively.

Background

As provided under the law, the Commission's annual operating costs are entirely funded by the County of Napa and the Cities of American Canyon, Calistoga, Napa, St. Helena, and the Town of Yountville. The law provides that the County is responsible for 50% of the Commission's operating costs. The remaining 50% of the Commission's operating costs are proportionally shared by the five cities based on a weighted calculation of population and general tax revenues. Each agency is responsible for paying their share of the Commission's adopted budget at the beginning of each fiscal year. As a result of its prescribed funding relationships with local agencies, the Commission only budgets costs.

Discussion

At its December 3, 2007 meeting, the Commission appointed Commissioners Gingles and Kelly to serve on the 2008-2009 Budget Committee, hereafter identified as the "Committee." The Committee met on January 7, 2008 to review the Commission's operating expenses for the upcoming fiscal year. A spending baseline was constructed to estimate how much it would cost to continue the Commission's current level of services and activities at next fiscal year's price for labor and supplies. In reviewing these estimates, the Committee considered actual expenses from previous fiscal years and whether increases or decreases in spending was appropriate to reflect anticipated changes in demand or need.

Jack Gingles, Commissioner
Mayor, City of Calistoga

Juliana Inman, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

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

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

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

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

The Committee's draft proposed budget for 2008-2009 projects a 6.4% increase (\$29,872) in total expenses over the current fiscal year. The majority of the projected increase is attributed to contractual obligations associated with the Commission's support services agreement with the County of Napa relating to employee salaries and benefits. Markedly, this includes establishing a new expense account to begin funding for other post-employment benefits, such as retiree health care, which accounts for over one-third of the overall projected increase in the budget. This also includes increasing salaries to incorporate an anticipated 3.2% cost-of-living adjustment for all employees. Additionally, underlying all salary and benefit projections is the continued budgeting of two fulltime (Executive Officer and Analyst) and one partime (Secretary) positions.

With respect to discretionary expenses, the Committee has made two substantive changes in projecting legal service costs that have contributed to a \$4,800, or 24%, increase in the affected expense account in 2008-2009. First, the Committee has revised the methodology used in calculating legal service costs by budgeting for an actual number of billable hours. In 2008-2009, the Committee anticipates the Commission requiring up to 160 hours of legal services, which represents the average number of hours billed to the agency over the last two years by County Counsel for services provided by Counsel Gong. Second, in making its calculation, the Committee has divided the total 160 hours budgeted for legal services between the anticipated hourly rates of County Counsel at \$156 and an outside counsel at \$190, which is the current median amount charged by three private law firms that work for other LAFCOs in California. The Committee has weighted the calculation to anticipate 75% of legal services in 2008-2009 will continued to be provided by County Counsel with the remaining 25% provided by an outside counsel. The rationale in making this second change to the methodology in calculating legal service costs is to afford the Commission the opportunity to use outside counsel at its discretion without adversely impacting the budget.

The Committee also identified and considered the merits of budgeting for two office improvements in 2008-2009. These improvements include implementing an electronic document management system and designing a new website. Based on staff's discussions with potential vendors, reasonable cost estimates for these two improvements is \$10,000 and \$30,000, respectively. Although both improvements are warranted, given the other increases in the draft proposed budget, the Committee decided not to incorporate additional funds for these projects to limit the fiscal impact to the funding agencies.

Finally, the Committee performed a preliminary review to identify whether the Commission's current salary scale for the Executive Officer position is comparable with other LAFCOs. The preliminary review indicated that the current salary scale for the Executive Officer position is moderately below the average of the LAFCOs in the seven counties the County of Napa uses in conducting salary comparisons. In the course of preparing the preliminary review, the Committee became aware that the County is scheduled to conduct a comprehensive salary review for all of its management classifications, which includes the Executive Officer position. The Committee believes it is appropriate for the Commission to review the results of the County's compensation study before taking any further actions regarding the pay scale for the Executive Officer position.

Recommendation

It is recommended for the Commission to take the following actions:

- 1) Approve with any desired changes the draft proposed budget from the 2008-2009 Budget Committee;
- 2) Direct the Executive Officer to circulate the approved draft proposed budget for review and comment to each funding agency; and
- 3) Direct the Executive Officer to schedule a public hearing for the Commission to consider adopting a proposed budget at its April 7, 2008 meeting.

Respectfully submitted on behalf of the Budget Committee,

Keene Simonds
Executive Officer

Attachment:

1. 2008-2009 Draft Proposed Budget (Line-Item Format)



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

2008-2009 Draft Proposed Budget: Operating Costs

	Final FY05-06	Final FY06-07	Final FY07-08	Draft Proposed FY08-09	Difference (Dollars)	Difference (Percentage)
Salaries and Benefits						
<u>Account No. Account Name</u>						
51100000	\$ 187,206.00	\$ 190,230.92	\$ 185,526.79	\$ 194,915.43 ^{1,2}	\$ 9,388.64	5.06%
51200100	\$ 2,206.26	\$ -	\$ -	\$ -		
51200200	\$ -	\$ -	\$ -	\$ -		
51200500	\$ 4,050.00	\$ 3,600.00	\$ 9,600.00	\$ 9,600.00		
51300100	\$ 32,235.20	\$ 32,953.28	\$ 31,583.44	\$ 34,550.93	\$ 2,967.49	9.40%
TBD	-	-	-	\$ 11,295.00 ³	\$ 11,295.00	100%
51300300	\$ 2,674.13	\$ 2,849.46	\$ 2,649.92	\$ 2,826.27	\$ 176.35	6.66%
51300500	\$ 26,875.92	\$ 36,030.00	\$ 43,168.32	\$ 40,148.04	\$ (3,020.28)	-7.00%
51301200	\$ 749.00	\$ 685.00	\$ 185.00	\$ 149.00	\$ (36.00)	-19.46%
51301700	\$ 1,500.00	\$ 1,500.00	\$ -	\$ -		
51301800	\$ 840.00	\$ 840.00	\$ 840.00	\$ 840.00		
	\$ 258,336.51	\$ 268,688.66	\$ 273,553.47	\$ 294,324.68	\$ 20,771.21	7.59%
Services and Supplies						
<u>Account No. Account Name</u>						
52243900	-	-	\$ 850.00	\$ 850.00		
52070000	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00		
52100300	\$ 335.00	\$ 534.00	\$ 352.00	\$ 546.00	\$ 194.00	55.11%
52150000	\$ 1,400.00	\$ 2,200.00	\$ 2,000.00	\$ 2,200.00 ⁴	\$ 200.00	10.00%
52170000	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00		
52180200	\$ 13,378.27	\$ 17,799.91	\$ 16,387.00	\$ 17,201.00 ⁵	\$ 814.00	4.97%
52180500	\$ 18,750.00	\$ 18,750.00	\$ 21,500.00	\$ 26,320.00 ⁶	\$ 4,820.00	22.42%
52190000	\$ 1,000.00	\$ 1,000.00	\$ 1,500.00	\$ 1,500.00		
52185000	\$ 5,000.00	\$ 6,500.00	\$ 7,150.00	\$ 7,507.50 ⁷	\$ 357.50	5.00%
52235000	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00		
52240500	\$ 25,540.80	\$ 26,307.02	\$ 27,000.00	\$ 27,000.00		
52250000	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00		
52250800	\$ 3,000.00	\$ 3,000.00	\$ 4,000.00	\$ 4,000.00		
52251200	\$ 1,500.00	\$ 1,500.00	\$ 1,000.00	\$ 1,000.00		
	\$ 93,404.07	\$ 101,090.93	\$ 105,239.00	\$ 111,624.50	\$ 6,385.50	6.07%
Sub Total Expenses	\$ 351,740.58	\$ 369,779.59	\$ 378,792.47	\$ 405,949.18		
Contingencies and Reserves						
<u>Account No. Account</u>						
54000900	\$ 35,174.06	\$ 36,977.96	\$ 37,879.25	\$ 40,594.92		
54001000	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00		
	\$ 85,174.06	\$ 86,977.96	\$ 87,879.25	\$ 90,594.92	\$ 2,715.67	3.09%
TOTAL	\$ 436,914.64	\$ 456,757.55	\$ 466,671.72	\$ 496,544.10	\$ 29,872.38	6.40%

Notes

- 1) This account budgets two fulltime (Executive Officer and Analyst II) and one partime (Secretary) employee and anticipates scheduled salary step increases.
- 2) Assumes approval of a 3.2% cost-of-living adjustment for all employees. The County MOU with represented employees requires a cost-of-living adjustment to be determined by an agreed formula. The adjustment could be as low as 2.5% and as high as 5.0%. County CAO advises using a 3.2% factor at this time.
- 3) At its April 10, 2007 meeting, the County Board of Supervisors approved a payment plan to begin prefunding its current unfunded liability involving Other Post Employment Benefits (OPEB) over the next 14 years. OPEB involves non-pension benefits, such as retiree health care coverage. It has been the practice of the County to fund these benefits at the time they are due (pay-as-you-go). In 2008-2009, the County's OPEB payment is \$6.0 million. LAFCO's portion of the 2008-2009 payment is based on its total number of budgeted fulltime employees. The County's 2009-2010 payment is tentatively scheduled at \$6.2 million.
- 4) Current membership dues are limited to CALAFCO. CALAFCO has scheduled an approximate 10% increase in all member dues for 2008-2009.
- 5) This account is for administration costs associated with the County's Information Technology Information Department (ITS) and includes network maintenance for payroll, purchasing, accounting, and geographic information services. ITS costs, which are calculated by the County, are apportioned to all of its "customers" by a series of formulae that consider the number of computers and the number of employees in a each department and agency.
- 6) This account budgets a total of 160 hours for legal services. It is expected that 120 hours will be provided by County Counsel at the hourly rate of \$156, with the remaining 40 hours provided by an outside counsel at the hourly rate of \$190.
- 7) Anticipates a 5.0% across-the-board increase in hourly rates for the County Auditor's Office in 2008-2009.



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February 4, 2008
Agenda Item No. 7b

January 28, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Reorganization Proceedings: Napa River Reclamation District No. 2109
The Commission will receive a report from staff estimating the timeline and cost to reorganize the Napa River Reclamation District No. 2109 into a community services district. The Commission will consider taking actions to initiate reorganization proceedings for approval at future meeting.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 delegates regulatory powers to Local Agency Formation Commissions (LAFCOs) to coordinate the orderly formation and development of local governmental agencies and services. The majority of LAFCOs' regulatory powers are restricted to approving or disapproving change of organization or reorganization proposals that are initiated by local agencies, property owners, or registered voters, such as annexations, detachments, and incorporations. However, beginning July 1, 1994, LAFCOs have been authorized to initiate proposals to consolidate, dissolve, or merge districts if it is consistent with the conclusion or recommendation of an earlier study. This authority was recently expanded to also authorize LAFCOs to initiate proposals to form new districts beginning January 1, 2008.

Background

At its December 3, 2007 meeting, the Commission received a report from staff revisiting the conclusions of its earlier governance study on the Napa River Reclamation District No. 2109 (NRRD). The report noted that the governance study examined several alternatives and concluded that reorganizing NRRD into a community services district (CSD) is the preferred option in meeting the present and future need of the community. Specifically, reorganization would enable the community to continue to receive sewer service while addressing an existing disconnect drawn from NRRD not having sufficient constituent support to establish and provide reclamation in a manner that is consistent with the law. All other CSD powers, such as flood control, would become latent and could be activated by the new district upon Commission approval at a future date.

The December report highlighted the recent enactment of Senate Bill 819 (Hollingsworth) expanding LAFCOs' authority to initiate proposals to form new districts allows the Commission to take the lead role in reorganizing NRRD. At the conclusion of its discussion, the Commission directed staff to prepare a second report estimating the timeline and cost to process the reorganization for review at its next regular meeting.

Jack Gingles, Commissioner
Mayor, City of Calistoga

Juliana Inman, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

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

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

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

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Discussion

Reorganizing NRRD into a CSD would require the Commission to initiate and process two separate and concurrent proposals pursuant to California Government Code (G.C.) §56375(a). First, the Commission would need to initiate proceedings to dissolve NRRD. Second, the Commission would need to initiate proceedings to form a new CSD. Markedly, the new CSD would be designated by the Commission as successor to NRRD and would succeed to all rights, duties, and assets of the dissolved district.

Reorganization Timeline

Step One: Public Hearings

Staff anticipates it would take approximately six months to evaluate and prepare reports on both the dissolution and formation proceedings underlying the reorganization of NRRD into a CSD. Each report would address the factors the Commission is required to consider anytime it makes a determination on a change of organization or reorganization proposal under G.C. §56668. In addition to recommendations, each report would outline potential terms and conditions for approval. This would include conditioning approval for each proposal on the approval of the other. The Commission would consider the recommendations of each report as part of separate public hearings. The public hearings would be scheduled for the same meeting with notices mailed 21 days in advance to all registered voters and landowners within 300 feet of the affected territory.

Step Two: Protest Hearings

If dissolution and formation proceedings are both approved, the Commission would need to conduct additional hearings to receive protests. In accordance with Commission policies, the Executive Officer would be responsible for scheduling, noticing, and conducting protest hearings for both proceedings. The protest hearings would be held within 95 days from the date of Commission approvals.¹ Notices would be mailed to all registered voters and landowners within the affected territory.

At the conclusion of the protest hearings, the Executive Officer would work with the County Assessor and Registrar of Voters to determine the value of written protests filed against the dissolution and formation proceedings. LAFCO would take one of three actions based on the results of the protest hearings.

Alternative One: Abandon Change of Organizations

The Commission would abandon both dissolution and formation proceedings if it determines that written protests filed prior to the close of the protest hearings meet *either* of the following requirements:

¹ LAFCO would be required to schedule both protest hearings within 35 days of approval by the Commission. The date of the hearings shall not be less than 21 days or more than 60 days after the date of the notice. The hearings would be held within the affected territory. (G.C. §57002)

- 1) If protest against dissolution represents 50% or more of the voting power of those entitled to vote as a result of owning land in the affected territory (G.C. §57078(c)).
- 2) If protest against formation represents 50% or more of the registered voters in the affected territory (G.C. §57078(b)).

Alternative Two: Order the Change of Organization(s) without Election

The Commission would adopt a resolution ordering the dissolution and formation proceedings without election if it determines that there are insufficient protests for *either* proposal at the close of the protest hearings. The Executive Officer would execute a certificate of completion and complete the necessary documentation for filing with the State Board of Equalization (SBE).

Alternative Three: Order the Change of Organization(s) with Election

The Commission would adopt a resolution calling for an election to approve either or both the dissolution and formation proceedings if it receives a petition prior to the close of the protest hearings that have been signed by one of the following:

- 1) At least 25% of the number of landowners in the affected territory that own at least 25% of the assessed value within the same territory.
 - 2) At least 25% of the voters entitled to vote as a result of residing within, or owning land within the affected territory.
- * Assumes that there are less than 300 landowners and 300 registered voters in the affected territory (G.C. §57113).

Step Three: Elections

As mentioned, an election would only be necessary to approve either or both the dissolution and formation proceedings if sufficient protest has been filed with the Commission. Registered voters residing in the affected territory would be eligible to vote in an election to approve the formation of a new CSD. State law provides that the election may be processed by mailed ballot and conducted by County Elections. County Elections estimates that it would take up to four months to prepare, conduct, and canvass a registered-voter election by mail-ballot.

In contrast, owners of land in the affected territory would be eligible to vote in an election to approve the dissolution of the NRRD. Each landowner would receive one vote for each dollar his or her property is currently assessed. Due to multiple cross-references, it is unclear under state law whether County Elections would be responsible for conducting a landowner-voter election. However, assuming that it would agree to assist, it is reasonable to assume that it would take County Elections up to six months to prepare, conduct, and canvass a landowner-voter election by mail-ballot.

LAFCO would take of the two following actions based on the results of the elections.

Alternative One: Termination

Within 30 days of the canvass, the Executive Officer would execute a certificate of termination if it is determined that a majority of eligible voters cast ballots against either or both the dissolution or formation proceedings (G.C. §57179).

Alternative Two: Order the Change of Organization

Within 30 days of the canvass, the Executive Officer would execute a certificate of completion if it is determined that the majority of eligible voters cast ballots in favor of either or both the dissolution or formation proceedings (G.C. §57176).

Reorganization Costs

Staff Costs

Staff anticipates that it would take approximately 60 hours to evaluate and prepare reports on both the dissolution and formation proceedings underlying the reorganization. If both proceedings are approved, it is anticipated that an additional 25 hours of staff time would be needed to notice, schedule, and conduct protest hearings. An election for one or both of the proceedings would likely require an additional 10 hours of staff time. Based on the current hourly rate of \$90, it is estimated that the staff costs to the Commission to initiate and process reorganization would be approximately \$8,550.

Legal Costs

Staff anticipates that it would take approximately 20 hours for Commission Counsel to evaluate and prepare draft resolutions on both the dissolution and formation proceedings underlying the reorganization. If both proceedings are approved, it is anticipated that an additional 10 hours will be required of Commission Counsel before and after protest hearings. An election for one or both of the proceedings would likely require an additional five hours from Commission Counsel. Based on Commission Counsel's current hourly rate of \$149, it is estimated that the legal costs to the Commission to initiate and process reorganization would be approximately \$5,215.

Election Costs

The Commission would be responsible for all election costs associated with the reorganization. County Elections estimates the cost to conduct a registered-voter election by mailed-ballot to approve the formation of a new CSD would be approximately \$3,000.² County Elections was not able to provide an estimate to conduct a landowner-voter election by mailed-ballot to approve dissolution of the NRRD due to the lack of related experience. However, for planning purposes, it is reasonable to assume that conducting a landowner-voter election would cost approximately \$6,000, or double the cost of a registered-voter election.

² The estimate is based on a recent registered-voter mailed-ballot election involving the Lake Berryessa Resort Improvement District.

Filing Costs

The Commission would be responsible for all costs to file necessary documents with the County-Clerk Recorder and SBE associated with the reorganization. The filing fees for the Clerk-Recorder's Officer would total \$100 and allow LAFCO to record notices of exemption for both proceedings within five working days of Commission approval as required under California Environmental Quality Act. The filing fee for SBE would total \$300 and allow the reorganization to be recorded in the State's tax database system.

Noticing Costs

The Commission would be responsible for the costs to provide all required public notices associated with the reorganization. This would include providing up to six mailed written notices to registered voters and landowners within the affected territory as well as publishing up to three notices in the Napa Valley Register. Staff estimates the total cost for providing all notices at approximately \$1,000.

Summary

Initiating and processing the reorganization of NRRD into a new CSD would be a significant investment in staff and budget resources for the Commission. It is estimated that it would take up to 16 months to carryout the reorganization at a cost of up to \$25,000. Demands on staff resources are manageable, but would likely delay the start and completion of the Commission's municipal service reviews and sphere of influence reviews scheduled over the next year and a half. Demands on budget resources would be more significant and would likely need to be passed on to the Commission's six funding agencies by incorporating the external costs (i.e., election and noticing expenses) into the upcoming fiscal year budget.

Recommendation

If it is the preference of the Commission to initiate reorganization proceedings at this time, staff recommends the following actions:

- 1) Adopt by motion a proposal to initiate the dissolution of NRRD as authorized under G.C. §56375(a); and
- 2) Adopt by motion a proposal to initiate the formation of a new CSD to serve as successor agency to NRRD pursuant to G.C. §56375(a).

No actions are necessary if it is the preference of the Commission not to initiate reorganization proceedings at this time.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- ~~1) Correspondence~~
- ~~2) Staff Report, Dated December 3, 2007~~

Local Agency Formation Commission of Napa County

Disclosure of Political Expenditures for Change of Organization or Reorganization Proposals

Adopted on _____

Pursuant to California Government Code Sections 56700.1 and 57009, effective January 1, 2008, expenditures for political purposes related to a proposal for a change of organization or reorganization and contributions in support of or in opposition to any proposal at the conducting authority stage of the LAFCO process are subject to the reporting and disclosure to the same extent as required for local initiative measures under the Political Reform Act, California Government Code Section 81000 et seq., and the regulations of the Fair Political Practices Commission implementing that law.

LAFCO of Napa County adopts the following reporting and disclosure requirements to implement California Government Code Sections 56700.1 and 57009.

1. Definitions

- a. "Contribution" as used herein shall have the same definition as provided in California Government Code Section 82015, as amended.
- b. "Expenditure" as used herein shall have the same definition as provided in California Government Code Section 82025, as amended.
- c. "Independent expenditure" as used herein shall have the same definition as provided in California Government Code Section 82031, as amended, except that the term "measure" as used in Section 82031 shall be replaced with the term "proposal for organization or reorganization."
- d. "Political Purposes" as used herein shall mean for the purpose(s) of:
(i) influencing public opinion; (ii) lobbying public officials; and/or,
(iii) influencing legislative or administrative action as defined in California Government Code Section 82032. It shall not include for the purpose(s) of complying with legal requirements and LAFCO rules for the processing of a proposal, including, but not limited to and by way of example only, preparation of a comprehensive fiscal analysis for an incorporation (Government Code Section 56800) or documents necessary to comply with the California Environmental Quality Act, Public Resources Code Section 21000 et seq., such as a mitigated negative declaration or environmental impact report.

2. Disclosure Requirements for Proposals for Organization or Reorganization

- a. Any person or combination of persons who directly or indirectly makes an expenditure or independent expenditure for political purposes of \$1,000 or more in support of, or in opposition to, a change of organization or reorganization submitted to the commission to which California Government Code Section 56700.1 applies, shall comply with the reporting and disclosure requirements of the Political Reform Act (Government Code § 81000 et seq.), to the same extent and subject to the same requirements as for local initiative measures. Such reporting and disclosure requirements, except as otherwise excluded herein, extend to those required by the Fair Political Practices Commission Regulations regarding such disclosures and shall include disclosure of contributions, expenditures and independent expenditures.
- b. Disclosures made pursuant to this Section shall be filed with the commission as designated in Section 5 below.
- c. For purposes of determining the deadlines by which such reports and disclosures must be filed, the term “election” as used in the Political Reform Act for determining such deadlines shall mean the date of the originally scheduled commission hearing on a proposal for organization or reorganization. If no hearing date has been scheduled at the time a person becomes subject to disclosure under this policy, he or she shall request that the executive officer establish a date to serve as the “election” date for this purpose. The executive officer shall establish a date, such as, but not limited to, the date which is 6 months after the first filing with the commission regarding the proposal, and inform the requestor of that date in writing.
- d. In the event the originally scheduled hearing date for the proposal for organization or reorganization is rescheduled or continued to a later date, the obligation to file continues and reports shall be filed on or before the 10th day of each month following the original hearing date with respect to contributions and expenditures received in the previous calendar month up to and including the third calendar month following final action by the commission on the proposal.

3. Disclosure Requirements for Conducting Authority Proceedings

- a. Any person or combination of persons who directly or indirectly makes an expenditure for political purposes of \$1,000 or more related to conducting authority proceedings for a change of organization or reorganization to which California Government Code Section 57009 applies, or in support of or in opposition to those conducting authority proceedings, shall comply with the reporting and disclosure requirements of the Political Reform Act (Government Code § 81000 et seq.), to the same extent and subject to the same requirements as for local initiative measures. Such reporting and disclosure requirements, except as otherwise excluded herein, extend to those required by the Fair Political Practices Commission Regulations regarding such disclosures and shall include disclosure of contributions, expenditures and independent expenditures.
- b. Disclosures made pursuant to this Section shall be filed with the commission as designated in Section 5 below.
- c. For purposes of determining the deadlines by which such reports and disclosures must be filed, the term “election” as used in the Political Reform Act for determining such deadlines shall mean the date of the originally scheduled conducting authority hearing on the proposal for organization or reorganization. If no hearing date has been scheduled at the time a person becomes subject to disclosure under this policy, he or she shall request that the executive officer establish a date to serve as the “election” date for this purpose. The executive officer shall establish a date, such as, but not limited to, the date which is 6 months after the first filing with the commission regarding the proposal, and inform the requestor of that date in writing.
- d. In the event the originally scheduled conducting authority hearing date for a proposal for organization or reorganization is rescheduled or continued to a later date, the obligation to file continues and reports shall be filed on or before the 10th day of each month following the original hearing date with respect to contributions and expenditures received in the previous calendar month up to and including the third calendar month following final action by the commission on the proposal.

4. Certain Reports and Disclosures Excluded

This policy requires only that the persons subject to it disclose via reports to the commission's executive officer contributions, expenditures and independent expenditures with respect to expenditures for political purposes related to a proposal for an organization or reorganization. It does not impose on such persons the regulations regarding the names of campaign committees, disclosures of the sources of mass mailings, and disclosures of the source of automated telephone calls under California Government Code Sections 84501 et seq. and the regulations of the Fair Political Practices Commission implementing those sections.

5. Where to File

All reports and disclosures required hereunder shall be filed with the LAFCO Executive Officer.

6. Reporting requirements are non-exclusive

The disclosure and reporting requirements herein are in addition to any other requirements that may be otherwise applicable under provisions of the Political Reform Act or by local ordinance.

7. Sunset provision

This policy is intended to implement California Government Code Sections 56700.1 and 57009 and shall be of no further force and effect upon the effective date of legislation repealing or amending those sections to transfer responsibility for enforcing disclosure of expenditures for political purposes affecting commission proceedings to the Fair Political Practices Commission or otherwise terminates the responsibility of this commission to adopt and implement this policy.



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LAFCO of Napa County

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February 4, 2008
Agenda Item No. 7c

January 22, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Jacqueline Gong, Commission Counsel

SUBJECT: Adoption of Policy on Political Contributions and Expenditures (Action)
The Commission will consider adopting a policy regarding the disclosure of political contributions and expenditures involving change of organization or reorganization proposals. The proposed policy specifies the circumstances and manner in which affected parties spending more than \$1,000 in support of or in opposition to a proposal must disclose their contributions to the Commission.

On July 20, 2007, Governor Arnold Schwarzenegger signed Assembly Bill 745 (Silva). This legislation became effective January 1, 2008 and makes substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 with respect to requiring disclosures on political contributions and expenditures involving change of organization or reorganization proposals. Specifically, this legislation requires that political contributions and expenditures in support of or in opposition to proposals be disclosed, reported, and subject to the same requirements of the Political Reform Act as provided for local initiative measures.

Background

Beginning in 2001, Local Agency Formation Commissions (LAFCO) have been authorized to adopt their own written policies and procedures requiring disclosure of political contributions and expenditures involving change of organization or reorganization proposals (California Government Code Section 56100.1). This preexisting authority, however, has been optional and not applicable to political contributions and expenditures made during the conducting authority process, otherwise known as protest proceedings. LAFCO of Napa County is one of several LAFCOs that has not adopted local policies or procedures regarding the disclosure of political contributions and expenditures.

AB 745 makes disclosure of political contributions and expenditures involving change of organization or reorganization proposals *mandatory* and consistent with the reporting requirements for local ballot initiatives under the Political Reform Act. AB 745 also extends the reporting requirements to political financing made to influence the outcome of protest proceedings.

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Keene Simonds
Executive Officer

Discussion

LAFCO may enforce the provisions of AB 745 as written without taking any action. However, in order to avoid potential challenges, a local policy is recommended to specify the circumstances and manner in which affected parties must disclose their political contributions and expenditures involving change of organization or reorganization proposals. It is with this in mind that the California Association of Local Agency Formation Commissions (CALAFCO) recently asked attorneys from around the state to develop a policy model that can be adopted by individual LAFCOs. Staff has utilized the model developed for CALAFCO in preparing a draft policy for Commission consideration.

Analysis

Intent and Impact

The purpose of the disclosure requirements underlying AB 745 is to make more transparent the funding sources of campaigns 1) seeking to place a change of organization or reorganization proposal before the Commission or 2) attempting to influence protest proceedings. The substantive impact of AB 745 is that it now requires any individual or organization that spends more than \$1,000 in support of or in opposition to a proposal to disclose their “contribution” to LAFCO.

Enforcement

The new disclosure requirements for change of organization or reorganization proposals make reference to the Political Reform Act, which is administered by the Fair Political Practices Commission (FPPC). However, no amendments to the Political Reform Act were enacted as part of AB 745. Accordingly, the FPPC does not have jurisdiction to enforce disclosure requirements until the proposal is placed on a ballot and becomes a “measure.” Therefore, unless an election is called, the enforcement of the new disclosure requirements for proposals is the responsibility of LAFCO.

- * The California Association of Local Agency Formation Commissions is currently working with the Senate Local Government Committee to propose legislation to amend the Political Reform Act to shift enforcement duties to the FPPC.

Draft Policy

As mentioned, in preparing a draft policy to implement AB 745, staff has utilized a policy model developed by a group of attorneys representing CALAFCO. The policy model developed for CALAFCO includes three particular areas of choice for each LAFCO as it relates to 1) the scope of disclosable political contributions and expenditures, 2) additional reporting requirements, and 3) designating a filing official. Staff has reviewed these options and offers the following recommendations.

Scope of Disclosable Political Contributions (Section One)

Alternative One broadly defines expenditures for political purposes that trigger a duty to disclose contributions to LAFCO. This would include reporting expenditures associated with complying with legal requirements and LAFCO rules for processing proposals. Alternative Two provides a narrower definition and excludes expenditures made in complying with legal requirements or LAFCO rules for processing proposals.

Alternative One would apply to most proposals because LAFCO's current application fees to process change or organization or reorganization proposals generally exceed \$1,000. The low threshold for reporting expenditures under Alternative One appears excessive and would create additional staff demands to effectively enforce. Staff recommends Alternative Two.

Additional Reporting Requirements (Section Four)

Alternative One specifically excludes reporting the sources of mass mailings and automated telephone calls as well as the disclosure of donors and expenditures for any political committee campaigning for or against a LAFCO proposal. Alternative Two requires these types of reporting.

Alternative One provides an appropriate level of disclosure without creating additional burdens for the affected parties and is recommended.

Filing Official (Section Five)

Alternative One directs disclosures to be filed with the LAFCO Executive Officer. Alternative Two directs disclosures to be filed with the County Registrar of Voters, who would be "deputized" by LAFCO to serve as Executive Officer for the purpose of administering this specific section.

The appointment of the County Registrar of Voters as Deputy Executive Officer under Alternative Two may create confusion among affected parties in terms of directing their questions regarding LAFCO proposals. Alternative Two is also predicated on the willingness of the Registrar of Voters to serve as Deputy Executive Officer, which is unknown at this time. Staff recommends Alternative One.

Recommendation:

It is recommended that the Commission take the following action:

- 1) Adopt the attached draft policy with any desired changes relating to the disclosure of political contributions and expenditures pursuant to California Government Code Sections 56100.1, 56700.1, and 57009.

Respectfully submitted,

Keene Simonds
Executive Officer

Jacqueline Gong
Commission Counsel

Attachments:

- 1) Draft Policy
- 2) ~~Memorandum on Policy Model Implementing AB 745~~
- 3) ~~Report on AB 745 from 2007 CALAFCO Conference~~

Local Agency Formation Commission of Napa County

Disclosure of Political Expenditures for Change of Organization or Reorganization Proposals

Adopted on _____

Pursuant to California Government Code Sections 56700.1 and 57009, effective January 1, 2008, expenditures for political purposes related to a proposal for a change of organization or reorganization and contributions in support of or in opposition to any proposal at the conducting authority stage of the LAFCO process are subject to the reporting and disclosure to the same extent as required for local initiative measures under the Political Reform Act, California Government Code Section 81000 et seq., and the regulations of the Fair Political Practices Commission implementing that law.

LAFCO of Napa County adopts the following reporting and disclosure requirements to implement California Government Code Sections 56700.1 and 57009.

1. Definitions

- a. "Contribution" as used herein shall have the same definition as provided in California Government Code Section 82015, as amended.
- b. "Expenditure" as used herein shall have the same definition as provided in California Government Code Section 82025, as amended.
- c. "Independent expenditure" as used herein shall have the same definition as provided in California Government Code Section 82031, as amended, except that the term "measure" as used in Section 82031 shall be replaced with the term "proposal for organization or reorganization."
- d. "Political Purposes" as used herein shall mean for the purpose(s) of:
(i) influencing public opinion; (ii) lobbying public officials; and/or,
(iii) influencing legislative or administrative action as defined in California Government Code Section 82032. It shall not include for the purpose(s) of complying with legal requirements and LAFCO rules for the processing of a proposal, including, but not limited to and by way of example only, preparation of a comprehensive fiscal analysis for an incorporation (Government Code Section 56800) or documents necessary to comply with the California Environmental Quality Act, Public Resources Code Section 21000 et seq., such as a mitigated negative declaration or environmental impact report.

2. Disclosure Requirements for Proposals for Organization or Reorganization

- a. Any person or combination of persons who directly or indirectly makes an expenditure or independent expenditure for political purposes of \$1,000 or more in support of, or in opposition to, a change of organization or reorganization submitted to the commission to which California Government Code Section 56700.1 applies, shall comply with the reporting and disclosure requirements of the Political Reform Act (Government Code § 81000 et seq.), to the same extent and subject to the same requirements as for local initiative measures. Such reporting and disclosure requirements, except as otherwise excluded herein, extend to those required by the Fair Political Practices Commission Regulations regarding such disclosures and shall include disclosure of contributions, expenditures and independent expenditures.
- b. Disclosures made pursuant to this Section shall be filed with the commission as designated in Section 5 below.
- c. For purposes of determining the deadlines by which such reports and disclosures must be filed, the term “election” as used in the Political Reform Act for determining such deadlines shall mean the date of the originally scheduled commission hearing on a proposal for organization or reorganization. If no hearing date has been scheduled at the time a person becomes subject to disclosure under this policy, he or she shall request that the executive officer establish a date to serve as the “election” date for this purpose. The executive officer shall establish a date, such as, but not limited to, the date which is 6 months after the first filing with the commission regarding the proposal, and inform the requestor of that date in writing.
- d. In the event the originally scheduled hearing date for the proposal for organization or reorganization is rescheduled or continued to a later date, the obligation to file continues and reports shall be filed on or before the 10th day of each month following the original hearing date with respect to contributions and expenditures received in the previous calendar month up to and including the third calendar month following final action by the commission on the proposal.

3. Disclosure Requirements for Conducting Authority Proceedings

- a. Any person or combination of persons who directly or indirectly makes an expenditure for political purposes of \$1,000 or more related to conducting authority proceedings for a change of organization or reorganization to which California Government Code Section 57009 applies, or in support of or in opposition to those conducting authority proceedings, shall comply with the reporting and disclosure requirements of the Political Reform Act (Government Code § 81000 et seq.), to the same extent and subject to the same requirements as for local initiative measures. Such reporting and disclosure requirements, except as otherwise excluded herein, extend to those required by the Fair Political Practices Commission Regulations regarding such disclosures and shall include disclosure of contributions, expenditures and independent expenditures.
- b. Disclosures made pursuant to this Section shall be filed with the commission as designated in Section 5 below.
- c. For purposes of determining the deadlines by which such reports and disclosures must be filed, the term “election” as used in the Political Reform Act for determining such deadlines shall mean the date of the originally scheduled conducting authority hearing on the proposal for organization or reorganization. If no hearing date has been scheduled at the time a person becomes subject to disclosure under this policy, he or she shall request that the executive officer establish a date to serve as the “election” date for this purpose. The executive officer shall establish a date, such as, but not limited to, the date which is 6 months after the first filing with the commission regarding the proposal, and inform the requestor of that date in writing.
- d. In the event the originally scheduled conducting authority hearing date for a proposal for organization or reorganization is rescheduled or continued to a later date, the obligation to file continues and reports shall be filed on or before the 10th day of each month following the original hearing date with respect to contributions and expenditures received in the previous calendar month up to and including the third calendar month following final action by the commission on the proposal.

4. Certain Reports and Disclosures Excluded

This policy requires only that the persons subject to it disclose via reports to the commission's executive officer contributions, expenditures and independent expenditures with respect to expenditures for political purposes related to a proposal for an organization or reorganization. It does not impose on such persons the regulations regarding the names of campaign committees, disclosures of the sources of mass mailings, and disclosures of the source of automated telephone calls under California Government Code Sections 84501 et seq. and the regulations of the Fair Political Practices Commission implementing those sections.

5. Where to File

All reports and disclosures required hereunder shall be filed with the LAFCO Executive Officer.

6. Reporting requirements are non-exclusive

The disclosure and reporting requirements herein are in addition to any other requirements that may be otherwise applicable under provisions of the Political Reform Act or by local ordinance.

7. Sunset provision

This policy is intended to implement California Government Code Sections 56700.1 and 57009 and shall be of no further force and effect upon the effective date of legislation repealing or amending those sections to transfer responsibility for enforcing disclosure of expenditures for political purposes affecting commission proceedings to the Fair Political Practices Commission or otherwise terminates the responsibility of this commission to adopt and implement this policy.



Local Agency Formation Commission
LAFCO of Napa County

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February 4, 2008
Agenda Item No. 10a

January 28, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: New Legislation for 2008 (Information)

The Commission will receive a report from staff summarizing the new legislation affecting LAFCOs that became effective January 1, 2008.

The following new legislation was approved during the first year of the 2007-2008 legislation session and makes changes to LAFCO law that became effective January 1, 2008.

Senate Bill 162 (Negrete McLeod)

Requires the Commission to consider information or comments from affected voters or residents and the extent that a change of organization or reorganization proposal will promote environmental justice.

Senate Bill 819 (Dennis Hollingsworth)

Permanently authorizes the Commission to consolidate or reorganize special districts operating under different principal acts. Also expands the authority of the Commission to form new special districts.

Assembly Bill 745 (Jim Silva)

Makes disclosure of political contributions and expenditures for change of organization or reorganization proposals mandatory and consistent with the reporting requirements for local ballot initiatives under the Political Reform Act. Also extends the reporting requirements to political financing made to influence the outcome of protest proceedings.

Assembly Bill 1262 (Anna Caballero)

Makes permanent the consultation procedures that cities and counties must follow before the Commission makes a determination on a city's sphere of influence.

Assembly Bill 1744 (Committee on Local Government)

Makes several minor and non-controversial changes to LAFCO law. This includes revising the governance and service factors the Commission must address as part of its municipal service review requirement.

Jack Gingles, Commissioner
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Keene Simonds
Executive Officer

Other new legislation relevant to LAFCO that was approved during the first year of the 2008-2009 legislation session includes:

Senate Bill 343 (Negrete McLeod)

Requires all documents designated as public records and pertaining to agenda items that have been distributed less than 72 hours prior to the meeting be made immediately available to the public at a location specified in the local agency's agenda. This statute becomes effective July 1, 2008.

Assembly Bill 1019 (Sam Blakeslee)

Establishes a mechanism for counties and cities to negotiate a revision of a county's regional housing needs assignment in response to an annexation under certain conditions.

Attachments: none



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February 4, 2008
Agenda Item No. 10b

January 28, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Current and Future Proposals (Information)

The Commission will receive a report from staff regarding current and future proposals. The report is being presented for information.

Current Proposals

Staff is currently processing two proposals for future consideration by the Commission. A summary of these proposals follows.

Wilkins Avenue Reorganization

This application has been submitted by the City of Napa and proposes the annexation of approximately 0.77 acres of unincorporated territory. Staff has reorganized the application to account for automatic detachment proceedings involving County Service Area No. 4. The subject territory comprises one parcel with an existing single-family residence and is located on Wilkins Avenue south of its intersection of Shetler Avenue. The purpose of the annexation is to facilitate the future division and development of the subject territory under the land use authority of the City.

Status: Staff is awaiting the submittal of an application fee.

Golden Gate Drive/Foster Road Reorganization

This application has been submitted by the City of Napa and proposes the annexation of approximately 144 acres of unincorporated territory. Staff has reorganized the application to account for automatic detachment proceedings involving County Service Area No. 4. The subject territory comprises six parcels and public right-of-way portions of Foster Road and Golden Gate Drive. The subject territory is located south of Imola Avenue between Foster Road and Golden Gate Drive. Existing uses include three single-family residences, grazing fields, and an equestrian complex operated by the Napa Valley Horseman's Association. The purpose of the annexation is to facilitate the future subdivision and development of the subject territory under the land use authority of the City.

Status: On Wednesday, January 23, 2008, the City issued a press release announcing that it will withdraw its application (attached). However, for administrative purposes, the proposal will remain active until a written request from the City to withdraw its application is received by LAFCO.

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Future Proposals

Staff is aware of four specific proposals that will eventually be submitted to LAFCO. A summary of these proposals follows.

Trancas Crossing Park (City of Napa)

The City of Napa has initiated a planning process to develop a 33-acre vacant parcel north of the intersection of Trancas Street and Old Soscol Avenue for a public park. Current planning activities completed to date include the preparation of an initial study and mitigated negative declaration as well as a draft master plan. As part of the proposed project, LAFCO approval is required to concurrently annex and add the subject territory to the City's sphere of influence. Additionally, depending on the final master plan, LAFCO approval may be required to concurrently annex and add the subject territory to the Napa Sanitation District's sphere of influence.

Status: It is expected that the City Council will consider taking several actions relating to the proposed project, including rezoning the subject territory and adopting a resolution of application for annexation, in March 2008.

American Canyon High School and American Canyon Middle School (City of American Canyon and American Canyon Fire Protection District)

The Napa Valley Unified School District has initiated a planning process to construct a 2,200-student high school and 530-student middle school to serve the City of American Canyon. The project site is located at the northeast intersection of American Canyon Road and Newell Drive. Current planning activities completed to date include the preparation of a initial study and a draft environmental impact report. It is anticipated that the construction on the high school and middle school sites will begin in 2008 and 2010, respectively. As part of the proposed project, LAFCO approval is required to annex the proposed high school site (45 acres) to American Canyon and the American Canyon Fire Protection District. LAFCO approval is also required to concurrently annex and add the proposed middle school site (17 acres) to both the City and District's sphere of influence.

Status: It is expected that the City Council will consider taking several actions relating to the proposed project, including rezoning and adopting a resolution of application to annex the high school site, in May 2008.

Oat Hill

(City of American Canyon and American Canyon Fire Protection District)

The City of American Canyon has initiated a planning process to develop approximately 364 acres of land comprising 72 parcels located north of Eucalyptus Drive west of its intersection with Highway 29. The proposed project includes the development of 1,300 to 1,600 new residential units along with a mixture of commercial and public uses. Current planning activities completed to date include the preparation of an initial study and notice to prepare a draft environmental impact report. As part of the proposed project, LAFCO approval is required to annex one of the affected parcels totaling 107 acres into American Canyon and the American Canyon Fire Protection District.

Status: The project has been placed on administrative hold since August 2006.

American Canyon Town Center

(City of American Canyon and American Canyon Fire Protection District)

The City of American Canyon has initiated a planning process to develop approximately 100 acres of land comprising three parcels located southeast of the intersection of Highway 29 and South Napa Junction Road. The proposed project includes the development of 600 to 650 new residential units along with a mixture of commercial, retail, and public uses. Current planning activities completed to date include the preparation of a notice of preparation for a draft environmental impact report. As part of the proposed project, LAFCO approval is required to annex two of the three affected parcels totaling 70 acres into American Canyon. LAFCO approval is also required to annex one of the three affected parcels totaling 37 acres to the American Canyon Fire Protection District.

Status: The project has been placed on administrative hold since July 2007.

~~Attachments: as stated~~