



# **LAFCO MEETING AGENDA**

**Monday, April 6, 2009**

**4:00 P.M.**

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

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

---

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

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

**2. PLEDGE OF ALLEGIANCE**

**3. APPROVAL OF MINUTES**

Minutes of February 2, 2009

**4. PUBLIC COMMENT**

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

**5. CONSENT ITEMS**

With the concurrence of the Chair, a Commissioner or member of the public may request discussion of an item on the consent calendar.

**a) Time Extension Request: *Borrette Lane No. 8 District Annexation to the Napa Sanitation District***

The Commission will consider a request by the affected landowners to extend by one year the deadline imposed by LAFCO Resolution No. 08-02 approving the annexation of 6.04 acres of incorporated territory to the Napa Sanitation District. The affected territory consists of one parcel identified by the County of Napa Assessor's Office as 041-700-004. Staff is recommending approval.

**b) Amendment to Adopted Fee Schedule**

The Commission will consider amendments to its adopted fee schedule to reflect new filing charges for the California Department of Fish and Game for lead agencies under the California Environmental Quality Act.

**c) Third Quarter Budget Report for 2008-2009**

The Commission will receive a third quarter budget report for the 2008-2009 fiscal year. The budget report compares adopted and actual expenses through two-thirds of the fiscal year and is being presented to the Commission to receive and file.

**6. PUBLIC HEARING ITEMS**

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

**a) Montecito Boulevard: Concurrent Request for an Outside Service Agreement and Sphere of Influence Amendment from the City of Napa**

The Commission will consider a proposal from the City of Napa requesting concurrent approval of an outside service agreement and sphere of influence amendment involving territory located at the eastern end of Montecito Boulevard. The affected territory comprises one parcel identified by the County of Napa Assessor's Office as 045-170-006. Staff is recommending disapproval.

**b) Proposed Budget for 2009-2010**

The Commission will receive a proposed budget from the Budget Committee for 2009-2010. The proposed budget projects an overall decrease in operating costs in the amount of \$55,133 or 10%. The proposed budget is being presented to the Commission for adoption.

## 7. ACTION ITEMS

### a) Legislative Report

The Commission will receive a report on the first year of the 2009-2010 session of the California Legislature as it relates to bills directly or indirectly effecting Local Agency Formation Commissions. The Commission will also consider authorizing the Chair to sign letters in support of two specific legislative items.

## 8. DISCUSSION ITEMS

### a) Biennial Workshop

The Commission will discuss possible topics and dates with respect to scheduling its biennial workshop in July or August 2009.

## 9. EXECUTIVE OFFICER REPORT

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

- Southeast County Municipal Service Review
- CALAFCO Items
- Website Design and Development
- Electronic Document Management System

## 10. INFORMATION ITEMS

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

### a) Current and Future Proposals

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

## 11. CLOSED SESSION

None

## 12. COMMISSIONER COMMENTS; REQUEST FOR FUTURE AGENDA ITEMS

## 13. ADJOURNMENT TO NEXT REGULAR SCHEDULED MEETING:

May 4, 2009

---

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

---



**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>

**April 6, 2009**  
**Agenda Item No. 5a (Consent)**

March 31, 2009

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer  
Brendon Freeman, Analyst

**SUBJECT:** **Request for Time Extension: *Borrette Lane No. 8 District Annexation to the Napa Sanitation District***

The Commission will consider a request by the affected landowners to extend by one year the deadline imposed by Resolution 08-02 approving the annexation of 6.0 acres of incorporated territory to the Napa Sanitation District.

---

California Government Code Section 57001 requires a Certificate of Completion be filed within one year of annexation approval by a Local Agency Formation Commission. This code section permits a commission to authorize an extension of time it deems reasonable for the completion of necessary terms and conditions. It has been the practice of the Local Agency Formation Commission of Napa County (“Commission”) to allow applicants a one-time extension of up to one year.

**A. Discussion**

On May 5, 2008 the Commission approved Kirk and Karen Reid’s (“landowners”) proposal to annex one incorporated parcel in the City of Napa consisting of 6.04 acres to the Napa Sanitation District (NSD). The annexation is intended to facilitate the division of approximately half the subject parcel into four new residential lots. The landowners have submitted the attached letter requesting a one-year time extension in order to complete the standard terms and conditions adopted by the Commission in approving the annexation. The landowners’ state in their letter the downturn in the economy has delayed their efforts in completing the planned division of the affected territory. Notably, the landowners’ ability to fund the sewer infrastructure necessary to serve the affected territory is dependent on the sale of one of the four planned new lots.

**B. Analysis**

The requested time extension appears reasonable given the aforementioned downturn in the economy and its impact on the landowners’ ability to pay the estimated \$250,000 in infrastructure improvements required by NSD.

---

Juliana Inman, Vice Chair  
Councilmember, City of Napa

Jack Gingles, Commissioner  
Mayor, City of Calistoga

Cindy Coffey, Alternate Commissioner  
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
Executive Officer

**C. Recommendation**

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

- 1) Approve a time extension for the completion of terms and conditions for the *Borrette Lane No. 8 District Annexation to the Napa Sanitation District* for one year effective May 5, 2009 extending to May 5, 2010.

Respectfully submitted,

---

Keene Simonds  
Executive Officer

---

Brendon Freeman  
Analyst

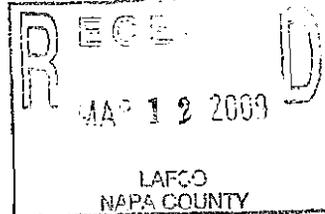
Attachments:

1. Letter of Request
2. LAFCO Resolution No. 08-02

**KIRK & KAREN REID**

---

1020 Borrette Lane  
Napa, CA 94558



March 11, 2009

Keene Simonds  
Executive Officer  
LAFCO of Napa County  
1700 Second Street, Suite 268  
Napa, CA 94559

Dear Mr. Simonds:

I am writing to request a 12 month extension of our annexation to the Napa Sanitation District. Our original projection did not anticipate the recent dramatic downturn in our country's economy. Because of these developments, we have delayed our efforts to create the parcels that would be annexed. We are hoping to proceed with the parcel split over the next year as the economy recovers.

Thank you for your consideration

Sincerely,

Kirk Reid

**RESOLUTION NO. 08-02**

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

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

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

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

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

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

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

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

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

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

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

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

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

4. The affected territory is depicted on the attached map and geographic description provided in the attached Exhibit "A".
5. The affected territory so described is uninhabited as defined in California Government Code Section 56046.
6. The Napa Sanitation District utilizes the Regular County assessment roll.
7. The affected territory will be taxed for existing general bonded indebtedness of the Napa Sanitation District.
8. The proposal shall be subject to the terms and conditions required of the Napa Sanitation District as specified in the attached Exhibit "B".
9. The applicant shall provide written notification to the Napa County Department of Environmental Management upon connection to the sewer line of the Napa Sanitation District.
10. The Commission authorizes conducting authority proceedings to be waived in accordance with Government Code Section 56663(c).
11. Recordation is contingent upon receipt from the Napa Sanitation District of written notification that the terms and conditions specified in the attached Exhibit "B" have been fulfilled.
12. The effective date approving the proposal shall be the date of recordation.
13. Recordation shall occur within one year of Commission approval unless a time extension is requested and approved by the Commission or the proposal shall be abandoned.

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

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

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

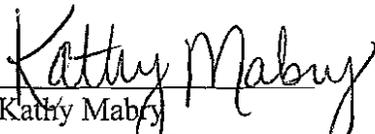
NOES: Commissioners NONE

ABSENT: Commissioners COFFEY, KELLY AND LUCE

ABSTAIN: Commissioners NONE

ATTEST: Keene Simonds  
Executive Officer

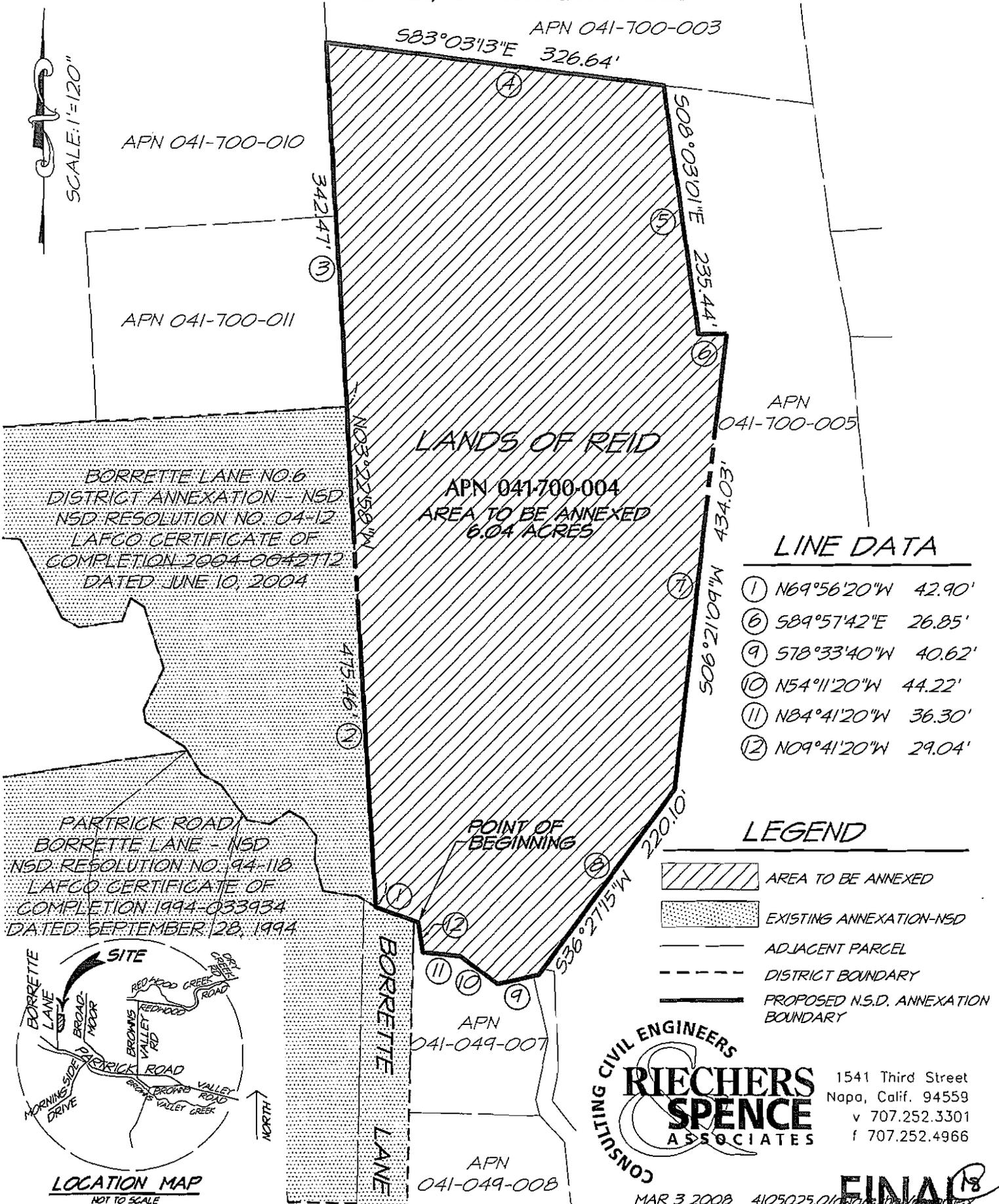
Recorded by:

  
Kathy Mabry  
Commission Secretary

**BORRETTE LANE DISTRICT NO. 8 ANNEXATION  
TO THE NAPA SANITATION DISTRICT  
NAPA CALIFORNIA**  
BEING A PORTION OF THE NAPA RANCHO, TOWNSHIP 5 NORTH,  
RANGE 4 WEST, MOUNT DIABLO BASE AND MERIDIAN

**EXHIBIT A**

SCALE: 1"=120'

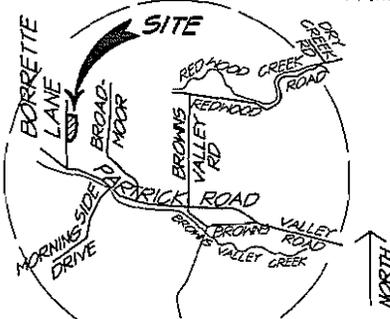


**LINE DATA**

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

**LEGEND**

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



**CONSULTING CIVIL ENGINEERS**  
**RIECHERS & SPENCE ASSOCIATES**  
1541 Third Street  
Napa, Calif. 94559  
v 707.252.3301  
f 707.252.4966

## EXHIBIT A GEOGRAPHIC DESCRIPTION

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

All that certain property situate in portion of the Napa Rancho, Township 5 North, Range 4 West, Mount Diablo Base and Meridian, in the City of Napa, County of Napa, State of California, described as follows:

**BEGINNING** at the northeast corner of the existing Partrick Road/Borrette Lane District Annexation - Napa Sanitation District, filed under Series No.1994-033934, September 28, 1994, Napa County Records;

Thence, (1) North 69°56'20" West 42.90 feet along said existing district boundary to the southernmost point of existing Borrette Lane No. 6 District Annexation, filed under Series No. 2004-0042772, June 10, 2004, Napa County Records;

Thence, leaving said point, (2) North 03°22'58" West along said existing district boundary to the northeast corner of said existing district annexation;

Thence, leaving said point, (3) North 03°22'58" West 342.47 feet;

Thence, (4) South 83°03'13" East 326.64 feet;

Thence, (5) South 08°03'01" East 235.44 feet;

Thence, (6) South 89°57'42" East 26.85 feet;

Thence, (7) South 06°21'09" West 434.03 feet;

Thence, (8) South 36°27'15" West 220.10 feet;

Thence, (9) South 78°33'40" West 40.62 feet;

Thence, (10) North 54°11'20" West 44.22 feet;

Thence, (11) North 84°41'20" West 36.30 feet;

Thence, (12) North 09°41'20" West 29.04 feet to the **POINT OF BEGINNING**, containing an area of 6.04 acres of land, more or less.

*For assessment purposes only. This description of land is not a legal property description as defined in the Subdivision Map Act and may not be used as the basis for an offer for sale of the land described*

## EXHIBIT "B"

### TERMS AND CONDITIONS

#### BORRETTE LANE NO. 8 DISTRICT ANNEXATION – 2008-1

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

6. The property owner shall pay to the District a house lateral inspection fee of \$35.00 for the existing single family dwelling located on the subject property.

7. The property owner shall eliminate the privately owned sewage disposal system for the existing single family dwelling located on the subject property to the Napa County Division of Environmental Health requirements and connect to the sanitary sewer system within 12 months from the date of recordation of subject annexation.

8. The existing private wastewater disposal system for the existing winery shall remain for the time being and is subject to the following conditions:

- a. No domestic waste fixtures shall be installed within the winery facility.
- b. The owner shall provide the District with a copy of the annual inspection form and permit issued by the Napa County Department of Environmental Health within thirty days of receipt by owner.
- c. The owner shall once a year pay the District an inspection fee at the then current rate for District inspections and be subject to random inspections by the District to insure that no winery waste is being disposed of in the public sewer.

9. The owner shall eliminate the private wastewater disposal system for the existing winery, pay all applicable connection and inspection fees based on the rates in effect at the time, install a flow meter and sampler and obtain an Industrial Waste Discharge Permit from the District under the following conditions:

- a. The existing private wastewater disposal system for the winery fails.
- b. The owner requests to expand production to more than 5,000 gallons per year.
- c. At the sole discretion of the Napa County Department of Environmental Health.
- d. At the sole discretion of the Napa Sanitation District.

10. The property owner shall install approximately 350 lineal feet of 8" sanitary sewer main in Borrette Lane, approximately 330 lineal feet of 8" sanitary sewer main in the proposed access road along the north property line and approximately 220 lineal feet of 8" sanitary sewer main through the subject parcel near the southern property line, and pay all applicable inspection fees within 12 months of recordation of subject annexation.

11. All sanitary sewer mains installed outside of the public right of way shall be located within 20 foot wide sanitary sewer easements dedicated to the District.

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

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

08-borrette 8



**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>

**April 6, 2009**  
**Agenda Item No. 5b (Consent)**

March 23, 2009

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Amendment to Adopted Fee Schedule**

The Commission will consider amendments to its adopted fee schedule to reflect new filing charges for the California Department of Fish and Game for lead agencies under the California Environmental Quality Act.

California Government Code Section 56383 authorizes the Local Agency Formation Commission of Napa County ("Commission") to establish a schedule of fees for the costs of carrying out its prescribed regulatory and planning responsibilities. This includes itemizing third-party costs associated with processing proposals.

**A. Discussion**

Staff was recently notified by the County of Napa Assessor-Recorder's Office that certain fees associated with filing a Notice of Determination have been increased for lead agencies under the California Environmental Quality Act (CEQA). A summary of these new filing fees are summarized below:

<b>Filing Fee Type</b>	<b>Old Fee</b>	<b>New Fee</b>
Negative Declaration	\$1,876.75	\$1,993.00
Mitigated Negative Declaration	\$1,876.75	\$1,993.00
Environmental Impact Report	\$2,606.75	\$2,768.25

**B. Analysis**

The new fees associated with filing a Notice of Determination will be passed on directly to applicants as needed. Accordingly, there is no new impact on the Commission.

**C. Recommendation**

It is recommended that the Commission take the following action:

- 1) Approve the attached draft amendment to its adopted fee schedule.

Respectfully submitted,

\_\_\_\_\_  
Keene Simonds  
Executive Officer

Attachment:

- 1) Draft Amendment to the Adopted Fee Schedule

Juliana Inman, Vice Chair  
Councilmember, City of Napa

Jack Gingles, Commissioner  
Mayor, City of Calistoga

Cindy Coffey, Alternate Commissioner  
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
Executive Officer



**Local Agency Formation Commission of Napa County**  
*Schedule of Fees and Deposits*

Effective Date: April 6, 2009

**Deleted:** August 1, 2008

The policy of the Commission is:

1. This fee schedule shall be administered in accordance with the provisions of California Government Code §56383.
2. Applications submitted to the Commission shall be accompanied by a non-refundable initial fee as detailed in this schedule.
3. Applicants are responsible for any fees or charges incurred by the Commission or required by other agencies in the course of the processing of an application.
4. Initial fees include a fixed number of staff hours as detailed in the fee schedule or are designated as "at cost."
5. Additional Commission staff time shall be charged to the applicant at an hourly rate of \$97.00.
6. Applicants are responsible for any extraordinary administrative costs as determined by the Executive Officer and detailed for the applicant in a written statement.
7. Additional Commission staff time and administrative costs shall not be charged for city annexation applications that are comprised solely of one, entire unincorporated island.
8. If the Executive Officer estimates that a proposal will require more than 20 hours staff time to complete, he or she shall provide a written statement to that effect to the applicant and request a deposit in an amount sufficient to cover anticipated costs. If this or any subsequent deposit proves insufficient, the Executive Officer shall provide an accounting of expenditures and request deposit of additional funds.
9. If the processing of an application requires the Commission contract from another agency or from a private firm or individual for services that are beyond the normal scope of staff work (such as the drafting of an Environmental Impact Report or Comprehensive Fiscal Analysis), the applicant shall be responsible for all costs associated with that contract. The applicant will provide the Commission with a deposit sufficient to cover the cost of the contract.
10. The Executive Officer may stop work on any proposal until the applicant submits a requested deposit.
11. Written appeal of fees and/or deposits, specifying the reason for the appeal, may be submitted to the Commission prior to the submission of an application or prior to the submission of a deposit requested by the Executive Officer. The appeal will be considered at the next regular meeting of the Commission.
12. Upon completion of a project, the Executive Officer shall issue to the applicant a statement detailing all expenditures from a deposit for additional time and materials and shall have a refund for any remaining funds issued to the applicant.

## INITIAL APPLICATION FEES

### Change of Organization or Reorganizations: Annexations and Detachments

Exempt from the California Environmental Quality Act

- With 100% consent of property owners and affected agencies: \$1,455 (15 hours)
- Without 100% consent of property owners and affected agencies: \$2,425 (25 hours)

Not exempt from the California Environmental Quality Act  
(The Commission is a Responsible Agency; Negative Declaration)

- With 100% consent of property owners and affected agencies: \$1,940 (20 hours)
- Without 100% consent of property owners and affected agencies: \$2,910 (30 hours)

Not exempt from the California Environmental Quality Act  
(The Commission is a Responsible Agency; Environmental Impact Report)

- With 100% consent of property owners and affected agencies: \$2,425 (25 hours)
- Without 100% consent of property owners and affected agencies: \$3,395 (35 hours)

\* City annexations involving entire unincorporated islands will be charged a flat fee of \$500.

\* Annexation or detachment proposals that involve boundary changes for more than two agencies will be charged an additional fee of \$485 (5 hours).

\* If the Commission is the Lead Agency and it is determined that the proposal requires a Negative Declaration or an Environmental Impact Report, applicants will be charged at the hourly staff rate.

### Change of Organizations or Reorganizations: Other

- Special District Formations, Consolidations, Mergers, and Dissolutions: Actual Cost
- City Incorporations or Dissolutions: Actual Cost

### Special Studies

- Municipal Service Review: Actual Cost
- Sphere of Influence Review: Actual Cost  
(Establishment, Amendment, or Update)

**Activation of a Latent Power Request** \$970 (10 hours)

**Extension of Time Request** \$485 (5 hours)

**Review of Out-of-Agency Agreements or Contracts** \$970 (10 hours)

**Request for Reconsideration** \$1,940 (20 hours)

**Special Meeting Fee** \$800

**Alternate Legal Counsel Fee** Actual Cost

**OTHER APPLICATION FEES**

- Assessor Mapping Service**  
(Made payable to the “County of Napa”) \$125
- Map and Geographic Description Review**  
(Made payable to the “County of Napa”) \$149 (1 hour)
- Registered Voter List for Public Hearing Notice**  
(Made payable to the “County of Napa”) \$55 (1 hour)
- Geographic Information Service**  
(Made payable to “LAFCO of Napa County”) \$125 (1 hour)
- California Department of Fish and Game Environmental Filing Fees**  
(Made payable to the “County of Napa Clerk Recorder”)

Commission as Lead Agency

- Environmental Impact Report: \$2,768.25
- Negative Declaration: \$1,993.00
- Mitigated Negative Declaration: \$1,993.00
- Clerk-Recorder Filing Fee: \$50

Formatted: Right: -9.35 pt

Deleted: 2,606.75

Deleted: 1,876.75

Deleted: 1,876.75

Commission Responsible Agency

- Notice of Determination (Represents Clerk Filing Fee): \$50
- Notice of Exemption (Represents Clerk Filing Fee): \$50

**Change of Jurisdictional Boundary**

(Made payable to the “State Board of Equalization”)

<u>Acre Amount</u>	<u>Fee</u>	<u>Acre Amount</u>	<u>Fee</u>
Less than 1:	\$300	51 to 100:	\$1,500
1 to 5:	\$350	101 to 500:	\$2,000
6 to 10:	\$500	500 to 1,000:	\$2,500
11 to 20:	\$800	1,000 to 2,000:	\$3,000
21 to 50:	\$1,200	2,000 and above:	\$3,5000

**ADMINISTRATIVE SERVICE FEES**

The following are charges to be assessed to persons or entities other than the applicant.

- Copying (no color): \$0.10 per page
- Copying (color): \$0.40 per page
- Faxing: \$1.00 service charge, plus \$0.15 per page
- Mailing: Actual Cost
- Audio Tape Recording of Meeting: Actual Cost
- Research/Achieve Retrieval: \$97 per hour (minimum of one hour)



**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>

**April 6, 2009**  
**Agenda Item No. 5c (Consent)**

March 31, 2009

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Third Quarter Budget Report for 2008-2009**

The Commission will receive a third quarter budget report for the 2008-2009 fiscal year. The budget report compares adopted and actual expenses through two-thirds of the fiscal year and is being presented to the Commission to receive and file.

The Local Agency Formation Commission of Napa County's ("Commission") annual budget is entirely funded by the County of Napa and the Cities of American Canyon, Calistoga, Napa, St. Helena, and the Town of Yountville. State law specifies the County is responsible for one-half of the Commission's annual budget with the remaining amount proportionally shared by the five cities based on a weighted calculation of population and general tax revenues. It is the practice of the Commission to only budget expenses given its prescribed funding sources.

The Commission divides its annual budget into three operating units: (a) salaries/benefits; (b) services/supplies; and (c) contingencies/reserves. The Commission practices bottom-line accounting which allows for shortfalls within individual accounts in the salaries/benefits and services/supplies units as long as the overall balance remains positive. Funds may not be drawn from the contingencies/reserves unit without Commission approval.

**A. Discussion**

On June 6, 2008, the Commission adopted a final budget for the 2008-2009 fiscal year totaling \$552,110. At the close of the third quarter on March 31, 2009, the Commission's actual expenses – including encumbrances – totaled \$252,903. This amount represents 46% of the total adopted budget with one-quarter of the fiscal year complete.

**Adopted and Actual Expenses Through the Third Quarter**  
**(July 1, 2008 through March 31, 2009)**

<u>Adopted Expenses</u>	<u>Actual Expenses</u>	<u>Remaining Balance</u>	<u>Percent Available</u>
\$552,110*	\$252,903	\$299,207	54%

\* Includes the \$90,594 budgeted within the operating contingency/reserve unit

Juliana Inman, Vice Chair  
Councilmember, City of Napa

Jack Gingles, Commissioner  
Mayor, City of Calistoga

Cindy Coffey, Alternate Commissioner  
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
Executive Officer

A comparison of adopted and actual expenses through the third quarter within the Commission's three budget units follows with a copy of the general ledger attached.

### **Salaries/Benefits**

Through the end of the third quarter the Commission expended \$161,931 within its salaries/benefits unit. This amount represents 55% of the total amount budgeted in the eight affected accounts. Savings are accumulating in several accounts due to the delay in hiring a fulltime analyst. One account – extra help – finished the third quarter with a balance below 25%. A summary of expenses in this account follows.

#### **Extra Help**

This account covers the Commission's costs in funding an employee to fill the duties of the analyst position between July 2008 and January 2009.<sup>1</sup> At the end of the third quarter, the Commission spent \$26,283 in this account which exceeds the budgeted amount by 1%. A fulltime analyst was hired in February 2008 and therefore this account will not experience any more withdraws through the fiscal year. The deficit will be covered through savings accumulating in other salaries/benefits accounts.

### **Services/Supplies**

Through the end of the third quarter the Commission expended \$90,972 within its services/supplies unit. This amount represents 54% of the total amount budgeted in the 14 affected accounts. Three accounts – memberships, publications and notices, and property lease – finished the third quarter with balances below 25%. A summary of expenses in these three accounts follows.

#### **Membership**

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 2008-2009 is \$2,200, which was paid in full in July 2008.

#### **Publications and Notices**

The publications and notices account covers the Commission's legal noticing requirements for all public hearings. At the end of the third quarter, the Commission spent \$1,566 in this account which exceeds the budgeted amount by 4%. Additional increases to the existing deficit are expected to be minimal through the end of the fiscal year. The total deficit will be covered through savings accumulating in other services/supplies accounts.

---

<sup>1</sup> An extra help employee receives the same hourly pay as a regular fulltime analyst but does not receive any benefits, such as health care insurance. An extra help employee is permitted to work up to 1,000 hours per fiscal year.

### **Property Lease**

The property lease account covers the Commission's rental charge for office space at 1700 Second Street in Napa. The current lease provides a fixed monthly rental charge of \$2,250 through June 2009. The total lease amount for the fiscal year (\$27,000) was encumbered by the County Auditor's Office in July 2008 for the purpose of simplifying monthly payments to the property manager.

### **Contingencies/Reserves**

Through the third quarter the Commission has not drawn funds from its contingencies/reserves unit. It is not expected the Commission will need to draw funds from either of the two affected accounts during the fiscal year given the savings accruing within the salaries/benefits and services/supplies units.

### **B. Analysis**

The Commission is currently on schedule to expend only three-fourths (\$407,314) of its budgeted expenses in 2008-2009. This projected savings is attributed to the delay in hiring a fulltime analyst and the expected retention of all funds within the contingency/reserve unit. In accordance with its practice, the Commission will return all unexpended funds (agency contributions, application fees, and earned interest) to the agencies in the form of credits towards their share of the adopted budget in 2009-2010.<sup>2</sup>

### **C. Recommendation**

It is recommended that the Commission take the following action:

- 1) Receive and file the "Third Quarter Budget Report for 2008-2009."

Respectfully submitted,

---

Keene Simonds  
Executive Officer

Attachment: as stated

---

<sup>2</sup> Staff currently estimates the Commission will finish the fiscal year with a total of \$167,956 in unexpended funds, which includes unexpended agency contributions (\$144,796), earned interest (\$6,885), and application fees (\$16,275).



## Local Agency Formation Commission

### LAFCO of Napa County

#### 3rd Quarter Budget Report for 2008-2009: Expenses Through 3/31/09

		<u>Final Budget</u>	<u>Encumbrances</u>	<u>Expenditures</u>	<u>Balance</u>	
<b>Salaries/Benefits</b>						<i>Percent Available</i>
<u>Account</u>	<u>Description</u>					
51100000	Regular Salaries	168,905	-	94,118	74,787	44%
51200100	Extra Help	26,010	-	26,283	(273)	-1%
51200500	Commissioner Per Diems	9,600	-	2,500	7,100	74%
51300100	Retirement: Pension	34,551	-	16,131	18,419	53%
51300120	Retirement: Non-Pension	11,295	-	5,648	5,647	50%
51300300	Medicare	2,826	-	1,637	1,189	42%
51300500	Group Health Care	40,148	-	14,908	25,240	63%
51301200	Workers Compensation	149	-	112	37	25%
51301800	Cell Phone Allowance	840	-	593	247	29%
	SUB TOTALS	<u>294,325</u>	<u>-</u>	<u>161,931</u>	<u>132,394</u>	45%
<b>Services/Supplies</b>						
<u>Account</u>	<u>Description</u>					
52243900	Filing Fees	850	-	250	600	71%
52235000	Office Improvements	56,000	4,225	24,485	27,290	49%
52185000	Professional Service Supplies	7,507	-	5,311	2,196	29%
52070000	Communications	3,500	-	1,211	2,289	65%
52100300	Insurance: Liability	546	-	409	137	25%
52150000	Memberships	2,200	-	2,200	-	0%
52170000	Office Expenses	15,000	1,977	5,613	7,410	49%
52180200	Information Services	17,768	-	13,326	4,442	25%
52180500	Legal Services	26,320	-	-	26,320	100%
52190000	Publications and Notices	1,500	-	1,566	(66)	-4%
52240500	Property Lease	27,000	4,500	22,500	-	0%
52250000	Transportation and Travel	4,000	-	923	3,077	77%
52250800	Training	4,000	-	2,210	1,790	45%
52251200	Private Mileage	1,000	-	267	733	73%
	SUB TOTALS	<u>167,191</u>	<u>10,702</u>	<u>80,270</u>	<u>76,219</u>	46%
<b>Contingencies/Reserves</b>						
<u>Account</u>	<u>Description</u>					
54000900	Operating Reserve	40,594	-	-	40,594	100%
54001000	Consultant Contingency	50,000	-	-	50,000	100%
		<u>90,594</u>	<u>-</u>	<u>-</u>	<u>90,594</u>	100%
	GRAND TOTALS	<u>\$ 552,110</u>	<u>\$ 10,702</u>	<u>\$ 242,201</u>	<u>\$ 299,207</u>	54%



**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>

**April 6, 2009**

**Agenda Item No. 6a (Public Hearing)**

March 31, 2009

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Montecito Boulevard: Concurrent Request for and Outside Service Agreement and Sphere of Influence Amendment from the City of Napa**

---

The staff report for Agenda Item No. 6a was mailed to Commissioners and interested parties on March 23, 2009. Please contact staff if you need an additional copy.

Staff has received one comment letter on the agenda item from the County of Napa Planning Department. A copy of the letter is attached.

---

Juliana Inman, Vice Chair  
Councilmember, City of Napa

Jack Gingles, Commissioner  
Mayor, City of Calistoga

Cindy Coffey, Alternate Commissioner  
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
*Executive Officer*



# 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>

**April 6, 2009**  
**Agenda Item No. 6a (Public Hearing)**

March 20, 2009

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Montecito Boulevard: Concurrent Request for an Outside Service Agreement and Sphere of Influence Amendment from the City of Napa**  
The Commission will consider a proposal from the City of Napa requesting concurrent approval of an outside service agreement and sphere of influence amendment involving territory located at the eastern end of Montecito Boulevard. Staff is recommending the Commission deny the proposal.

The Commission is responsible under Government Code (G.C.) Section 56133 to approve or deny requests from cities and special districts to enter into agreements for purposes of providing new or extended services outside their jurisdictional boundaries. The statute includes two broad standards for the Commission in considering outside service agreement requests. First, if the affected territory is located within the city or special district's sphere of influence, the Commission may approve the outside service agreement in anticipation of a future annexation. Second, if the affected territory is located beyond the city or special district's sphere of influence, the Commission may approve the outside service agreement in response to an existing or impending threat to public health or safety.

### **A. Proposal Summary**

The City of Napa has filed a proposal with the Commission requesting the concurrent approval of an (a) outside service agreement and (b) sphere of influence amendment involving approximately 43 acres of unincorporated territory. The affected territory consists of one undeveloped parcel located at the eastern terminus of Montecito Boulevard identified by the County of Napa Assessor's Office as 045-170-006. The affected territory is located outside and adjacent to the City's jurisdictional boundary and sphere of influence. It is also located outside and adjacent to the City's rural urban limit (RUL) line.

The underlying purpose of the proposal is to allow the City to extend water service to the affected territory to serve a future single-family residence, although no specific plans exist at this time. Service would be established by extending a one-inch lateral approximately 1,700 feet from an existing water main located in Montecito Boulevard. Notably, the City is requesting the concurrent sphere of influence amendment to include the affected territory to comply with G.C. Section 56133 given it does not believe the service extension addresses an existing or impending threat to public health or safety.

Juliana Inman, Vice Chair  
Councilmember, City of Napa

Jack Gingles, Commissioner  
Mayor, City of Calistoga

Cindy Coffey, Alternate Commissioner  
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
Executive Officer

## **B. Discussion**

The request for an outside service agreement approval marks the first such application filed with the Commission involving G.C. Section 56133 since its enactment in 1994. It has been the practice of the Commission not to require cities or special districts to receive approval before providing new or extended outside services.<sup>1</sup> This practice was recently reexamined during the municipal service review process and ended with the Commission adopting at its November 2008 meeting a policy establishing procedures and standards to address its role in regulating outside service agreements. This policy provides for a standard application form as well as prescribes the form, review, and consideration of cities and special districts' requests. A copy of the adopted policy on outside service agreements was circulated to all cities and special districts and is attached to this report.

As discussed in the course of formulating and adopting the referenced policy, regulating outside services in Napa County is challenging given the construction of G.C. Section 56133. These challenges are drawn from the statute's restriction on the Commission to only approve new or extended services outside cities or special districts' spheres of influence in response to existing or impending threats to public health or safety. This restriction is well-intended but does not readily recognize instances when it is logical for cities and special districts to provide services outside their spheres of influence when it is responsive to existing infrastructure and annexation is not practical. Accordingly, staff has previously advised the Commission it would be reasonable to incorporate an inclusive view of threats to public health and safety to accommodate service provision outside spheres of influence when it is sensible and responsive to local conditions.

With respect to the outside service agreement request before the Commission, the City's application materials make a general reference to the landowners' concerns regarding the adequacy of groundwater supplies in the area. The landowners initially contacted the City to establish outside water service after several drilling attempts resulted, in their words, an "average-producing well." The landowners' concerns appear justified since the affected territory is located within the Milliken-Sarco-Tulocay ("MST"), an established groundwater deficit basin according to the United States Geological Service. Although these concerns suggest there may be merit in finding the extension of water service to the affected territory addresses an impending threat to public health and safety, the City does not believe such a designation is applicable because the land is undeveloped. Counsel has reviewed this matter and advises the City's determination takes precedence under the statute and therefore the Commission may not approve the outside service agreement without amending the sphere of influence to include the affected territory (memorandum attached). Based on Counsel's assessment, the analysis in this report evaluates only the merits of the proposal as submitted.

---

<sup>1</sup> The Commission's previous practice of not requiring cities or special districts to receive approval before providing new or extended outside services stemmed from an initial reading of G.C. Section 56133, which originally included a broad exemption involving contracts between two or more public agencies. The Commission relied on this broad exemption in concluding the City as well as other local agencies did not require approval to provide new or extended outside services based on their water supply agreements with the Napa County Flood Control and Water Conservation District (NCFWCWD). Markedly, these agreements define extensive outside service areas for each of NCFWCWD's contracting agencies. The exemption the Commission relied on in developing its practice, however, was amended in 2001 to become more restricted and no longer applicable to the referenced agreement.

## **C. Analysis**

The following analysis addresses separately the proposal's two concurrent requests for approval of an outside service agreement and sphere of influence amendment.

### ***Outside Service Agreement***

The Commission's *Policy on Outside Service Agreements* directs its members to consider three specific factors in reviewing requests by cities and special districts to provide new or extended services outside their jurisdictional boundaries. No single factor is determinative. The purpose in considering these factors is to help inform the Commission in its decision-making process. An evaluation of these factors as it relates to the proposal follows.

#### **1) The ability of the applicant to extend the subject service to the affected land.**

The City has an existing six-inch water main on Montecito Boulevard ending approximately 300 feet from the southwestern parcel line of the affected territory. If the agreement is approved by the Commission, the City would allow the landowners to connect a one-inch lateral to the main at their own cost. It is estimated the lateral would extend roughly 1,700 feet to serve the probable site of the single-family residence which is expected to be 9,000 square feet in size. No other public infrastructure would be needed to serve the single-family residence.

The City estimates the annual water demand for the affected territory will be approximately one acre-foot. This expected demand would make the affected territory one of the City's largest outside single-family residential water users provided the existing average usage for outside residences is less than a half of an acre-foot. The expected demand would represent less than .003% of the total current amount delivered by the City. Staff's analysis confirms the City has sufficient water supply, treatment, storage, and delivery capacities to serve the affected territory at its planned usage without adversely affecting existing customers.

#### **2) The application's consistency with the policies and general plans of all affected local agencies.**

The application to extend water service appears inconsistent with the County and City General Plans based on their respective land use designations for the affected territory. The County General Plan designates the affected territory as "Agricultural Watershed and Open Space" which prohibits any future subdivision by requiring a minimum parcel size of 160 acres. This designation is supported by a zoning standard of "Agriculture Watershed" that restricts the future development of the affected territory for residential purposes to one single-family residence along with a second attached or detached unit if specific conditions are met. The City General Plan designates the western portion of the affected territory as "Greenbelt" to memorialize its expectation the land remains in agricultural or low density rural residential, public, or institutional uses. This designation is not parcel specific and

assigned to nearly all surrounding unincorporated lands for the purpose of serving as a safeguard against outside urban encroachment. Notably, neither of these two designations contemplate the extension of a municipal service, such as water.

While the application appears inconsistent with the County and City General Plans, it is consistent with the City's practice to extend water service to unincorporated lands located near its existing mains. This practice was established prior to the enactment of G.C. Section 56133 and is formalized under City Charter Section 180.<sup>2</sup> Notably, based on this practice, the City has extended water service to other Greenbelt designated lands, including three parcels directly south and adjacent to the affected territory.

**3) The application's effect on growth and development within and adjacent to the affected land.**

The application to extend water service would facilitate the development of the affected territory to include a large single-family residence as allowed under the County General Plan. This planned use is generally consistent with existing unincorporated development adjacent to the affected territory and therefore is not expected to have an effect on future growth in the area with one exception. This exception involves an unincorporated and undeveloped parcel located directly northwest of the affected territory which is also near the water main of the City.<sup>3</sup> If the application is approved, a precedent would be established and the landowners of the adjacent parcel would have a reasonable expectation to receive approval for outside water service to accommodate their own residential development.

***Sphere of Influence Amendment***

G.C. Section 56425 directs the Commission to consider and prepare statements with respect to four broad factors anytime it makes sphere of influence determinations. These factors are outlined below along with the statements prepared by the City as part of its proposal. Staff's analysis of the City's statements is also provided below.

**1) Present and planned land uses in the area, including agricultural and open-space lands.**

City Statement: "Presently, the subject property is vacant, 42.9-acre parcel with a County zoning designation of AW and a partial County General Plan designation of City and AWOS. It is planned to develop the property as a residential estate parcel in compliance with the present-zoning and land use regulations of Napa County. The City's General Plan designates the parcel as Greenbelt. The Greenbelt designation applies to lands outside the City's RUL which bear a relationship to the

---

<sup>2</sup> This section specifies the City may provide water service outside its incorporated boundary by four-fifths vote of the Council.

<sup>3</sup> The referenced adjacent parcel is identified by the County Assessor's Office as 045-170-005.

City's planning area. Greenbelt lands are to remain in agricultural or very low density residential, public, or institutional use. The property owners propose to construct a single-family home on a very large lot, which is consistent with this land use designation."

Staff Analysis: The City's statement is acceptable with one exception. In November 2008, the County performed a countywide update of its "Cities" land use designation to remove agricultural zoned land. As a result of this update, the affected territory is entirely designated "Agriculture Watershed and Open Space."

**2) Present and probable need for public facilities and services in the area.**

City Statement: "There will be no need for additional public facilities or services to serve a development on the subject parcel. City streets provide access to the parcel, City water infrastructure already exists in Montecito Boulevard and emergency services are already provided to the area by City forces."

Staff Analysis: The City's statement is acceptable.

**3) Present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.**

City Statement: "The City has determined that they have adequate capacity to serve the subject property as described in Agenda Report."

Staff Analysis: The City's statement is acceptable.

**4) Existence of any social or economic communities of interests in the area if the commission determines they are relevant to the agency.**

City Statement: "The City of Napa is the social and economic community of interest related to this request. The subject property is at the edge of the City and accessed via City roads. Shopping, schools, and other social and economic activities occur within the City. The subject property is directly and most appropriately affiliated with the City of Napa."

Staff Analysis: The City's statement does not recognize the social and economic ties existing between the affected territory and the County of Napa. These ties are principally drawn from the affected territory's rural setting and accentuated by its exclusion from the City's RUL.

In addition to considering the broad factors enumerated under G.C. Section 56425, the Commission's *Policy Determinations* prescribes specific objectives and standards in establishing, amending, and updating cities' spheres of influence. These objectives and standards are used as guidelines and summarized below.

- The Commission shall use a city's sphere of influence to designate the area it believes should be developed for urban use under its jurisdiction. (II/C/1/A)
- The Commission shall use the County General Plan to identify agricultural and open-space land use designations. (II/C/1/B)
- The Commission shall not include agricultural or open-space lands within a city's sphere of influence for purposes of urban development. (II/C/1/C)
- The Commission shall consider the amount of vacant land within the existing jurisdiction and sphere of influence of the affected city. (II/C/1/D)
- The Commission shall use a city's sphere of influence as a guide for future annexations. (II/C/1/E)

Staff's review of the proposal identifies substantive inconsistencies with the above-referenced guidelines. The proposed amendment notably conflicts with the Commission's policy to use a city's sphere of influence to identify the area it believes is appropriate for future annexation and urban development. This conflict is highlighted by the City General Plan since it provides no indication of the City's expectation or desire to annex the affected territory as measured by its exclusion from the RUL. Additionally, if the affected territory was added to the RUL, the proposed amendment would still conflict with the Commission's policy to exclude lands designated for an agricultural use under the County General Plan for purposes of urban development. This conflict is predicated on recognizing the end-intent of the proposed amendment is to accommodate the development of a single-family residence. Staff appreciates, in and of itself, the development of a single-family residence may not constitute an urban use. Staff believes, however, it is reasonable to view the development of a single-family residence as an urban use if it is being supported by an urban service, such as water.

An important qualification underlying the preceding analysis is the recognition that the Commission's policies guiding its consideration of spheres of influence were adopted prior to the enactment of G.C. Section 56133. These policies are therefore oriented to focus spheres of influence in designating the probable future jurisdictional boundaries of local agencies and not necessarily to reflect their existing or eventual service areas. This orientation is further embedded by two standing Commission practices. First, the Commission defers to cities' general plans in identifying lands to consider adding to their spheres of influence. Second, the Commission limits the planning horizon for spheres of influence to five years. These practices reflect the slow-growth land use policies prevalent throughout Napa County and collectively raise the threshold for justifying sphere of influence amendments.

Given its existing policies do not consider the relationship between spheres of influence and outside service agreements, the Commission may consider exercising its discretion to make an exception and approve the proposal. Reasonable justifications for making an exception are available. This includes recognizing the affected territory can only be accessed through the City at this time. The City is also capable of providing water service to the affected territory without extending infrastructure or impacting current customers. These justifications, however, do not appear limited to the affected territory. As a result, making an exception for this proposal may prove to become the rule in considering future proposals exhibiting similar characteristics.

#### **D. Recommendation**

Staff recommends the Commission deny the proposal. Denial would support and affirm the Commission's existing policies to use and construct the City's sphere of influence as an explicit guide to annexation while avoiding the inclusion of agricultural designated land. Notwithstanding this recommendation, if it is the preference of the Commission to make an exception and approve the proposal, staff believes it would be appropriate to modify the proposed sphere of influence amendment to only include the probable site of the single-family residence. Staff also believes it would be appropriate to condition approval to direct the City not to request another amendment to accommodate an outside service agreement until a comprehensive update is completed, which is currently scheduled for 2010-2011. These actions would eliminate the unnecessary inclusion of approximately 38 acres of agricultural designated land in the sphere of influence while tabling consideration of additional amendments until a thorough analysis of the relationship between the sphere and outside service provision can be performed.

Specific actions for Commission consideration at the close of the public hearing are outlined below.

**Recommended Action:** Adopt the draft resolution denying the proposal provided as Attachment One.

**Alternative Action A:** Adopt the attached draft resolution approving the proposal provided as Attachment Two with the modifications and conditions suggested in the preceding section.

**Alternative Action B:** If more information is needed, continue the item to a future meeting date.

Respectfully submitted,

---

Keene Simonds  
Executive Officer

Attachments:

- 1) Draft Resolution Denying the Proposal
- 2) Draft Resolution Approving the Proposal with Modifications
- ~~3) Aerial Map of the Affected Territory~~
- 4) Commission Policy Guidelines
- 5) Commission Counsel Memorandum: Public Health and Safety Threats
- 6) Commission Counsel Memorandum: Environmental Analysis
- ~~7) City of Napa Application Materials~~
- ~~8) Map of the City of Napa's Water System for Affected Area~~
- ~~9) Map of the Probable Site of the Single-Family Residence for the Affected Territory~~

**RESOLUTION NO. \_\_\_\_**

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

**MONTECITO BOULEVARD: CONCURRENT REQUEST FOR AN OUTSIDE SERVICE  
AGREEMENT AND SPHERE OF INFLUENCE AMENDMENT FROM THE CITY OF NAPA**

**WHEREAS**, the Local Agency Formation Commission of Napa County, hereinafter referred to as the "Commission," administers California Government Code Section 56000 et. seq., known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

**WHEREAS**, the Commission is responsible for authorizing cities and special districts to enter into outside service agreements in accordance with California Government Code Section 56133; and

**WHEREAS**, the Commission is responsible for establishing, amending, and updating cities and special districts' spheres of influence in accordance with California Government Code Section 56425; and

**WHEREAS**, the Commission received an application from the City of Napa requesting the concurrent approval of an outside service agreement and sphere of influence amendment, hereinafter referred to as the "proposal," involving territory identified by the County of Napa Assessor's Office as 045-170-006 and depicted in Exhibit "A"; and

**WHEREAS**, the Executive Officer prepared and presented a written report on the proposal to the Commission in the manner provided by law and adopted policy; and

**WHEREAS**, the Commission heard and fully considered all the evidence presented on the proposal at a public hearing held on April 6, 2009; and

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

1. Pursuant to California Government Code Section 56425, the Commission makes the statements of determinations in the attached "Exhibit B."
2. The proposal is DENIED.

The foregoing resolution was duly and regularly adopted by the Commission at a regular meeting held on April 6, 2009, by the following vote:

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

ATTEST: Keene Simonds  
Executive Officer

RECORDED: \_\_\_\_\_  
Kathy Mabry  
Commission Secretary

## EXHIBIT B

### STATEMENT OF DETERMINATIONS

- 1. The present and planned land uses in the area (sphere), including agricultural and open-space lands.**

Presently, the subject property is vacant, 42.9-acre parcel with a County zoning designation of AW and a County General Plan designation of AWOS. It is planned to develop the property as a residential estate parcel in compliance with the present-zoning and land use regulations of Napa County. The City's General Plan designates the parcel as Greenbelt. The Greenbelt designation applies to lands outside the City's RUL which bear a relationship to the City's planning area. Greenbelt lands are to remain in agricultural or very low density residential, public, or institutional use. The property owners propose to construct a single-family home on a very large lot, which is consistent with this land use designation.

- 2. The present and probable need for public facilities and services in the area (sphere).**

There will be no need for additional public facilities or services to serve a development on the subject parcel. City streets provide access to the parcel, City water infrastructure already exists in Montecito Boulevard and emergency services are already provided to the area by City forces.

- 3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

The City has adequate capacity to serve the subject property.

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

There are social and economic ties existing between the subject property and the City of Napa as well as the County of Napa.

**RESOLUTION NO. \_\_\_\_\_****RESOLUTION OF THE  
LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
MAKING DETERMINATIONS****MONTECITO BOULEVARD: CONCURRENT REQUEST FOR AN OUTSIDE SERVICE  
AGREEMENT AND SPHERE OF INFLUENCE AMENDMENT FROM THE CITY OF NAPA**

**WHEREAS**, the Local Agency Formation Commission of Napa County, hereinafter referred to as the “Commission,” administers California Government Code Section 56000 et. seq., known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

**WHEREAS**, the Commission is responsible for authorizing cities and special districts to enter into outside service agreements in accordance with California Government Code Section 56133; and

**WHEREAS**, the Commission is responsible for establishing, amending, and updating cities and special districts’ spheres of influence in accordance with California Government Code Section 56425; and

**WHEREAS**, the Commission received an application from the City of Napa requesting the concurrent approval of an outside service agreement and sphere of influence amendment, hereinafter referred to as the “proposal,” involving territory identified by the County of Napa Assessor’s Office as 045-170-006 and depicted in Exhibit “A”; and

**WHEREAS**, the Executive Officer prepared and presented a written report on the proposal to the Commission in the manner provided by law and adopted policy; and

**WHEREAS**, the Commission heard and fully considered all the evidence presented on the proposal at a public hearing held on April 6, 2009; and

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

1. In accordance with the applicable provisions of the California Environmental Quality Act (CEQA), the Commission certifies that it has considered the Initial Study and determination by the City of Napa, lead agency under CEQA, that the proposal will not have a significant effect on the environment because all potential significant effects have been adequately analyzed and mitigated as part of the Environmental Impact Report (EIR) prepared for the City General Plan, certified December 1, 1998, and the EIR for the City’s Water System Optimization and Master Plan, certified November 1997. The Commission hereby makes and incorporates by reference the environmental findings set forth in the City’s Initial Study for each significant effect of the proposal, which includes the Commission’s finding that this proposal will not result in significant new impacts on hydrology and water quality that have not already been analyzed in the City’s EIR. The Commission findings are based on its independent judgment and analysis. The records upon which these findings are made are located at the LAFCO Office, 1700 Second Street, Suite 268, Napa, California.
2. Pursuant to California Government Code Section 56425, the Commission makes the statements of determinations in the attached Exhibit “B.”

3. The proposal is APPROVED as modified to add only the probable site of the single-family residences to the sphere of influence as depicted in Exhibit "C."
4. The Commission's approval is made with the expectation the City shall not request an additional sphere of influence amendment for purposes of facilitating an outside service agreement until a comprehensive update of its sphere can be completed, which is currently scheduled for 2010-2011.

The foregoing resolution was duly and regularly adopted by the Commission at a regular meeting held on April 6, 2009, by the following vote:

AYES: Commissioners \_\_\_\_\_

NOES: Commissioners \_\_\_\_\_

ABSTAIN: Commissioners \_\_\_\_\_

ABSENT: Commissioners \_\_\_\_\_

ATTEST: Keene Simonds  
Executive Officer

Recorded by: \_\_\_\_\_  
Kathy Mabry  
Commission Secretary

## EXHIBIT B

### STATEMENT OF DETERMINATIONS

**1. The present and planned land uses in the area (sphere), including agricultural and open-space lands.**

Presently, the subject property is vacant, 42.9-acre parcel with a County zoning designation of AW and a County General Plan designation of AWOS. It is planned to develop the property as a residential estate parcel in compliance with the present-zoning and land use regulations of Napa County. The City's General Plan designates the parcel as Greenbelt. The Greenbelt designation applies to lands outside the City's RUL which bear a relationship to the City's planning area. Greenbelt lands are to remain in agricultural or very low density residential, public, or institutional use. The property owners propose to construct a single-family home on a very large lot, which is consistent with this land use designation.

**2. The present and probable need for public facilities and services in the area (sphere).**

There will be no need for additional public facilities or services to serve a development on the subject parcel. City streets provide access to the parcel, City water infrastructure already exists in Montecito Boulevard and emergency services are already provided to the area by City forces.

**3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

The City has adequate capacity to serve the subject property.

**4. The existence of any social or economic communities of interest in the area (sphere) if the commission determines that they are relevant to the agency.**

There are social and economic ties existing between the subject property and the City of Napa as well as the County of Napa.

## **LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY POLICY DETERMINATIONS**

---

### **I) POLICIES CONCERNING THE PRESERVATION OF AGRICULTURE AND OPEN-SPACE LANDS AND THE PROMOTION OF ORDERLY, WELL-PLANNED DEVELOPMENT**

#### **A) LEGISLATIVE INTENT AND DECLARATIONS**

The Commission acknowledges and incorporates into its own policies, the policies of the Legislature regarding the promotion of orderly, well-planned development patterns that avoid the premature conversion of agricultural and open-space lands and ensure effective, efficient and economic provision of essential public services. The Commission wishes to specifically note the following declarations and policies contained in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000:

- 1) The Legislature recognizes that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing that development with sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, and efficiently extending government services. (G.C. §56000)
- 2) It is the intent of the Legislature that each commission, not later than January 1, 2002, shall establish written policies and procedures and exercise its powers pursuant to this part in a manner consistent with those policies and procedures and that encourages and provides planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open-space lands within those patterns. (G.C. §56300)
- 3) In reviewing and approving or disapproving proposals which could reasonably be expected to induce, facilitate, or lead to the conversion of existing open-space lands to uses other than open-space uses, the commission shall consider all of the following policies and priorities:
  - a) Development or use of land for other than open-space uses shall be guided away from existing prime agricultural lands in open-space use toward areas containing nonprime agricultural lands, unless that action would not promote the planned, orderly, efficient development of an area.
  - b) Development of existing vacant or nonprime agricultural lands for urban uses within the existing jurisdiction of a local agency or within the sphere of influence of a local agency should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for non-open-space uses which are outside of the existing jurisdiction

of the local agency or outside of the existing sphere of influence of the local agency.  
(G.C. §56377)

B) POLICIES OF THE COMMISSION

The Commission declares its intent not to permit the premature conversion of designated agricultural or open-space lands to urban uses. The Commission shall adhere to the following policies in the pursuit of this intent, and all proposals, projects, and studies shall be reviewed with these policies as guidelines.

1) USE OF COUNTY GENERAL PLAN DESIGNATIONS

In evaluating a proposal, the Commission will use the Napa County General Plan to determine designated agricultural and open-space lands. The Commission recognizes that inconsistencies may occur between the County General Plan and the affected city general plan with respect to open-space designations. Notwithstanding these potential inconsistencies, the Commission will rely on the Napa County General Plan in recognition of the public support expressed in both the incorporated and unincorporated areas of Napa County for the County's designated agricultural and open-space lands through enactment of Measure "J", the Agricultural Lands Preservation Initiative passed by the voters in 1990.

2) TIMING OF URBAN DEVELOPMENT

The Commission shall guide development away from designated agricultural or open-space lands until such times as urban development becomes an overriding consideration in providing for the health and welfare of the citizens of the County and the affected city.

3) FACTORS FOR EVALUATING PROPOSALS INVOLVING AGRICULTURAL OR OPEN-SPACE LANDS

A proposal which includes agricultural or open-space designated land shall be evaluated in light of the existence of the following factors:

- a) "Prime agricultural land", as defined by Government Code Section 56064.
- b) "Open-space", as defined by Government Code Section 56059.
- c) Land that is under contract to remain in agricultural or open-space use, such as a Williamson Act Contract or Open-Space Easement.
- d) Land which has a Napa County General Plan agricultural or open-space designation (Agricultural Resource or Agriculture, Watershed and Open-space).
- e) The adopted general plan policies of the County and the affected city.

- f) The agricultural economic integrity of land proposed for conversion to urban use as well as adjoining land in agricultural use.
- g) The potential for the premature conversion of adjacent agricultural or open-space designated land to urban use.
- h) The potential of vacant non-prime agricultural land to be developed with a use that would then allow the land to meet the definition of prime agricultural land under the Williamson Act.

4) ENCOURAGEMENT OF REORGANIZATIONS

The Commission encourages reorganization proposals as a means of coordinating actions of local governmental agencies involving, but not limited to, annexation of land to two public agencies. The Commission recognizes the usefulness of the reorganization concept as a vehicle designed to simplify and expedite such actions.

## **II) POLICIES CONCERNING SPHERES OF INFLUENCE**

It is the intent of the Commission to establish spheres of influence that promote the orderly expansion of cities to ensure effective, efficient and economic provision of essential public services, including public sewer and water, fire protection and emergency response, and police protection.

### **A) LEGISLATIVE INTENT AND DECLARATIONS**

The Commission acknowledges and incorporates into its own policies, the policies of the Legislature as they relate to spheres of influence. The Commission wishes to specifically note the following declarations and policies contained in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000:

- 1) "Sphere of influence" means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission. (G.C. §56076)
- 2) In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote the logical and orderly development of areas within the sphere. (G.C. §56425(a)).

### **B) GENERAL GUIDELINES FOR THE REVIEW OF SPHERES OF INFLUENCE**

It is the intent of the Commission to consider the following criteria whenever reviewing a proposal that includes the adoption, amendment, or update of a sphere of influence.

- 1) Land Use
  - a) The present and planned land uses in the area, including designated agricultural and open-space lands.
  - b) Consistency with the Napa County General Plan and the general plan of any affected city.
  - c) Adopted general plan policies of the County and of any affected city that guide future development away from designated agricultural or open-space land.
  - d) Adopted policies of affected agencies that promote infill of existing vacant or underdeveloped land.

- e) Amount of existing vacant or underdeveloped land located within any affected agency's jurisdiction and current sphere of influence.

## 2) Municipal Services

- a) The present capacity of public facilities and adequacy of public services provided by affected agencies within the current jurisdiction and the adopted plans of these agencies to improve any municipal service deficiency, including adopted capital improvement plans.
- b) The present and probable need for public facilities and services within the area proposed for inclusion within the sphere of influence and the plans for the delivery of services to the area.

## C) CITY SPHERES OF INFLUENCE

The Commission shall adhere to the following policies in the establishment, review, amendment, or update of city spheres of influence.

### 1) General Policies Concerning City Spheres

- a) Location of Urban Development. The basic policy of the Commission in the establishment of a city sphere of influence boundary line shall be that urban development within a city's sphere of influence shall be developed under the jurisdiction of the city. If urban development is legally required by the County, such development should conform to the applicable city standards and be the subject of a joint city-County planning effort.
- b) Use of County General Plan Agricultural and Open-Space Designations. When establishing a city sphere of influence boundary line, the Commission shall use the most recently adopted Napa County General Plan as the basis to identify designated agricultural and open-space lands.
- c) Avoidance of Inclusion of Agricultural and Open-Space Lands. Land specifically designated as agricultural or open-space lands shall not be approved for inclusion within any city sphere of influence for purposes of urban development. An agricultural or open-space designation shall be recognized by the Commission as designating the land as non-urban in character in regard to the existing use of the area or its future development potential. Exceptions to this policy may be considered by the Commission based on information submitted to the Commission provided by

the affected city that responds to criteria contained in Section B. - Sphere of Influence Amendment Guidelines.

- d) Preference for Infill. When reviewing proposals for the expansion of a city sphere of influence, the Commission will consider the amount of vacant land within the existing jurisdiction and sphere of influence of the affected city. To discourage urban sprawl and encourage the orderly formation and development of cities in Napa County, the Commission will encourage proposals that promote the infill of existing vacant or underdeveloped land thereby maximizing the efficient use of existing city services and infrastructure. The Commission will discourage proposals for development of vacant or open-space land that requires the extension of urban facilities, utilities, and services where infill is more appropriate.
- e) Adopted Spheres of Influence as Guide for City Annexations. When municipal spheres of influence have been adopted by the Commission, they shall be used as a guide in the consideration of city annexation proposals. Adoption of such spheres shall not be construed to indicate carte blanche approval of any annexation proposal merely because the land is included within the sphere of influence.

## 2) Policies Concerning Cooperative Planning and Development Programs

- a) Role Of Adopted Sphere Of Influence In Agency Planning. The urban area as delineated by the established sphere of influence line, having been developed by the Commission in cooperation with the affected city and County, should be recognized and considered as part of planning and development programs of the affected city, any affected special district, and the County.
- b) Preference For Infill Within The City's Jurisdiction Or Within The City's Adopted Sphere Of Influence. To maximize the efficient use of existing city services and infrastructure and discourage the premature conversion of agricultural and open-space lands to urban uses, the Commission shall encourage the city to develop first those existing vacant and under-developed lands located within the city's jurisdiction or within the city's adopted sphere of influence. The Commission shall encourage the development of vacant or under-developed land located within the city's jurisdiction before the annexation of land that requires the extension of urban facilities, utilities, and services.
- c) Interagency Cooperation. Urban development and utility expansion programs should be planned and programmed by the city on a staged basis in cooperation with the County and the Commission.

- d) Restrictions On Urban Development Approvals By County Within City Sphere Of Influence. No urban development should be permitted by the County to occur on unincorporated land within a city's designated Sphere of Influence. If approval of urban development in such areas is legally required of the County, such development should conform to applicable city standards and be the subject of a joint city-County planning effort.
- e) Exclusion Of Unservable Areas. Areas that cannot be provided with an urban level of essential public services, such as public water, sewer, fire protection and emergency response, shall be considered for sphere inclusion and eventual annexation and development, only on an exceptional basis. Economic and planning justification for such annexations shall be provided to the Commission by the city.

#### D) SPECIAL DISTRICT SPHERES OF INFLUENCE

The Commission shall adhere to the following policies in the establishment, review, amendment, or update of special district spheres of influence.

##### 1) General Policies Concerning Special District Spheres

- a) Single Boundary. Only one sphere of influence boundary line will be drawn for each district.
- b) Boundary to Reflect Service Capacity. The location and character of the boundary line should be responsive to existing and planned service facilities. Planned facilities are those to be constructed within a ten (10) year period.
- c) Urbanizing Effect of Services. It shall be a basic policy of the Commission when considering establishment of a special district sphere of influence that extension of urban services acts to promote urban development and that urban development belongs in urban areas.
- d) Exclusion of Agricultural and Open-Space Lands. Land designated agricultural or open-space by the applicable city or County general plan shall not be approved for inclusion within any district sphere of influence for purposes of urban development through the extension of essential public services. Such designations shall be recognized by the Commission as designating the land as non-urban in character in regard to the existing use of the area or its future development potential. The Commission may consider exceptions to this policy based on evidence provided by the affected district which demonstrates all of the following:

- i) The expansion is necessary in order to provide public water or sewer to an existing parcel to respond to a documented public health hazard.
  - ii) The affected district can provide adequate public water or sewer service to the affected territory without extending any water or sewer mainline more than 1,000 feet.
  - iii) The expansion will not harm land in agricultural or open-space use.
  - iv) The expansion will not promote conversion of agricultural or open-space land to urban use.
- e) Adopted Sphere of Influence as Guide to Annexations. The Commission shall use an adopted special district sphere of influence as a guide when considering subsequent annexations to the affected special district, but mere inclusion of land within an adopted sphere of influence shall not be construed as carte blanche approval of any annexation proposal for that land.
- f) Joint Applications. When an annexation is proposed outside an affected district's adopted Sphere of Influence, the Commission may consider both the proposed annexation and the necessary change in the sphere of influence at the same meeting, but amendment to the sphere of influence boundary to include the affected territory shall be considered and resolved prior to Commission action on the proposed annexation.

## 2) Policies Concerning Cooperative Planning and Development Programs

- a) Role Of Adopted Sphere Of Influence In Agency Planning. The service area of a special district as delineated by the adopted sphere of influence boundary, having been developed by the Commission in cooperation with all affected agencies, should be recognized and considered as part of the planning and development programs of any affected district, city and the County.
- b) Service Expansion Programs. A district should plan and program its service expansion programs on a staged basis in cooperation with the County, any affected city, and the Commission.

### **III) POLICIES CONCERNING THE COUNTY OF NAPA**

#### **A) LOCATION OF URBAN DEVELOPMENT**

- 1) Land use developments of an urban character and nature should be located within areas designated as urban areas by the Napa County General Plan in close proximity to a city or special district which can provide essential public services.
- 2) Urban development should be discouraged if it is apparent that essential services necessary for the proposed development cannot readily be provided by a city or special district.

#### **B) USE OF COUNTY SERVICE AREAS**

- 1) In those unincorporated urban areas where essential urban services are being provided by the County, the Board of Supervisors should consider the establishment of county service areas so that area residents and property owners pay their fair and equitable share for the services received.
- 2) The Commission recognizes that the formation of county services areas are subject to both the Cortese-Knox-Hertzberg Local Government Reorganization Act and County Service Area Law (G.C. §25210.1 et. seq.).

#### **IV) POLICIES CONCERNING SPECIAL DISTRICTS**

##### **A) IN LIEU OF NEW DISTRICT CREATION**

Where a limited-purpose special district exists and additional services are required for an unincorporated area designated as urban by the Napa County General Plan, the Commission encourages, in lieu of creating a new special taxing district, either the use of county service areas to provide the extended services or reorganization of the existing limited services special district as a special district capable of providing multiple urban services.

##### **B) PREFERENCE FOR DISTRICTS CAPABLE OF PROVIDING ALL ESSENTIAL SERVICES**

All new special districts proposed for formation in the unincorporated urban areas as designated under the Napa County General Plan should be capable of providing essential urban type services which include but are not limited to water, sanitation, fire protection, and police protection.

## V) POLICIES CONCERNING ANNEXATIONS

### A) GENERAL POLICIES CONCERNING ANNEXATIONS TO A CITY

- 1) Inclusion in Sphere of Influence. The affected territory shall be included within the affected city sphere of influence prior to issuance of the Executive Officer's certificate of filing for the subject annexation proposal. For annexation proposals initiated by resolution of the city council, the Executive Officer may agendaize both the sphere of influence amendment and annexation application for Commission consideration and action at the same meeting.
- 2) Substantially surrounded. For the purpose of applying the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act, most notably Government Code §56375, the subject territory of an annexation proposal shall be deemed “substantially surrounded” if it is within the sphere of influence of the affected city and two-thirds (66-2/3%) of its boundary, as set forth in a boundary description accepted by the Executive Officer, is surrounded by the affected city.

### B) POLICIES CONCERNING ISLAND ANNEXATIONS

- 1) Boundary of Areas Not 100% Surrounded by City. The outside boundary of an unincorporated island less than 100% surrounded shall be the affected city sphere of influence boundary line.
- 2) Criteria for Determining a Developed Island. A developed island shall substantially meet all the following criteria:
  - a) The island shall have a housing density of at least .5 units per gross acre.
  - b) All parcels within the island can readily receive from the affected city or any affected special district basic essential services including but not limited to police protection, fire protection, public water and sanitation.
- 3) Policy Regarding Annexations Within an Identified Island Area. When an annexation proposal includes territory within a developed island, the Commission shall invite the affected city to amend the boundary of the proposed annexation to include the entire island. To the extent permitted by law, the Commission reserves the right to expand the boundaries of the proposed annexation to include the entire island.

C) POLICIES CONCERNING ANNEXATION OF MUNICIPALLY-OWNED LAND

- 1) Restricted Use Lands Owned by Public Agencies. The Commission shall disapprove annexation of publicly-owned land designated agricultural or open-space or subject to a Williamson Act contract unless the land will be used for a municipal purpose and no suitable alternative site reasonably exists within the affected city's sphere of influence.
- 2) Facilities Exempt from Policy. Municipal purpose shall mean a public service facility which is urban in nature such as water and sewage treatment facilities and public buildings, but shall not include land which is vacant or used for wastewater reclamation irrigation, a reservoir, or agricultural, watershed or open-space.

D) CONCURRENT ANNEXATION POLICIES

It is the intent of the Commission to promote concurrent annexations to cities and special districts whenever appropriate. The Commission may waive its concurrent annexation policies based on unique conditions or circumstances surrounding the annexation proposal which make application of the policy impractical and will not result in the annexation of lands designated agricultural or open-space by the applicable city or County General Plan.

1) City of Napa and Napa Sanitation District

- a) Annexations to the District. All annexation proposals to the Napa Sanitation District located outside of the City of Napa shall first be required to annex to the City if the affected territory is located within the City's sphere of influence as adopted by the Commission, is located within the City Residential Urban Limit Line (RUL) as adopted by the City, and annexation is legally possible.
- b) Annexations to the City. All 100% consent annexation proposals to the City of Napa located outside of the Napa Sanitation District shall be required to annex to the Napa Sanitation District if the affected territory is located within the District's sphere of influence and if sanitation service is available.

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

- a) Annexations to the District. All annexation proposals to the American Canyon Fire Protection District located outside of the City of American Canyon shall be required to annex to the City if the affected territory is located within the City's sphere

of influence as adopted by the Commission and if annexation is legally possible.

- b) Annexations to the City. All annexation proposals to the City of American Canyon located outside of the American Canyon Fire Protection District shall be required to annex to the District if the affected territory is located within the District's sphere of influence.



## 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>

### MEMORANDUM

March 19, 2009

**TO:** Local Agency Formation Commissioners

**FROM:** Jacqueline Gong, Commission Counsel

**SUBJECT:** **Memorandum to Agenda Item 6a for April 6, 2009 Meeting:  
Public Health and Safety Treats**

This memorandum has been prepared at the request of the Executive Officer. The memorandum analyzes the Commission's ability to make a public health or safety finding in approving an outside service agreement under Government Code Section 56133. This analysis applies directly to the City of Napa's request to provide outside water service to Shawn and Connie Guttersen's property located off of Montecito Boulevard.

#### **Background**

Section 56133 provides the Commission may authorize a city to provide new or extended services outside of its jurisdictional boundary under either of the following circumstances:

- The services are provided to property within the city's sphere of influence in anticipation of a later change of organization (Section 56133(b)); or
- The services are provided to property outside the city's sphere but are necessitated to respond to an existing or impending threat to the public health or safety of the residents of the property if both of following requirements are met (Section 56133(c)):
  - (a) The city applying for the contract has provided the Commission documentation of a threat to the public health and safety of the affected residents.
  - (b) The Commission has notified any alternative service providers.

The City of Napa has requested Commission approval to provide outside water service to the Guttersen parcel located at the eastern end of Montecito Boulevard for the purposes of serving a planned single-family residence. The parcel lies in the unincorporated area

Juliana Inman, Vice Chair  
Councilmember, City of Napa

Jack Gingles, Commissioner  
Mayor, City of Calistoga

Cindy Coffey, Alternate Commissioner  
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
*Executive Officer*

of Napa County. Though the parcel is contiguous to the City, it lies outside of the sphere of influence. In the City Council's Resolution, dated December 9, 2008, approving the submission of this proposal to LAFCO, the City found no sufficient threat to public health or safety to allow the City to provide service to the parcel while lying outside of its sphere.

### **Analysis**

In the City's application for outside service agreement, the City related the property owners have concerns about the future reliability of the water supply, citing potential lack of groundwater to support the proposed development of a single family residence. Independently, the Executive Officer's report on the application notes the affected territory is located within the Milliken-Sarco-Tulocay ("MST"), an established groundwater deficit basin according to the United States Geological Service. However, no documentation in support of this concern was submitted directly by the City. In fact, finding that no sufficient threat to public health & safety existed, the City has concurrently applied for a sphere amendment for the Guttersen property.

In carrying out its legal mandate under Section 56133 to ensure orderly development and efficient provision of services, the Commission must determine the appropriateness of a city providing extraterritorial services and must authorize any outside service agreement. In implementing 56133, the Commission ultimately has the discretion to authorize outside services and must determine the appropriate basis upon which the services are provided (either as property within the sphere in anticipation of later change of organization or as property under threat to public health & safety).<sup>1</sup>

However, Section 56133 imposes restrictions on the Commission's authority to approve outside services for the protection of public health & safety. One significant requirement is that the Commission must draw its determination based on information provided by the City applying for outside service approval that there is a threat to the public health or safety of the affected residents (Section 56133 (c) (1)). It is for the Commission to determine the sufficiency of such documentation and assess whether health & safety is in jeopardy.

The City in its application to LAFCO acknowledged the property owners have a concern about the future reliability of the property's underground water sources. However, this was noted without any factual documentation in support of this. While the property owners shared they located "an average-producing well" after several drilling attempts, this information alone does not signal an unreliable water source. In fact, the City specifically made a finding that there is no public health & safety threat. The lack of any supportive information from the City is problematic.

---

<sup>1</sup> Notably, Section 56133 does not define the term "existing or impending threat to the public health or safety of the affected residents of the territory...".

### **Conclusion**

It is in the Commission's sole purview to determine whether a sufficient basis exists for finding a public health & safety threat that justifies extending extraterritorial services. But the Commission must base its determination that a future or impending public health and safety threat exists on documentation provided by the City itself. While the Commission has the discretion to augment and consider other additional documentation in support of a public health & safety finding, it must first have before it some supportive documentation from the City. Given the findings and information submitted by the City, the Commission has discretion to authorize the outside services agreement only upon first approving a sphere amendment for the parcel.

Attachments: none



## 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>

### MEMORANDUM

March 19, 2009

**TO:** Local Agency Formation Commissioners

**FROM:** Jacqueline Gong, Commission Counsel

**SUBJECT:** Memorandum to Agenda Item 6a for April 6, 2009 Meeting:  
Consideration of Environmental Review

This memorandum has been prepared at the request of the Executive Officer. The memorandum addresses the appropriate environmental review for a sphere of influence amendment proposal of a city or special district for the purpose of providing services outside its jurisdictional boundaries pursuant to Government Code Section 56133. This analysis applies directly to the City of Napa's request to amend their sphere of influence to facilitate an outside water service agreement involving Shawn and Connie Guttersen's property located off of Montecito Boulevard.

#### **Background**

Government Code Section 56425 provides that approval of a sphere of influence (SOI) update or amendment follows upon first complying with the California Environmental Quality Act ("CEQA"; Public Resources Code Section 21000 et seq.). CEQA Guidelines (Title 14 of the California Code of Regulations) define a "project" as an activity that may cause a direct or reasonably foreseeable, indirect physical environmental change that is undertaken by a public agency. The threshold issue is whether a proposed SOI amendment is a project under CEQA. If it is, then environmental review under CEQA is required.

The City is requesting the Commission approve a sphere of influence amendment to include Shawn and Connie Guttersen's property located at the end of Montecito Boulevard for purposes of facilitating an outside service agreement under Section 56133. The City has prepared an initial study on the proposed sphere amendment, concluding that the sphere amendment could have some significant effect on the environment but these effects have been adequately analyzed and mitigated in earlier EIRs, including the City's General Plan EIR and 1997 EIR for its Water System Optimization and Master Plan, dated November 1997.

Juliana Inman, Vice Chair  
Councilmember, City of Napa

Jack Gingles, Commissioner  
Mayor, City of Calistoga

Cindy Coffey, Alternate Commissioner  
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
Executive Officer

## Analysis

While an SOI is not always per se a project, where the SOI amendment expands beyond the city's existing municipal boundaries and either affects the uses to which the land could be put or affects development of the land, a project within the meaning of CEQA exists (*Simi Valley Recreation and Park District v. Local Agency Formation Com.* (1975) 51 Cal. App. 3d 648 ; *City of Livermore v. Local Agency Formation Com.* (1986) 184 Cal. App. 3d 531). Although a sphere change can be viewed as merely a planning tool, an SOI amendment to allow for the provision of services outside a city/district's jurisdictional boundaries to land slated for development is an "essential step" in the development or service process. Such a proposed SOI change is subject to review under CEQA as a project (See 63 Ops. Cal. Atty. Gen. 758, 765 (1980)).

In the case of a SOI amendment sought for purposes of Section 56133, where the city/district is the applicant seeking authorization for outside services that requires a sphere change, it is appropriate to defer to that entity as the lead agency under CEQA. The lead agency is the one with principal responsibility for carrying out or approving a project and that prepares the appropriate CEQA review document for the project (CEQA Guidelines Section 15050). Where the sphere change is in furtherance of a proposal to extend services, the city/district providing such service is appropriately the lead agency. A sphere change in this case is akin to seeking annexation of land. Under its CEQA Policy, LAFCO assumes the role of responsible agency in cases of projects initiated by a land use authority for annexation (Section 3.1.1 of policy). Similarly, LAFCO is the responsible agency in the case of sphere changes for purposes of Section 56133.

As the lead agency responsible for environmental review, the city/district determines whether a project is exempt from CEQA and, if it is not exempt, to conduct an initial study to determine whether the project may have a significant effect on the environment (CEQA Guidelines Section 15063). Based upon the initial study, a sphere amendment may require the filing of an EIR or negative declaration in compliance with CEQA, depending on a case-by-case determination of whether this action could possibly have a significant effect on the environment (63 Ops. Cal. Atty. Gen. 758, 768 (1980)). It is possible to use a previously prepared EIR, such as a general plan EIR prepared by a city, so long as it adequately analyzes the potential impacts. Where the initial study relies upon a general plan program EIR and shows there are no new effects or no new mitigations required, an agency can approve the activity without further environmental documentation (CEQA Guidelines Sections 15063(b)(1)(B), 15162, and 15168(c)(2)).

LAFCO, as the responsible agency, must review and consider the information contained in the city/district's environmental document before it may approve the sphere proposal and make its own independent findings for each significant effect identified by the city/district (CEQA Guidelines Section 15091; LAFCO CEQA Policy Section 3.4.).

### **Conclusion**

With regards to the City's application for a sphere amendment for the extension of services to the Guttersen property, the City is appropriately the lead agency for conducting the environmental review of this proposal. As the responsible agency, the Commission must review and consider the environmental effects of the sphere amendment based upon the analysis in the City's CEQA documents which are legally sufficient for purposes of the Commission's environmental review. Using the City's CEQA documentation, the Commission must then make its own independent findings on the environmental effects within the scope of its jurisdiction, in this case- the sphere amendment and extension of water services to the potential future residence. Of note, the proposed sphere would not result in significant new impacts on hydrology and water quality that have not already been analyzed in the City's General Plan EIR. The environmental documents adequately support the Commission's finding the proposed sphere will pose no new significant effects that have not already been assessed or adequately mitigated for.

Attachments: none



**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>

**April 6, 2009**

**Agenda Item No. 6b (Public Hearing)**

March 20, 2009

**TO:** Local Agency Formation Commission  
**FROM:** Budget Committee (Gingles, Kelly, and Simonds)  
**SUBJECT: Proposed Budget for 2009-2010**

The Commission will receive a proposed budget from the Budget Committee for 2009-2010. The proposed budget projects an overall decrease in operating costs in the amount of \$55,133 or 10%. The proposed budget is being presented to the Commission for adoption.

The Local Agency Formation Commission of Napa County (“Commission”) is responsible for annually adopting a proposed budget by May 1<sup>st</sup> and a final budget by June 15<sup>th</sup>. In preparing for its own provisions, the Commission has established a Budget Committee consisting of 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 is 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.

**A. Background**

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 Yountville. The law states the County is responsible for one half of the Commission’s operating costs while the remaining amount is apportioned among the five cities based on a weighted calculation of population and general tax revenues. It is the Commission’s practice to only budget operating costs given its prescribed funding sources. As part of this practice, the Commission returns all of its unspent revenues (contributions, application fees, etc.) to the funding agencies in the form of credits towards their calculated share of the subsequent fiscal year budget. Accordingly, for budgeting purposes, the Commission has two annual funding sources: (a) agency credits and (b) agency contributions. The Commission’s adopted operating costs and its matching revenue sources for the last three fiscal years is presented below.

	FY06-07	FY07-08	FY08-09
<b>Adopted Budget (Costs)</b>	<u>\$456,758</u>	<u>\$466,672</u>	<u>\$552,168</u>
<b>Agency Credits (Revenue)</b>	145,317	183,338	199,402
<b>Agency Contributions (Revenue)</b>	311,441	283,333	352,765
	<u>\$456,758</u>	<u>\$466,672</u>	<u>\$552,168</u>

Juliana Inman, Vice Chair  
Councilmember, City of Napa

Jack Gingles, Commissioner  
Mayor, City of Calistoga

Cindy Coffey, Alternate Commissioner  
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
Executive Officer

At its December 1, 2008 meeting, the Commission appointed Commissioners Gingles and Kelly to the Budget Committee (“Committee”). The Committee met on January 14, 2009 to review the Commission’s operating costs for the upcoming fiscal year. The Committee created a spending baseline to estimate how much it would cost to maintain current service levels and activities at next fiscal year’s price for labor and supplies. In reviewing these estimates, the Committee prioritized minimizing costs whenever warranted to help limit the financial impact on the funding agencies given the downturn in the economy.

Based on its initial review, the Committee presented a draft proposed budget for 2009-2010 projecting an overall decrease in operating costs of 8.4% (\$46,608) to the Commission at its February 2<sup>nd</sup> meeting. The Commission approved the draft proposed budget as submitted and directed staff to seek comments from the funding agencies in anticipation of holding a public hearing to adopt the proposed budget in April 6<sup>th</sup> meeting. On February 4<sup>th</sup>, staff circulated the approved draft proposed budget to all funding agencies for their review and comment. No comments were received.

## **B. Discussion**

The Committee’s proposed budget for 2009-2010 includes a small number of revisions to the draft approved by the Commission at its February meeting. These revisions overall further reduce the projected operating costs over the current fiscal year to 10% or \$55,133. A summary of the key revisions made to the proposed budget from the earlier draft follows.

- The proposed budget reduces salary and benefit costs by \$11,537 from the earlier draft. The majority of the savings is tied to the Board of Supervisors cancelling a previously planned 3.0% cost-of-living adjustment for all County employees.
- The proposed budget increases service and supply costs by \$3,787. The increase is primarily attributed to establishing expense accounts to support and maintain the Commission’s planned new website and electronic document management system.
- The proposed budget reduces the annual operating reserve account by \$775 to account for the total reduction in expenses.

Overall, the majority of the cost-savings projected in the proposed budget is attributed to the decision not to fund any substantive special departmental expenses in the upcoming fiscal year. This contrasts with the current fiscal year in which \$55,000 was budgeted to develop a new website and implement an electronic document management system. Other key factors contributing to the projected decrease includes the aforementioned cancellation of a cost-of-living adjustment and reductions in legal service and retirement expense accounts. Increases are limited and include the referenced establishment of new expenses accounts to support and maintain the website and electronic document management system and an anticipated rise in office space rent at 8.4% or \$2,280. The anticipated rent increase has been negotiated and would remain fixed over the next three years. The Committee has reviewed alternative accommodations and believes the rent increase is reasonable given it remains relatively low compared to other office spaces in the downtown area as measured

by its monthly \$2.03 square foot cost.<sup>1</sup> A summary of the proposed budget's total operating costs in 2009-2010 is presented below.

Expense Type	Adopted Final FY08-09	Proposed* FY09-10	Change
Salaries/Benefits	\$294,325	\$288,265	\$(6,060)
Services/Supplies	167,192	118,130	(49,062)
Contingencies/Reserves	90,652	90,639	(12)
	<u>\$552,168</u>	<u>\$497,034</u>	<u>\$(55,133)</u>

\* The complete proposed budget for 2009-2010 is provided as "Exhibit One" to the attached draft resolution.

A key aspect underlying the Commission's consideration of the proposed budget is its anticipated impact on the six funding agencies in terms of their expected contribution in 2009-2010. Most importantly, this includes considering the amount of unspent revenues expected to be available and returned to the funding agencies in the form of credits at the end of this fiscal year. With this in mind, it is currently expected the Commission will finish this fiscal year with approximately \$165,986 in unspent revenues which is primarily attributed to the delay in hiring a fulltime analyst and retention of all budgeted reserves and contingencies. The combination of the projected decrease in operating costs and anticipated year-end credits produces an overall savings to the funding agencies as measured by their expected contributions in 2009-2010 of 6.2% (\$21,717) as summarized below.

	Adopted Final FY08-09	Proposed FY09-10	Change
<b>Adopted Budget (Costs)</b>	<u>\$552,168</u>	<u>\$497,034</u>	<u>\$(55,134)</u>
<b>Agency Credits (Revenue)</b>	199,402	165,986	(33,416)
<b>Agency Contributions (Revenue)</b>	352,765	331,048	(21,717)
	<u>\$552,168</u>	<u>\$497,034</u>	<u>\$(55,134)</u>

### C. Analysis

The proposed budget for 2009-2010 accomplishes the Committee's principal objectives to (a) provide sufficient resources to maintain current service levels while (b) avoiding cost increases to the funding agencies. The latter accomplishment is dependent on the Commission finishing this fiscal year with no less than \$144,269 in unspent revenues which can be carried forward and reduce the funding agencies' contributions in 2009-2010. This minimum level of unspent revenues is expected to be available to the Commission at the end of the fiscal year based on the agency's current spending projection. If the Commission does finish the fiscal year with less than the stated minimum level of unspent revenues, the Committee believes it would be appropriate to cover the difference by drawing down on its undesignated reserves to ensure no new cost increases to the funding agencies in 2009-2010.

<sup>1</sup> The current and proposed monthly rent at 1700 Second Street includes all utilities and three reserved parking spaces.

**D. Recommendation**

It is recommended for the Commission to take the following actions at the close of the public hearing:

- 1) Adopt the attached draft resolution with any desired changes approving the proposed budget for 2009-2010;
- 2) Direct the Executive Officer to circulate the adopted proposed budget for final 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 final budget at its June 1, 2009 meeting.

Respectfully submitted on behalf of the Committee,

---

Keene Simonds  
Executive Officer

Attachment:

- 1) Draft Resolution

**RESOLUTION NO. \_\_\_\_****RESOLUTION OF  
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
ADOPTING A PROPOSED BUDGET FOR THE 2009-2010 FISCAL YEAR**

**WHEREAS**, the Local Agency Formation Commission of Napa County (hereinafter referred to as “the Commission”) is required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq., hereinafter referred to as “Act”) to adopt a proposed budget for the next fiscal year; and

**WHEREAS**, Government Code Section 56381 requires the Commission to adopt a proposed budget no later than May 1; and

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

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

**WHEREAS**, the Executive Officer prepared a report concerning the proposed budget, including his recommendations thereon; and

**WHEREAS**, the Executive Officer’s report was presented to the Commission in the manner provided by law; and

**WHEREAS**, the Commission heard and fully considered all the evidence presented at its public hearing on the proposed budget held on April 6, 2009; and

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

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

1. The proposed budget as outlined in Exhibit One is approved.
2. The reduction in overall operating costs will nevertheless continue to allow the Commission to fulfill its regulatory and planning responsibilities as required under Government Code Section 56381(a).

The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of Napa County, State of California, at a regular meeting held on the 6<sup>th</sup> day of April 2009, by the following vote:

AYES: Commissioners \_\_\_\_\_

NOES: Commissioners \_\_\_\_\_

ABSTAIN: Commissioners \_\_\_\_\_

ABSENT: Commissioners \_\_\_\_\_

ATTEST: Keene Simonds  
Executive Officer

RECORDED: Kathy Mabry  
Commission Secretary



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

**2009-2010 Proposed Budget: Operating Costs**

		Adopted Final FY06-07	Adopted Final FY07-08	Adopted Final FY08-09	Proposed FY09-10		Difference Dollars	Difference Percentage
<b>Salaries/Benefits</b>								
<u>Account</u>	<u>Description</u>							
51100000	Regular Salaries	190,231	185,527	168,905	<b>195,580</b>	<sup>1</sup>	26,674	15.8%
51300500	Group Insurance	36,030	43,168	40,148	<b>36,471</b>		(3,677)	-9.2%
51300100	Retirement: Pension	32,953	31,583	34,551	<b>34,064</b>		(487)	-1.4%
51200500	Commissioner Per Diems	3,600	9,600	9,600	<b>9,600</b>		-	0.0%
51300120	Retirement: Non-Pension	-	-	11,295	<b>8,706</b>	<sup>2</sup>	(2,589)	-22.9%
51300300	Medicare	2,849	2,650	2,826	<b>2,836</b>		10	0.3%
51301800	Cell Phone Allowance	840	840	840	<b>840</b>		-	0.0%
51301200	Workers Compensation	685	185	149	<b>168</b>		19	12.8%
51200100	Extra Help	-	-	26,010	-		(26,010)	-100.0%
51200200	Overtime	-	-	-	-		-	0.0%
51301700	401A Employer Contributions	1,500	-	-	-		-	0%
	SUB TOTALS	<u>268,689</u>	<u>273,553</u>	<u>294,325</u>	<u><b>288,265</b></u>		(6,060)	-2.1%
<b>Services/Supplies</b>								
<u>Account</u>	<u>Description</u>							
52240500	Property Lease	26,307	27,000	27,000	<b>29,280</b>	<sup>3</sup>	2,280	8.4%
52180500	Legal Services	18,750	21,500	26,320	<b>24,990</b>	<sup>4</sup>	(1,330)	-5.1%
52180200	Information Technology Services	17,800	16,387	17,768	<b>18,705</b>	<sup>5</sup>	937	5.3%
52170000	Office Expenses	15,000	15,000	15,000	<b>15,000</b>		-	0.0%
52185000	Auditing Services	6,500	7,150	7,508	<b>7,883</b>	<sup>6</sup>	375	5.0%
52250000	Transportation and Travel	4,000	4,000	4,000	<b>4,000</b>		-	0.0%
52250800	Training	3,000	4,000	4,000	<b>4,000</b>		-	0.0%
52070000	Communications	3,500	3,500	3,500	<b>3,500</b>		-	0.0%
TBD	Electronic Document Management	-	-	-	<b>2,300</b>	<sup>7</sup>	2,300	100%
52150000	Memberships	2,200	2,000	2,200	<b>2,275</b>	<sup>8</sup>	75	3.4%
TBD	Website Hosting/Maintenance	-	-	-	<b>1,500</b>	<sup>9</sup>	1,500	100%
52190000	Publications and Notices	1,000	1,500	1,500	<b>1,500</b>		-	0.0%
52235000	Special Departmental Purchases	1,000	1,000	56,000	<b>1,000</b>	<sup>10</sup>	(55,000)	-98.2%
52251200	Private Mileage	1,500	1,000	1,000	<b>1,000</b>		-	0.0%
52243900	Filing Fees	-	850	850	<b>850</b>		-	0.0%
52100300	Insurance: Liability	534	352	546	<b>347</b>		(199)	-36.4%
	SUB TOTALS	<u>101,091</u>	<u>105,239</u>	<u>167,192</u>	<u><b>118,130</b></u>		(49,062)	-29.3%
<b>Contingencies/Reserves</b>								
<u>Account</u>	<u>Description</u>							
54000900	Operating Reserve	36,978	37,879	40,652	<b>40,639</b>		(12)	0.0%
54001000	Consultant Contingency	50,000	50,000	50,000	<b>50,000</b>		-	0.0%
	SUB TOTALS	<u>86,978</u>	<u>87,879</u>	<u>90,652</u>	<u><b>90,639</b></u>		(12)	0.0%
	GRAND TOTALS	<u>\$ 456,758</u>	<u>\$ 466,672</u>	<u>\$ 552,168</u>	<u><b>\$ 497,034</b></u>		\$ (55,133)	-9.98%

## Notes

- 1) This account budgets two fulltime (Executive Officer and Analyst I) and one partime (Secretary) employee. The budgeted amount anticipates scheduled step increases for the Executive Officer and Analyst I.
- 2) This account funds the Commission's apportionment for post employment benefits, such as retiree health care insurance. These costs are calculated by the County and will decrease in 2009-2010 because the Board recently approved transitioning from a 14 to 20 year amortization schedule.
- 3) The Commission's lease for 1,200 square feet of office space at 1700 Second Street in Napa is scheduled to expire on June 30, 2009. The landlord has proposed extending the lease for an additional three years at a fixed annual amount of \$29,280 and includes all utilities.
- 4) It is expected the Commission will require 170 total hours of legal services in 2009-2010, which reflects the average number of hours required over the last three fiscal years. The budgeted amount has been calculated by multiplying Commission Counsel's expected hourly rate of \$147 in 2009-2010 by 170. A small savings is projected given the Commission is not budgeting additional funds for outside counsel.
- 5) This account is for administration costs associated with the County of Napa's Information Technology Information Department (ITS) and includes network maintenance for payroll, purchasing, accounting, and geographic information services. ITS costs are calculated by the County and apportioned based on the number of computers and employees in each department or contracting agency.
- 6) The budgeted amount anticipates a 5.0% across-the-board increase in hourly rates for the County of Napa Auditor's Office in 2009-2010.
- 7) This account will cover licensing and support costs relating to the Commission's electronic document management system. It is expected a selected vendor will install an electronic document management system by the end of 2008-2009. Estimated costs are a placeholder. Actual costs will be negotiated with the selected vendor.
- 8) The Commission is a member of the California Association of Local Agency Formation Commissions (CALAFCO). In 2007-2008, CALAFCO adopted a new rate schedule with annual increases tied to the consumer price index.
- 9) This account will cover hosting and support costs relating to the Commission's new website which is scheduled to go live by the end of 2008-2009. Estimated costs are based on the contracted vendor's current rate schedule and would provide annual hosting and 10 hours of support service.
- 10) The Commission budgeted two special office improvements in 2008-2009 to (a) develop a new website and (b) implement an electronic document management system. No substantive office improvements are scheduled for 2009-2010.



**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>

**April 6, 2009**  
**Agenda Item No. 7a (Action)**

March 30, 2009

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Legislative Report**

The Commission will receive a report on the first year of the 2009-2010 session of the California Legislature as it relates to bills directly or indirectly effecting Local Agency Formation Commissions. The Commission will also consider authorizing the Chair to sign letters in support of two specific legislative items.

---

The Executive Officer is a member of the California Association of Local Agency Formation Commissions' (CALAFCO) Legislative Committee. The Legislative Committee meets on a regular basis to review, discuss, and offer recommendations to the CALAFCO Board of Directors as it relates to bills that have either a direct impact on LAFCO law or the laws LAFCO helps to administer. The most recent meeting of the Legislative Committee was held on Thursday, March 26, 2009 in San Diego.

**A. Discussion and Analysis**

The first year of the 2009-2010 session of the California Legislature has generated over 2,600 bills. The Legislative Committee has identified 31 bills with direct or indirect impacts on LAFCOs. Many of the bills introduced are placeholders and will be amended over the next several months to clarify their specific purpose. A complete list of the bills that have been introduced this session and under review by CALAFCO is attached. Specific bills of interest to the Commission are discussed and analyzed below.

**Assembly Bill 528 (Jim Silva)**

This legislation is sponsored by CALAFCO and would conform the reporting and disclosure requirements of LAFCO law to make it consistent with the provisions of the Political Reform Act of 1974. The intent of the legislation is to eliminate potential confusion for affected parties by affirming the Political Reform Act governs financial disclosure requirements for LAFCO unless an individual LAFCO requires by policy additional information. The Fair Political Practices Commission participated in drafting the proposed language.

---

Juliana Inman, Vice Chair  
Councilmember, City of Napa

Jack Gingles, Commissioner  
Mayor, City of Calistoga

Cindy Coffey, Alternate Commissioner  
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
Executive Officer

**Assembly Bill 1109 (Sam Blakeslee)**

The legislation as proposed is a placeholder. CALAFCO is currently working with Assemblyman Blakeslee to redraft the legislation to authorize LAFCOs to appoint administrators to assume control of non-performing special districts. The need for the potential legislation is drawn from the recent actions of a large special district in San Luis Obispo County in which ineffective decision-making by the board directly led to the agency becoming inoperable and insolvent. CALAFCO anticipates this potential legislation will become a two-year bill and will be vetted with key stakeholders.

**Assembly Bill 1232 (Jared Huffman)**

The legislation as proposed is a placeholder. CALAFCO is currently working with Assemblyman Huffman to redraft the legislation to expand LAFCO's existing authority to consolidate two or more special districts *while* waiving protest proceedings. The identified need for the potential legislation is drawn from repeated accidental discharges of untreated wastewater into the San Francisco Bay by multiple special districts in Marin County. CALAFCO anticipates this potential legislation will become a two-year bill and may initially be limited to Marin County as a pilot program.

**Senate Bill 215 (Senate Committee on Local Government)**

This legislation is sponsored by CALAFCO and would add to the factors LAFCOs must consider in reviewing proposals to include consistency of the proposed action with regional transportation plans and their sustainable communities strategy (SCS). This legislation responds to Senate Bill 375 which was enacted on January 1, 2009 and directs municipal planning organizations, such as the Metropolitan Transportation Commission, to establish SCS' as part of their regional transportation plans to promote smart-growth land uses. In response to a request by Committee Chair Senator Patricia Wiggins, staff has prepared the attached letter of support for consideration by the Commission.

Additionally, as discussed at the February meeting, Senate Committee on Local Government ("Committee") staff have expressed interest in pursuing special legislation in 2010 to streamline the reorganization of municipal improvement districts (MIDs) and resort improvement districts (RIDs) into community service districts (CSDs). The intent of the special legislation is to empower and encourage LAFCOs to work with affected special districts to transfer their governing authorities from discontinued principal acts to CSD law. It is currently envisioned the special legislation would allow LAFCOs to authorize the reorganization of RIDs or MIDs into CSDs without changing their services or boundaries while waiving protest proceedings as long as affected districts do not file objections. An initial draft of the legislation prepared by Committee staff is attached.

Committee staff is seeking comments from interested parties on the merits or demerits of the potential special legislation as outlined in the preceding paragraph. Staff believes LAFCOs would benefit from the special legislation by having available a streamlined process to reorganize these types of outdated special districts into CSDs. Notably, at a minimum, the special legislation would facilitate healthy discussions between LAFCOs and the special districts in identifying the government structure option that best meets the present and future needs of their communities. In terms of potential use of the special legislation in Napa County, a few years ago the Commission completed municipal service reviews on Lake Berryessa RID and Napa Berryessa RID which included determinations identifying the need to thoroughly examine restructuring options given the agencies' governance and service challenges. The Commission is scheduled to review restructuring options for these two special districts later this year as part of a new municipal service review. If restructuring the special districts into CSDs is deemed appropriate, the special legislation would establish a new and effective implementation tool allowing the Commission to work with agencies to complete the reorganization proceedings while avoiding the costs and variables associated with protest hearings. With these comments in mind, staff has prepared an attached letter for Commission consideration supporting the Committee's efforts to pursue this special legislation in 2010.

## **B. Recommendation**

It is recommended the Commission take the following actions:

- 1) Authorize the Chair to sign the attached draft letter to Senator Patricia Wiggins supporting Senate Bill 215; and
- 2) Authorize the Chair to sign the attached draft letter to the Senate Committee on Local Government supporting special legislation in 2010 to expedite the process to reorganize Resort Improvement Districts and Municipal Improvement Districts into Community Service Districts.

Respectfully submitted,

---

Keene Simonds  
Executive Officer

### Attachments:

- ~~1) Letter from Senator Patricia Wiggins Regarding SB 215~~
- ~~2) Draft Letter to Senator Patricia Wiggins Regarding SB 215~~
- 3) Letter from Senate Committee on Local Government Regarding Potential Special Legislation
- 4) Draft Letter to the Senate Committee on Local Government Regarding Potential Special Legislation
- ~~5) CALAFCO Status Report on Current Legislation~~



**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>

April 6, 2009

Senator Patricia Wiggins, Chair  
Senate Committee on Local Government  
State Capitol, Room 4081  
Sacramento, California 95814

**SUBJECT: Support for Senate Bill 215**

Senator Patricia Wiggins:

The Local Agency Formation Commission (LAFCO) of Napa County is pleased to support Senate Bill 215. This legislation will require LAFCOs to consider the consistency of proposed change of organizations or reorganizations, such as annexations and special district formations, with regional transportation plans. The legislation supports the implementation of SB 375 which directs metropolitan planning organizations (MPOs) to adopt sustainable communities strategies or alternative planning strategies as part of their regional transportation plans. Markedly, in preparing these smart-growth strategies, MPOs must consider LAFCOs' adopted spheres of influence for cities and special districts. SB 215 reciprocates and enhances cooperation between LAFCOs and MPOs.

If you or your staff have any questions, please contact LAFCO Executive Officer Keene Simonds by telephone at (707) 259-8645 or by e-mail at [ksimonds@napa.lafco.ca.gov](mailto:ksimonds@napa.lafco.ca.gov).

On behalf of the Commission,

Brian J. Kelly  
Chair

cc: Peter Detwiler, Consultant, Senate Committee on Local Government  
William Chiat, Director, California Association of Local Agency Formation Commissions

---

Juliana Inman, Vice Chair  
Councilmember, City of Napa

Jack Gingles, Commissioner  
Mayor, City of Calistoga

Cindy Coffey, Alternate Commissioner  
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
Executive Officer

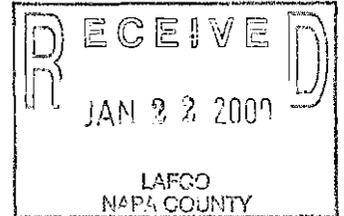
MEMBERS  
DAVE COX  
VICE CHAIR  
TOM HARMAN  
CHRISTINE KEHOE  
MICHAEL J MACHADO

California Legislature  
Senate Committee  
on  
Local Government

XXXXXXXXXXXXXXXXXXXX  
GLORIA NEGRETE MCLEOD  
CHAIR  
XXXXXXXXXXXXXXXXXXXX  
Senator Patricia Wiggins, Chair

CONSULTANTS  
PETER M. DETWILER  
AIDAN ALI-SULLIVAN  
BRIAN E. WEINBERGER  
COMMITTEE ASSISTANT  
ELVIA DIAZ  
TEL (916) 651-4115  
FAX (916) 322-0298  
WWW.SEN.CA.GOV/LOGGOV

January 15, 2009



TO: Distribution (attached)  
FROM: Peter Detwiler   
SUBJECT: Converting RIDs and MIDs into CSDs

Because you work with Resort Improvement Districts (RIDs), Municipal Improvement Districts (MIDs), and Local Agency Formation Commissions (LAFCOs), I invite your advice on a possible future bill that would make it easier to convert RIDs and MIDs into Community Services Districts (CSDs) without changing their boundaries, powers, duties, or finances.

I have attached a policy paper and a draft bill for your comment. As you review these materials, you might think about these questions:

- Would my district be better managed if it were a CSD?
- Is my district board interested in converting to a CSD?
- Is my LAFCO likely to use the proposed procedures?
- Are the proposed procedures sufficiently transparent?
- Do the proposed procedures provide enough accountability?
- Can you recommend improvements to the proposed bill?

Please understand that this project is my own work and does not represent a proposal by Senator Wiggins or any other member of the Committee. However, based on your advice, I may recommend that a legislator introduce a version of this proposed bill in 2010.

Please send me your written comments.

Thanks for your help.

Attachments

**Distribution List**

Kris Berry, Placer County LAFCO  
Bob Braitman, Santa Barbara County LAFCO  
Bill Chiat, California Association of LAFCOs  
Richard Culp, Resort Improvement District No. 1  
Ron Davis, Association of California Water Agencies  
Steve Dunn, Tahoe Paradise Resort Improvement District  
Ryan Eisberg, Senate Republican Caucus  
Libby Gregg, Talmont Resort Improvement District  
John Gullixson, Plumas County LAFCO  
Jim Hardy, City of Foster City  
Ralph Heim, Public Policy Advocates  
José Henríquez, El Dorado County LAFCO  
Bill Higgins, League of California Cities  
Clayton Holstine, City of Brisbane  
Rosario Cortés Kapeller, California Municipal Utilities Association  
Susie Paxton Koesterer, Embarcadero Municipal Improvement District  
Debbie Michel, Assembly Local Government Committee  
Andrew Morris, Grizzly Lake Resort Improvement District  
Geoffrey Neill, California State Association of Counties  
Dan Obermeyer, Glenn County LAFCO  
Randy Pestor, Senate Environmental Quality Committee  
Kelly Polk, Montalvo Municipal Improvement District  
Martha Poyatos, San Mateo County LAFCO  
Don Ridenhour, Napa County Public Works Department  
David Shoemaker, County of Glenn  
Keene Simonds, Napa County LAFCO  
Paul Smith, Regional Council of Rural Counties  
Steve Spence, Bethel Island Municipal Improvement District  
Lou Ann Texeira, Contra Costa County LAFCO  
Kim Ulrich, Ventura County LAFCO  
Thomas Vu, California Special Districts Association  
William Weber, Assembly Republican Caucus  
George Williamson, Humboldt County LAFCO

## Converting Special Districts

**Summary.** Create an expedited procedure for converting special districts that operate under archaic statutes into community services districts, without substantive changes to their powers, duties, finances, or service areas.

**Existing law.** The Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code §56000, et seq.) sets up a local agency formation commission (LAFCO) in each county with the power to govern the formation, boundaries, and dissolution of most special districts (§56036 & §56037). These procedures usually require five steps:

- Application to LAFCO, including environmental review.
- A formal public hearing for LAFCO review and approval.
- Another formal hearing to measure public protests.
- The possibility of an election, if there was significant protest.
- Ministerial filing of final documents.

A reorganization (§56073) is merely a way to combine two or more proposed boundary changes (§56021) into a single proposal. For example, a reorganization could involve the simultaneous dissolution (§56035) of an existing special district and the formation (§56021) of a new district.

From the mid-1950s until 1960, the Legislature created several special-act special districts called Municipal Improvement Districts (MIDs) to deliver public services to particular communities, some of which supported specific development projects. The practice of creating special districts for particular developers stopped in 1960. There are five remaining MIDs:

Bethel Island MID	Contra Costa County
Embarcadero MID	Santa Barbara County
Estero MID	Foster City, San Mateo County
Guadalupe Valley MID	Brisbane, San Mateo County
Montalvo MID	Ventura County

City councils are the ex officio governing boards of the two MIDs in San Mateo County, while the other three MIDs have their own directly elected boards of directors.

In 1961, the Legislature passed the Resort Improvement District Law (Public Resources Code §13000, et seq.; SB 384, Cameron, 1961). In 1965, the Assembly held hearings into special districts' abuses and one result was to ban new resort improvement districts (Public Resources Code §13003).

Nevertheless, seven RIDs still remain:

Grizzly Lake RID	Plumas County
Lake Berryessa RID	Napa County
Napa Berryessa RID	Napa County
Resort Improvement District No. 1	Humboldt County
Stony Gorge RID	Glenn County
Tahoe Paradise RID	El Dorado County
Talmon RID	Placer County

The county boards of supervisors in Napa and Glenn Counties govern their RIDs ex officio, but the other four RIDs have their own directly elected boards of directors.

In 2005, the Legislature revised the Community Services District Law (Government Code §61000, et seq.; SB 135, Kehoe, 2005). Under this principal act, more than 300 community services districts (CSDs) can deliver a wide variety of public facilities and services. The new CSD Law improves the transparency of CSD decisions and increases their accountability. The statute clearly spells out the districts' authorized services. However, before a CSD can activate its latent powers and offer a new public service, it must receive LAFCO's approval (§61106 & §56824.1). Practitioners also see the new statute as an opportunity to convert existing special districts that operate under outdated statutes into CSDs that can operate under contemporary laws.

**Policy question and two responses.** Practitioners note that the MIDs' special acts and the RID statute are archaic, making it hard for these special districts to govern themselves and deliver public services with transparency and accountability. Some LAFCOs and some RIDs are interested in converting those districts into CSDs, without changing their boundaries, services, finances, or other duties.

To switch a district's principal acts under current law, an applicant must formally ask LAFCO to approve a reorganization that proposes the dissolution of the existing RID or MID and the formation of a new CSD. The five-step LAFCO procedures take about a year to complete. Further, these reorganizations require the payment of LAFCO processing fees (Government Code §56383) and they need majority-voter approval (Government Code §57077 [b][1]).

To convert RIDs and MIDs into CSDs more quickly, there are at least two policy options:

**Special legislation.** The Legislature has plenary authority over general law local governments, including special districts. Legislators have the constitutional authority to reorganize local governments without the need for local elections or even against citizen protests (*Broadmoor Police Protection Dist. v. San Mateo Local Agency Formation Com.* [1994] 26 Cal.App.4th 304, relying on *Hunter v. City of Pittsburgh* [1907] 207 U.S. 161).

Examples of how the Legislature has used this plenary authority include:

- Dissolving the Avenal Sanitary District and the Avenal Heights Sanitary District and forming the Avenal Community Services District to replace the two dissolved districts (SB 1998, Montgomery, 1955; Chapter 1702, Statutes of 1955).
- Dissolving the obsolete Hunters Point Reclamation District (SB 615, Kopp, 1987).
- Converting the Hot Spring Valley Irrigation District into the Hot Spring Valley Water District (SB 1117, Cox, 2008).
- Converting the Vandalia Irrigation District into the Vandalia Water District (SB 1276, Ashburn, 2008).

**Expedited reorganization.** Rather than unilaterally wield its plenary authority, the Legislature has delegated control over the formation, powers, and boundaries of special districts to LAFCOs. The courts regard LAFCOs at the Legislature's "watchdog" over boundary changes (*Timberidge Enterprises, Inc. v. City of Santa Rosa* [1978] 86 Cal.App.3d 873).

The Legislature could modify the five-step procedures in the Cortese-Knox-Hertzberg Act and provide the procedures for an “expedited reorganization.”

**Proposed bill.** In 2010, the Legislature should pass a bill to create an expedited procedure that allows LAFCOs to convert special districts that operate under archaic statutes into community services districts, without substantive changes to their powers, duties, financing, or service areas.

The proposed bill should allow for expedited reorganizations with these features:

- Standard procedures for applying to LAFCO (i.e., petition or resolution).
- LAFCO retains existing discretion to approve or disapprove.
- If LAFCO approves, there is no protest hearing and no election.
- If LAFCO approves, it must impose the terms and conditions listed in the bill.
- The terms and conditions transfer everything to the new CSD, without change.
- LAFCO can change terms and conditions, but only after notifying RID or MID.
- The RID or MID can stop the conversion up to the time of LAFCO approval.
- Declare that an “expedited reorganization” is a Class 20 categorical exemption.
- Applies only to RIDs and independent MIDs, not to city-dependent MIDs.
- Sunset these special procedures after seven years, on January 1, 2018.

### **Expedited Reorganizations**

SECTION 1. Section 56853.5 is added to the Government Code, to read:

56853.5 (a) In the case of an expedited reorganization, notwithstanding any provision of this division or the Community Services District Law (Division 3 (commencing with Section 61000) of Title 6), unless the governing body of the subject agency files a resolution of objection with the commission before the close of the hearing held pursuant to Section 56666, the commission may approve, disapprove, or conditionally approve, the expedited reorganization. If the commission approves or conditionally approves the expedited reorganization, the commission shall order the expedited reorganization without an election.

(b) If the governing body of the subject agency files a resolution of objection with the commission before the close of the hearing held pursuant to Section 56666, the commission shall disapprove the proposed expedited reorganization.

(c) The commission may order any material changes to the terms and conditions of the expedited reorganization, as set forth in the proposal. The commission shall direct the executive officer to give the subject agency mailed notice of any change prior to ordering a change. The commission shall not, without the written consent of the subject agency, take any further action on the expedited reorganization for 30 days following that mailing.

(d) A proposal for an expedited reorganization shall include proposed terms and conditions that shall include at least all of the following:

(1) The proposed community services district is declared to be, and shall be deemed a community services district as if the district had been formed pursuant to the Community Services District Law (Division 3 (commencing with Section 61000) of Title 6). The exterior boundary and sphere of influence of the proposed community services district shall be the exterior boundary and sphere of influence of the district proposed to be dissolved.

(2) The proposed community services district succeeds to, and is vested with, the same powers, duties, responsibilities, obligations, liabilities, and jurisdiction of the district proposed to be dissolved.

(3) The status, position, and rights of any officer or employee of the district proposed to be dissolved are not affected by the transfer and shall be retained by the person as an officer or employee of the proposed community services district.

(4) The proposed community services district shall have ownership, possession, and control of all of the books, records, papers, offices, equipment, supplies, moneys, funds, appropriations, licenses, permits, entitlements, agreements, contracts, claims, judgments, land, and other assets and property, real or personal, owned or leased by, connected with the administration of, or held for the benefit or use of, the district proposed to be dissolved.

(5) The unexpended balance as of the effective date of the expedited reorganization, of any funds available for use by the district proposed to be dissolved shall be available for use by the proposed community services district.

(6) No payment for the use, or right of use, of any property, real or personal, acquired or constructed by the district proposed to be dissolved shall be required by reason of the succession pursuant to the expedited reorganization, nor shall any payment for the proposed community ser-

vices district's acquisition of the powers, duties, responsibilities, obligations, liabilities, and jurisdiction be required by reason of that succession.

(7) All ordinances, rules, and regulations adopted by the district proposed to be dissolved in effect immediately preceding the effective date of the expedited reorganization, shall remain in effect and shall be fully enforceable unless amended or repealed by the proposed community services district, or until they expire by their own terms. Any statute, law, rule, or regulation in force as of the effective date of the expedited reorganization, or that may be enacted or adopted with reference to the district proposed to be dissolved shall mean the proposed community services district.

(8) All shares of property tax revenue allocated pursuant to Part 0.5 (commencing with Section 50) of the Revenue and Taxation Code, special taxes, benefit assessments, fees, charges, or any other impositions of the district proposed to be dissolved shall remain in effect unless amended or repealed by the proposed community services district, or until they expire by their own terms.

(9) The appropriations limit established pursuant to Division 9 (commencing with Section 7900) of Title 1 of the district proposed to be dissolved shall be the appropriations limit of the proposed community services district.

(10) Any action by or against the district proposed to be dissolved shall not abate, but shall continue in the name of the proposed community services district, and the proposed community services district shall be substituted for the district proposed to be dissolved by the court in which the action is pending. The substitution shall not in any way affect the rights of the parties to the action.

(11) No contract, lease, license, permit, entitlement, bond, or any other agreement to which the district proposed to be dissolved is a party shall be void or voidable by reason of the enactment of the expedited reorganization, but shall continue in effect, with the proposed community services district assuming all of the rights, obligations, liabilities, and duties of the district proposed to be dissolved.

(12) Any obligations, including, but not limited to, bonds and other indebtedness, of the district proposed to be dissolved shall be the obligations of the proposed community services district. Any continuing obligations or responsibilities of the district proposed to be dissolved for managing and maintaining bond issuances shall be transferred to the proposed community services district without impairment to any security contained in the bond instrument.

(e) The Legislature finds and declares that an expedited reorganization is a reorganization of local governmental agencies which will not change the geographical area in which previously existing powers are exercised and, therefore, qualifies as a Class 20 categorical exemption pursuant to Section 15320 of Title 14 of the California Code of Regulations.

(f) As used in this section, "expedited reorganization" means a reorganization that consists solely of the formation of a community services district and the dissolution of any of the following:

(1) A resort improvement district formed pursuant to the Resort Improvement District Law, Division 11 (commencing with Section 13000) of the Public Resources Code.

(2) The Montalvo Municipal Improvement District formed pursuant to Chapter 549 of the Statutes of 1955.

(3) The Bethel Island Municipal Improvement District formed pursuant to Chapter 22 of the Statutes of 1960.

(4) The Embarcadero Municipal Improvement District formed pursuant to Chapter 81 of the Statutes of 1960.

(g) This section shall remain in effect only until January 1, 2018, and as of that date is repealed, unless a later statute which is enacted before January 1, 2018, deletes or extends that date.

SEC. 2. Section 57007 of the Government Code is amended to read:

57077. (a) Where a change of organization consists of a dissolution, disincorporation, incorporation, establishment of a subsidiary district, consolidation, or merger, the commission shall do either of the following:

(1) Order the change of organization subject to confirmation of the voters, or in the case of a landowner-voter district, subject to confirmation by the landowners, unless otherwise stated in the formation provisions of the enabling statute of the district or otherwise authorized pursuant to Section 56854.

(2) Order the change of organization without election if it is a change of organization that meets the requirements of Section 56854, 57081, 57102, or 57107; otherwise, the commission shall take the action specified in paragraph (1).

(b) Where a reorganization consists of one or more dissolutions, incorporations, formations, disincorporations, mergers, establishments of subsidiary districts, consolidations, or any combination of those proposals, the commission shall do either of the following:

(1) Order the reorganization subject to confirmation of the voters, or in the case of landowner-voter districts, subject to confirmation by the landowners, unless otherwise authorized pursuant to Section 56854.

(2) Order the reorganization without election if it is a reorganization that meets the requirements of Section 56853.5, 56854, 57081, 57102, 57107, or 57111; otherwise, the commission shall take the action specified in paragraph (1).

-000-

January 15, 2009



## 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>

April 6, 2009

Mr. Peter M. Detwiler, Consultant  
Senate Committee on Local Government  
State Capitol, Room 5046  
Sacramento, California 95814

**SUBJECT: Input on Potential Legislation Converting Resort Improvement Districts and Municipal Improvement Districts into Community Services Districts**

Mr. Peter Detwiler:

The Local Agency Formation Commission (LAFCO) of Napa County supports your efforts to introduce legislation in 2010 to expedite proceedings to reorganize Resort Improvement Districts (RIDs) and Municipal Improvement Districts (MIDs) into Community Services Districts (CSDs). As you are aware, there are two RIDs operating in Napa County: Lake Berryessa and Napa Berryessa. These two special districts are governed by the Board of Supervisors and provide water and sewer services to small and distinct unincorporated communities with a combined estimated resident population of 2,000. A few years ago, LAFCO completed municipal service reviews on both special districts which included determinations identifying the need to thoroughly examine government restructuring options given the agencies' governance and service challenges. LAFCO anticipates reviewing restructuring options for these special districts later this year as part of a new municipal service review. Accordingly, if restructuring the special districts into CSDs is deemed appropriate, the legislation you have outlined would make it easier for LAFCO to work with the agencies to complete the reorganization proceedings while avoiding the costs and variables associated with protest hearings.

LAFCO appreciates the opportunity to provide comments on this matter. If you have any questions, please contact LAFCO Executive Officer Keene Simonds by telephone at (707) 259-8645 or by e-mail at [ksimonds@napa.lafco.ca.gov](mailto:ksimonds@napa.lafco.ca.gov).

On behalf of the Commission,

Brian J. Kelly  
Chair

cc: William Chiat, Director, California Association of Local Agency Formation Commissions

Juliana Inman, Vice Chair  
Councilmember, City of Napa

Jack Gingles, Commissioner  
Mayor, City of Calistoga

Cindy Coffey, Alternate Commissioner  
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
Executive Officer



**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>

**April 6, 2009**  
**Agenda Item No. 8a (Discussion)**

March 31, 2009

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Biennial Workshop**

The Commission will discuss possible topics and dates with respect to scheduling a biennial workshop in July or August 2009.

---

Beginning in 2001, it has been the practice of the Local Agency Formation Commission of Napa County (“Commission”) to schedule a workshop for each odd-numbered year to discuss and strategize its goals and objectives over the next two years. These workshops have also provided the opportunity for the Commission to address specific policy and administrative issues. Specific issues addressed in previous workshops include:

- In 2001, the Commission developed a set of priorities that became the basis for its inaugural work schedule for service reviews and sphere of influence updates. This workshop was conducted in Napa and facilitated by an outside consultant.
- In 2003, the Commission revisited its work schedule and examined its responsibilities under the California Environmental Quality Act. This workshop was conducted in St. Helena and facilitated by staff.
- In 2005, the Commission discussed its role in encouraging island annexations and reviewed its operating policies and developed a mission statement. This workshop was conducted in Napa and facilitated by staff.
- In 2007, the Commission reviewed its regulatory and planning responsibilities and discussed possible criteria evaluating annexation proposals. This workshop was conducted in Yountville and facilitated by staff.

**A. Discussion**

As outlined in the preceding section, previous workshops have focused on a range of issues aimed at informing and directing the Commission’s regulatory and planning responsibilities. Potential topics identified by staff for the next workshop include:

---

Juliana Inman, Vice Chair  
Councilmember, City of Napa

Jack Gingles, Commissioner  
Mayor, City of Calistoga

Cindy Coffey, Alternate Commissioner  
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
Executive Officer

- Review and discuss a draft island annexation program.
- Review and discuss updating the application materials for annexations and sphere of influence amendments.
- Discuss goals and objectives for the next two years.

## **B. Commission Review**

Staff is seeking input from Commissioners on potential topics as well as meeting dates for a biennial workshop in July or August 2009. Staff is also identifying if Commissioners would be interested in attending a Bay Area LAFCO workshop in early Summer aimed at providing a more advanced “101” on LAFCO duties and responsibilities. A draft agenda is attached for review.

Attachments: as stated

**DRAFT**

**California Association of Local Agency Formation Commissions  
Pilot Workshop**

**Advanced LAFCo 101: Sharpen Your Understanding of LAFCo's Duties, Powers, and Responsibilities**

**Workshop outcomes**

Participants will learn:

- strengths and weaknesses of LAFCos' authority
- strategies for effective use of authority
- issues related to clarifying or strengthening LAFCos' authority

**AGENDA**

Context: Brief history of LAFCo: **Where does LAFCo fit in?** (evolving roles, relationships and authorities of state, regional and local governments in managing growth) - 20 minutes

**LAFCo authority:** Municipal Service Reviews and Sphere of Influence Boundary Determination

Effective use of MSR – case studies, suggestions? (1/2 hour)

- Goals and objectives
- Alternative Strategies and Use of results

Importance of Creating and Updating SOIs (1/2 hour)

- Boundary changes versus SOIs
- Alternative Strategies

What should a Commission look for when reviewing applications? (how to ensure that you are considering orderly growth, agricultural land preservation, urban sprawl effects, and efficient local government services) – case studies, suggestions? (1/2 hour)

SOIs

Changes of Organization

Then maybe 40 minutes is available for questions/answers for a total of 2 ½ hours.



**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>

**April 6, 2009**  
**Agenda Item No. 10a (Information)**

March 31, 2009

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer  
Brendon Freeman, Analyst

**SUBJECT: Current and Future Proposals**

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

---

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 delegates Local Agency Formation Commissions (LAFCOs) with regulatory and planning duties to coordinate the logical formation and development of cities and special districts. This includes approving proposed jurisdictional boundary changes and requests to provide new or extended extraterritorial services. LAFCOs are also responsible for establishing, updating, and modifying cities and special districts' spheres of influence.

**A. Discussion**

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

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

This application has been submitted by the City of St. Helena. The City proposes the annexation of two unincorporated parcels totaling approximately 100 acres northwest of the intersection of Silverado Trail and Zinfandel Lane. The affected territory is owned and used by the City to discharge treated wastewater from its adjacent sewer plant. The purpose of the annexation is to provide cost-savings to the City by no longer paying property taxes. The subject territory is located outside the City's sphere, but is eligible for annexation under Government Code Section 56742 given it is owned and used by the City for municipal purposes.

**Status:** Staff is awaiting the completion of a property tax agreement between the City and the County as required under Revenue and Taxation Code before completing the analysis and presenting the proposal to the Commission.

---

Juliana Inman, Vice Chair  
Councilmember, City of Napa

Jack Gingles, Commissioner  
Mayor, City of Calistoga

Cindy Coffey, Alternate Commissioner  
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
Executive Officer

### **Trancas Crossing Park Annexation to the City of Napa**

The City of Napa has adopted a resolution of application proposing the annexation of one 33 acre unincorporated parcel located near the northern terminus of Old Soscol Avenue. The subject territory is owned by the City and is currently undeveloped. The purpose of the proposal is to facilitate the planned development of the subject territory into a public park. The subject territory is located outside the City's sphere of influence. Accordingly, staff review of the proposal will include the merits of a concurrent sphere of influence amendment.

Status: Staff is awaiting the completion of a property tax agreement between the City and the County as required under Revenue and Taxation Code before completing the analysis and presenting the proposal to the Commission.

### **Silverado Community Services District: Activation of a Latent Power**

The Silverado Community Services District (SCSD) has submitted a resolution of application requesting approval to activate a latent power to improve and maintain sidewalks within its jurisdictional boundary. The activation of this latent power would be in addition to SCSD's established road and landscaping services.

Status: Staff is awaiting the completion of a property tax agreement between SCSD and the County as required under Revenue and Taxation Code before completing the analysis and presenting the proposal to the Commission.

### **Trancas Street/Villa Lane Annexation to the Napa Sanitation District**

This application has been submitted by the Queen of the Valley Medical Center. The applicant proposes annexing their 6.57 acre incorporated parcel located in the City of Napa to the Napa Sanitation District. The purpose of the annexation is to facilitate the development of the affected territory from an existing parking lot to a new medical facility building. The City of Napa Planning Commission is scheduled to consider the underlying project in May 2009.

Status: Staff recently circulated copies of the application materials to local agencies for their review and comment. The proposal will not be presented to the Commission until the City of Napa adopts an environmental determination on the underlying development project.

### **Formation of the Villa Berryessa Water District**

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

Status: Staff is currently awaiting a response to an October 2008 request for additional information.

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

**American Canyon High School and American Canyon Middle School Reorganization (City of American Canyon/American Canyon Fire Protection District/CSA No. 4)**

The Napa Valley Unified School District (NVUSD) has initiated a multi-phased 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. NVUSD recently approved a final environmental impact report for the project. As part of the proposed project, Commission approval is required to annex the proposed high school site (45 acres) to American Canyon and the American Canyon Fire Protection District. Commission approval is also required to concurrently annex and add the proposed middle school site (17 acres) to both the City and District's spheres of influence. The Commission may also consider modifying the proposal to include the concurrent detachment of the affected territory from CSA No. 4.

Status: It appears this proposal will be brought to the Commission in phases. The first phase appears to involve NVUSD proposing annexation of the high school site to the District in the next few months. Additional phases of this project will likely be brought to the Commission over the next year.

**American Canyon Town Center Reorganization (City of American Canyon/American Canyon Fire Protection District/CSA No. 4)**

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, Commission approval is required to annex two of the three affected parcels totaling 70 acres into American Canyon. Commission approval is also required to annex one of the three affected parcels totaling 37 acres to the American Canyon Fire Protection District. The Commission may also consider modifying the proposal to include the concurrent detachment of the affected territory from CSA No. 4.

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

**Stanly Lane Annexation (Napa Sanitation District)**

The City of Napa has initiated a planning process to develop approximately 95.5 acres of land comprising four parcels located along Stanly Lane in the Stanly Ranch area. The proposed project includes the development of a 245 unit resort. The developer has contacted staff to discuss the process to annex the affected territory to Napa Sanitation District.

**B. Commission Review**

Staff respectfully requests the Commission review and provide any comments or questions with respect to any of the current or future proposals identified in this report.

Attachments: none