



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

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

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

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## **REGULAR MEETING AGENDA**

Monday, May 3, 2010  
County of Napa Administration Building  
1195 Third Street, Board Chambers  
Napa, California 94559

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

**2. PLEDGE OF ALLEGIANCE**

**3. OATH OF OFFICE FOR NEW TERMS**

Bill Dodd, County Member  
Brian J. Kelly, Public Member

**4. PUBLIC COMMENTS**

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

**5. CONSENT ITEMS**

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

**a) Third Quarter Budget Report for 2009-2010 (Action)**

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

**b) Meeting Minutes for April 5, 2010 (Action)**

The Commission will consider approving meeting minutes for April 5, 2010. Commissioners Chilton and Kelly will abstain from voting.

**c) Current and Future Proposals (Information)**

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

**6. PUBLIC HEARING ITEMS**

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

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

The Commission will receive a final report on its scheduled sphere of influence update on the City of American Canyon. The final report recommends adding three distinct areas to the sphere of influence totaling 323 acres of unincorporated territory. The Commission will consider adopting resolutions updating American Canyon's sphere of influence consistent with the recommendation of the final report.

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

The Commission will receive a final report representing its scheduled municipal service review and sphere of influence update for the Napa County Mosquito Abatement District. The Commission will also consider adopting resolutions confirming the determinative statements in the final report, including updating the sphere of influence with no changes.

**PUBLIC HEARING ITEMS CONTINUED...**

**c) Amendments to Adopted Fee Schedule**

The Commission will consider amendments to its adopted fee schedule to reflect an increase in the composite hourly staff rate from \$103 to \$107.

**7. ACTION ITEMS**

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

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

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

**8. DISCUSSION ITEMS**

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

**a) Report on the CALAFCO Annual Workshop**

The Commission will receive a verbal report from staff regarding the issues discussed at the recent CALAFCO Workshop, which was held on April 14-16 in Santa Rosa.

**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:

- Study Schedule

**10. COMMISSIONER COMMENTS; REQUEST FOR FUTURE AGENDA ITEMS**

**11. ADJOURNMENT TO NEXT REGULAR SCHEDULED MEETING:**

June 7, 2010

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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.

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**THIS AGENDA HAS BEEN POSTED AT THE FOLLOWING LOCATIONS:**

LAFCO Office  
County of Napa Administration Building



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

1700 Second Street, Suite 268  
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**May 3, 2010**  
**Agenda Item No. 5a (Consent: Action)**

April 26, 2010

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Third Quarter Budget Report for 2009-2010**

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

The Local Agency Formation Commission of Napa County's ("Commission") annual budget is funded by the County of Napa and the Cities of American Canyon, Calistoga, Napa, St. Helena, and Yountville. State law dictates 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 revenues. It is the Commission's practice to only budget expenses given its prescribed funding sources.

The Commission divides its annual budget into three 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 1, 2009, the Commission adopted a final budget for 2009-2010 totaling \$496,961. The Commission's actual expenses through the third quarter, including encumbrances, totals \$265,659. This amount represents 53% of the adopted budget with 75% of the fiscal year complete as summarized in the following table.

**Adopted and Actual Expenses Through the Third Quarter**

(July 1, 2009 through March 31, 2010)

<b>Adopted Expenses</b>	<b>Actual Expenses</b>	<b>Balance</b>	<b>% Available</b>
\$496,961	\$231,302	\$255,415	47

An expanded discussion of adopted and actual expenses through the third quarter within the Commission's three budget units follows.

Juliana Inman, Chair  
Councilmember, City of Napa

Lewis Chilton, Commissioner  
Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner  
Councilmember, City of American Canyon

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

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Representative of the General Public

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Representative of the General Public

Keene Simonds  
Executive Officer

### ***Salaries/Benefits***

The Commission has budgeted \$288,265 in salaries and benefits in 2009-2010. At the end of the third quarter, the Commission's actual expenses within the eight affected accounts total \$186,943. These total expenses represent 65% of the budgeted amount. None of the affected accounts finished the third quarter with balances below 25%.

### ***Services/Supplies***

The Commission has budgeted \$118,063 in services and supplies in 2009-2010. At the end of the third quarter, the Commission's actual expenses within the 15 affected accounts total \$78,716. These total expenses represent 67% of the budgeted amount. Six accounts - memberships, auditing services, property lease, transportation and travel, meals reimbursement, and training - finished the third quarter with balances below 25%. A summary of expenses in these six accounts follows.

#### ***Membership***

This account covers the Commission's annual membership fee for the California Association of Local Agency Formation Commissions (CALAFCO). The Commission's budgeted membership fee in 2009-2010 is \$2,275 and reflects the amount approved by CALAFCO as part of an updated annual fee schedule in September 2008. CALAFCO recently suspended all fee increases due to the economy, which lowers the Commission's annual membership due to \$2,200. This reduced membership fee was collected in full by CALAFCO at the beginning of the fiscal year leaving a remaining balance of \$75, or 3%.

#### ***Auditing Services***

This account covers the Commission's annual costs for financial support services provided by the County Auditor's Office. This account also covers costs to retain an outside consultant to prepare an annual audit on the Commission's financial statements for the prior completed fiscal year. The Commission budgeted \$7,883 in this account in 2009-2010. Through the end of the third quarter, expenses in the account have totaled \$6,274, leaving a remaining balance of \$1,609, or 20%. The majority of the expenses are attributed to the preparation of an independent audit for 2008-2009, which was completed in February 2010. Staff does not expect a year-end deficit, but will continue to monitor this account closely.

#### ***Property Lease***

This account covers the Commission's annual office space lease at 1700 Second Street in Napa. The Commission budgeted \$29,280 in this account in 2009-2010, reflecting its current monthly rental charge of \$2,440.<sup>1</sup> The County Auditor's Office has encumbered the full annual rental amount at the beginning of the fiscal year to expedite monthly payments to the property manager.

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<sup>1</sup> The monthly rental fee at 1700 Second Street is fixed at \$2,440 through June 2011.

### ***Transportation and Travel***

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This account covers annual travel costs for Commissioners and staff, such as attending out-of-area trainings or business meetings. The Commission budgeted \$4,000 for travel related expenses in 2009-2010. Following the adoption of the budget, the Auditor's Office requested a transfer of \$500 from this account to fund a new account to cover meal reimbursements. This transfer results in an adjusted budget of \$3,500. Through the end of the third quarter, expenses in this account have totaled \$4,511 leaving a remaining balance of (\$1,011), or (29%). Nearly all of the expenses are associated with commissioners and staff attending the 2009 Annual CALAFCO Conference in Yosemite. This shortfall is projected to increase to (\$1,500) by the end of the fiscal year, which will be covered by expected savings in other expense accounts.

### ***Meals Reimbursement***

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As discussed in the preceding paragraph, this account was established after the adoption of the final budget in June at the request of the County Auditor's Office to comply with new changes involving the taxability of meal reimbursements.<sup>2</sup> The account has been budgeted at \$500 and through the third quarter expenses total \$451, leaving a remaining balance of \$49, or 10%. Staff does not expect a year-end deficit, but will continue to monitor this account closely.

### ***Training***

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This account is used for a variety of instructional activities for commissioners and staff. The Commission budgeted \$4,000 for training expenses in 2009-2010. At the end of the third quarter, expenses in this account have totaled \$4,775, leaving a remaining balance of (\$775), or (19%). The majority of these expenses are attributed to registration costs involving CALAFCO's Annual Conference (Yosemite) and Staff Workshop (Santa Rosa). Staff does not anticipate the current shortfall to increase further through the end of the fiscal year. Expected savings in other expense accounts will cover the shortfall.

## **Contingencies/Reserves**

The Commission has budgeted \$90,633 in contingences and reserves in 2009-2010. No funds have been drawn from either of the two accounts through the third quarter.

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<sup>2</sup> This change involves the taxability of meals incurred during the same day of business travel. In short, if a meal occurs during the same day as business travel, then the reimbursement for the meal is generally taxable to the employee. This change does not affect the reimbursement of meals that occur during business travel involving an overnight stay, which will continue to be non-taxable.

## **B. Analysis**

The Commission is currently on course to finish the fiscal year with a remaining balance within its three budget units of approximately \$112,000. Nearly all of the projected remaining balance is attributed to the expected retention of all funds within the contingency/reserve unit. The projected remaining balance within three budget units is measurably less than the \$162,000 amount the Commission finished with at the end of the previous fiscal year. The anticipated decrease in remaining balances between the two fiscal years is tied to increases in actual salary and benefit costs due to the filling of the fulltime analyst position prior to the start of the current fiscal year.

## **C. Recommendation**

It is recommended the Commission take the following action:

- 1) Receive and file the "Third Quarter Budget Report for 2009-2010."

Respectfully submitted,

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Keene Simonds  
Executive Officer

Attachment:

- ~~1) General Ledger, July 1, 2009 to March 31, 2010~~



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**May 3, 2010**

**Agenda Item No. 5c (Consent: Information)**

April 26, 2010

**TO:** Local Agency Formation Commission

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

**SUBJECT: Current and Future Proposals**

The Commission will receive a report summarizing current and future proposals. The report is being presented for information. No new proposals have been submitted since the April 5, 2010 meeting.

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

**A. Information**

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

**Clark-West Ranch et. al.**

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

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

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Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner  
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Bill Dodd, Vice Chair  
County of Napa Supervisor, 4th District

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

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

Brian J. Kelly, Commissioner  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
*Executive Officer*

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

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

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

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

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

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

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

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

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

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

### **St. Regis Resort Project**

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

### **American Canyon Town Center Project**

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

## **B. Commission Review**

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

Attachments: none



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**May 3, 2010**

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

April 26, 2010

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Sphere of Influence Update on the City of American Canyon**

The Commission will receive a final report on its scheduled sphere of influence update on the City of American Canyon. The final report recommends adding three distinct areas to the sphere of influence totaling 323 acres of unincorporated territory. The Commission will consider adopting resolutions updating American Canyon's sphere of influence consistent with the recommendation of the final report.

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The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 directs Local Agency Formation Commissions (LAFCOs) to review and update each local agency's sphere of influence every five years as needed. LAFCO updates spheres of influence to designate the territory it believes represents the appropriate and probable service area and jurisdictional boundary of the affected agency within a given timeframe. All jurisdictional changes, such as annexations and detachments, must be consistent with the spheres of influence of the affected local agencies with limited exceptions.

**A. Discussion**

Staff has prepared a final report representing LAFCO of Napa County's ("Commission") scheduled sphere of influence update on the City of American Canyon. The final report supersedes the last update prepared in 2004 and considers whether changes to the sphere of influence are warranted to facilitate American Canyon's orderly development in a manner emphasizing a five year planning area for annexations. The final report draws on information collected and analyzed in the Commission's recently completed municipal service review on the southeast county region, which included evaluating the level and range of services provided by American Canyon. The final report also incorporates a request made by American Canyon to expand the City's sphere of influence to match its recently revised Urban Limit Line (ULL). Based on these inputs, the final report identifies and evaluates the merits of adding six study areas to the sphere of influence. These six study areas are identified as "A" through "F" and depicted in the attached map.

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## **B. Summary/Analysis**

### *Written Comments on Draft Report*

The final report follows the preparation of an earlier draft circulated for public comment on March 17, 2010 and presented to the Commission for discussion on April 5, 2010. Two letters were received by the April 16<sup>th</sup> comment period deadline and were submitted by American Canyon and Ms. Pamela Smith. A summary of the written comments received follows along with brief staff responses.

- American Canyon restates its desire to expand the City's sphere of influence to match its ULL based on three sequenced priorities. The first priority is immediate and involves adding Study Areas A, B, and D in conjunction with American Canyon's recently filed application to annex the affected lands. American Canyon commends the draft report's recommendation to add Study Areas A and D to the sphere of influence. American Canyon also accepts the draft report's recommendation to exclude Study Area B with the understanding annexation may still occur through a special statute given the City owns and will use the affected lands for municipal purposes. The second priority is also immediate and involves adding the portion of Study Area E designated by American Canyon as *Town Center*. The third priority is not immediate and involves adding the remaining portion of Study Area E designated by American Canyon as *Special Study*.

American Canyon focuses the majority of its letter disagreeing with the draft report's recommendation not to include the *Town Center* portion of Study Area E within the City's sphere of influence. American Canyon asserts there are three compelling factors to include the *Town Center* portion. These factors are predicated on the future annexation of the affected lands and involve (1) facilitating the northern extension of Newell Road, (2) accommodating regional housing need allocations, and (3) providing for the development of a community anchor. American Canyon also provides comments addressing policy concerns raised in the draft report in support of adding the *Town Center* portion to the sphere of influence. Staff respectfully disagrees with American Canyon and continues to believe it is appropriate to exclude all of Study Area E given the Commission's policies and practices as discussed in more detail below. A copy of American Canyon's letter is attached for Commission review.

- Ms. Pamela Smith, through her representative Greg Fletcher, supports the draft report's recommendation to exclude Study Area E from American Canyon's sphere of influence. Ms. Smith is the owner of 140 acres within the portion of Study Area E designated by American Canyon as *Special Study*. Ms. Smith opposes the expansion of the sphere of influence due to concerns regarding urban encroachment. As noted, staff continues to recommend the exclusion of Study Area E. A copy of Ms. Smith's letter is attached for Commission review.

### ***Final Report Recommendations***

The final report is nearly identical to the earlier draft with the exception of adding new and revised maps consistent with requests made by Commissioners at the April meeting. All recommendations outlined in the draft remain unchanged in the final report. Most notably, this includes the recommendation to add approximately 323 acres of additional unincorporated territory to American Canyon's sphere of influence. The recommended additions comprise Study Areas A, D, and F, which are summarized below.

- Study Area A includes 293 acres of unincorporated territory located immediately north of American Canyon in the industrial park south of the Napa County Airport. It includes a right-of-way portion of State Highway 29 and four assessor parcels lying within the ULL and commonly referred to as the Headwaters, Panattoni, and Atkins properties. Inclusion is consistent with the study area's planned urban land uses under both the County and American Canyon General Plans. Inclusion is also responsive to the probable need for a full range of public services in which American Canyon is the most logical multi-service provider.
- Study Area D includes 22 acres of unincorporated territory located east of American Canyon and north of the LaVigne Subdivision along American Canyon Road. It includes two entire assessor parcels and a portion of third assessor parcel all owned by the Napa Valley Unified School District and within the ULL. Inclusion is consistent with the pending use of the study area as a middle school and supports the associated need for a full range of public services in which American Canyon is the most logical multi-service provider.
- Study Area F includes 7.0 acres of unincorporated territory located immediately north of American Canyon along State Highway 29. It includes two assessor parcels developed with an auto-salvage yard and a single-family residence. The study area is surrounded on three-fourths of its sides by the ULL. Inclusion is consistent with the present and planned urban uses of the study area under the County General Plan, which necessitates an urban level of services in which American Canyon is best situated to provide. Inclusion also encourages a more logical boundary for American Canyon relative to the potential annexation of the Headwaters, Panattoni, and Atkins properties, which comprise Study Area A and substantially surrounds Study Area F.

The remaining three study areas evaluated in the final report, B, C, and E, are not recommended for inclusion into American Canyon's sphere of influence. Study Areas B and C are not recommended for inclusion given the Commission's basic policy to use spheres of influence as explicit guides to urban development. This policy supports excluding the two study areas since American Canyon contemplates developing both sites into public parks; a use that by practice is not considered urban by the Commission.

Study Area E is not recommended for inclusion because it is inconsistent with several long-standing policies of the Commission. This includes a policy not to include lands to a city sphere of influence designated for an agricultural use under the County General Plan, which applies to all of the affected lands. Nearly three-fifths of the affected lands comprising the *Town Center* portion also qualify as prime agriculture under LAFCO law. Inclusion also conflicts with the Commission's support of Measure J, which generally requires voter approval to redesignate unincorporated land from agricultural to urban use. Moreover, there is a lack of pertinent information regarding the future uses and densities of all of the affected lands under the American Canyon General Plan. This information is needed, among other purposes, for the Commission to effectively evaluate potential service needs and impacts within the affected lands relative to American Canyon's available and planned capacities.

### *Considering a Special Exception for the Town Center*

As discussed, American Canyon asserts there are three compelling factors to justify the Commission making a special exception to its policies and include the *Town Center* portion of Study Area E within the sphere of influence. This includes allowing for the extension of Newell Road to improve regional traffic circulation and helping American Canyon and the County meet their respective affordable housing requirements. Staff believes American Canyon raises reasonable considerations as to why the Commission may ultimately wish to make a special exception involving the *Town Center* portion. Staff recognizes there is an innate tipping point in which it is appropriate to facilitate the urbanization of agricultural lands in providing for orderly development. Staff does not believe, however, there is sufficient information available to adequately inform the Commission in determining whether making a special exception for the *Town Center* portion is appropriate at this time. In particular, there is a need for more information from American Canyon regarding land uses and densities within the *Town Center* along with City's ability to accommodate projected municipal service demands. American Canyon's water facility plans, for example, were prepared prior to the City redesignating the affected lands from *Special Study* to *Town Center* in 2008 and do not contemplate any service demands. There is also a need to consider the effects of adding the *Town Center* portion under the California Environmental Quality Act (CEQA).

With these comments in mind, staff believes it is appropriate for the Commission to defer considering the merits of making a special exception to its policies as it relates to adding the *Town Center* portion into American Canyon's sphere of influence. Given the requested addition lies outside the established policy parameters of the Commission, it would be appropriate for American Canyon – if it chooses – to assume the responsibility of providing the necessary information outlined above as well as serving as lead agency under CEQA. This would be memorialized by American Canyon filing a sphere of influence amendment, which would include the payment of an application fee to cover staff processing time unless waived by the Commission.

### **C. Alternatives for Commission Action**

The following three alternative actions are available for Commission consideration today.

**Alternative One:** Open and close the public hearing. Approve by motion to (a) receive and file the final report and (b) adopt the attached draft resolutions implementing the recommendation to add Study Areas A, D, and F to American Canyon's sphere of influence.

**Alternative Two:** Open and continue the public hearing by motion to the next regular meeting scheduled for Monday, June 7, 2010. Direct staff to return with additional information as needed.

**Alternative Three:** Open and continue the public hearing by motion to a future meeting. Direct staff to prepare an initial study to assess the environmental impacts associated with adding the *Town Center* portion of Study Area E to American Canyon's sphere of influence. It is reasonable to assume an initial study would be available for public review no earlier than July 2010.

### **D. Recommendation**

In preparing the agenda item, staff received a joint request from the County and American Canyon for the Commission to continue the public hearing. The request is intended to provide the two parties additional time to complete an agreement for Commission consideration involving the *Town Center* portion of Study Area E. Although such an agreement is not needed for Commission purposes, staff believes it would be appropriate to honor the agencies request and continue to the public hearing to its next regular meeting scheduled for June 7, 2010. This recommended action is identified in the preceding section as Alternative Two.

Respectfully submitted,

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Keene Simonds  
Executive Officer

#### Attachments:

1. Map of Study Areas
- ~~2. Written Comments on Draft Report~~
  - ~~(a) Letter from Pamela Smith~~
  - ~~(b) Letter from American Canyon~~
3. Final Report
4. Draft Resolutions
  - (a) Adding Study Area A
  - (b) Adding Study Area D
  - (c) Adding Study Area E **F**
- ~~5. Request from County and American Canyon for Continuance~~

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY**

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**CITY OF AMERICAN CANYON:  
SPHERE OF INFLUENCE REVIEW AND UPDATE**

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**Final Report  
May 2010**

**Prepared by:**

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

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## I. INTRODUCTION

### A. Local Agency Formation Commissions

Local Agency Formation Commissions (LAFCOs) are political subdivisions of the State of California and are responsible for administering a section of Government Code now known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”). LAFCOs are located in all 58 counties and are delegated regulatory responsibilities to coordinate the logical formation and development of local governmental agencies and services. Specific regulatory duties include approving or disapproving proposals involving (a) city incorporations or disincorporations, (b) special district formations, consolidations, and dissolutions, and (c) city and special district annexations and detachments. LAFCOs inform their regulatory duties through a series of planning activities, namely preparing municipal service reviews and sphere of influence updates. Underlying LAFCOs regulatory and planning responsibilities is fulfilling certain objectives outlined by the California Legislature under Government Code (G.C.) Section 56301, which states:

*“Among the purposes of the commission are discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing governmental services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances.”*

LAFCOs are generally governed by a five-member commission comprising two county supervisors, two city councilmembers, and one representative of the general public.<sup>1</sup> Members must exercise their independent judgment on behalf of the interests of residents, landowners, and the public as a whole. LAFCOs have sole authority in administering its legislative responsibilities and its decisions are not subject to an outside appeal process.

### B. Spheres of Influence

A central planning responsibility for LAFCO is the determination of a sphere of influence (“sphere”) for each city and special district under its jurisdiction.<sup>2</sup> LAFCO establishes, amends, and updates spheres to designate the territory it believes represents the appropriate and probable future service area and jurisdictional boundary of the affected agency. All jurisdictional changes, such as annexations and detachments, as well as outside service extensions must be consistent with the spheres of the affected local agencies with limited exceptions.<sup>3</sup>

“Sphere” means a plan for the probable physical boundary and service area of a local agency, as determined by LAFCO.

There are several important and distinct policy considerations underlying sphere determinations. For example, inclusion within a multiple-purpose agency’s sphere, such as a city or community services district, generally indicates an expectation by LAFCO the territory should be developed for urban uses. Alternatively, inclusion of territory within a limited-purpose agency’s sphere, such as a hospital or mosquito abatement district, may be

<sup>1</sup> Several LAFCOs also have two members from independent special districts within their county. Each category represented on LAFCO has one alternate member.

<sup>2</sup> LAFCOs have been required to determine spheres for cities and special districts within its jurisdiction since 1972.

<sup>3</sup> A prominent exception involves land owned and used by cities for municipal purposes that are non-contiguous to their incorporated boundary (G.C. Section 56742).

intended to support both urban and non-urban uses. It is also important to note inclusion within a sphere does not provide any guarantees the territory will be annexed. Jurisdictional changes must be considered on their own merits with particular attention focused on assessing whether the timing of the proposed action is appropriate.

Sphere determinations may also lead LAFCO to take other actions under its authority. This may include initiating the formation, consolidation, or dissolution of local agencies. Further, an increasingly important role involving sphere determinations relates to their use by regional councils of governments as planning areas in allocating housing need assignments for counties and cities, which must be addressed by the agencies in their housing elements. LAFCO must review and update each local agency's sphere every five years as necessary.

In making a sphere determination, LAFCO is required to prepare written statements addressing four specific planning factors listed under G.C. Section 56425. These factors range from evaluating current and future land uses to the existence of pertinent communities of interest. The intent in preparing the written statements is to focus LAFCO in addressing the core principles underlying the sensible development of each local agency consistent with the anticipated needs of the affected community. The four factors are outlined below.

1. Present and planned land uses in the area, including agricultural and open-space.
2. Present and probable need for public facilities and services in the area.
3. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

LAFCOs inform their sphere determinations by preparing municipal service reviews to evaluate the level and range of governmental services provided in the region. Municipal service reviews vary in scope and can focus on a particular agency, service, or geographic area. Municipal service reviews culminate with LAFCO making determinations on a number of governance-related factors. This includes infrastructure needs or deficiencies, growth and population projections, and financial standing. LAFCOs may also consider additional factors if required by local policy. LAFCOs must complete the municipal service review process prior to making related sphere determinations.

### **C. City of American Canyon**

This report represents LAFCO of Napa County's ("Commission") scheduled sphere review of the City of American Canyon. The report supersedes the last comprehensive sphere review of American Canyon adopted by the Commission in February 2004. This report draws on information collected and analyzed in the Commission's recently completed municipal service review on the southeast county region, which included evaluating the availability, adequacy, and capacity of services provided by American Canyon. Other governmental agencies evaluated in the southeast county municipal service review were the American Canyon Fire Protection District (ACFPD) and County Service Area (CSA) No. 3, whose spheres will be updated in the near future as part of separate reports. The municipal

service review's executive summary is attached and includes the written determinations adopted by the Commission at its June 1, 2009 meeting.

The focus of this report is to consider whether changes to American Canyon's sphere are warranted in terms of consistency with the provisions of CKH and the adopted policies of the Commission. In identifying study areas for review, the report incorporates a request made by American Canyon to expand the City's sphere to correspond with its recently revised urban limit line. The report also considers an agreement between American Canyon and the County to expand the City's sphere to include certain lands located near the Napa County Airport referred to as Study Area "A." The agreement has been submitted to LAFCO in accordance with G.C. Section 56425(b). This statute directs LAFCO to "give great weight" to the agreement to the extent it is consistent with its policies.

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## II. AGENCY OVERVIEW

### A. Background

American Canyon was incorporated in 1992 and operates under a council-manager system of government. American Canyon is approximately 4.9 square miles in size and provides a full range of municipal services directly or through contracts with outside contractors with limited exceptions. American Canyon is the second largest municipality in Napa County and has been one of the fastest growing communities in the entire San Francisco Bay Area with an average annual population increase of 7.2% over the last 10 years. The California Department of Finance estimates American Canyon's population at 16,293. This amount represents an approximate two-third increase in population since 1998.

American Canyon's current operating budget is \$16.5 million. American Canyon's primary revenue source is drawn from property taxes, which currently fund nearly half of the City's operating budget. Markedly, on a regional level, American Canyon collects more in property taxes than any other city in Napa County as measured on a per capita basis.<sup>4</sup> American Canyon's remaining discretionary revenues are principally generated from sales tax and motor vehicle license fees, with the former having increased by over one-third over the last five years as result of new commercial development in the City. This includes the recent construction of the first two phases of Napa Junction, which represents American Canyon's largest commercial site and anchored by a Wal-Mart Superstore.<sup>5</sup> The single largest operating expense for American Canyon involves police protection services and presently represents close to one-quarter of all discretionary expenditures. American Canyon's projected operating fund balance at the end of the 2008-2009 fiscal year is \$4.3 million.

American Canyon operates two municipal enterprises involving sewer and water services. Both systems extend beyond American Canyon's incorporated boundary and were inherited by the City at the time of its formation as successor agency to the American Canyon County Water District (ACCWD). In 2001, G.C. Section 56133 became effective to mandate local agencies receive LAFCO approval before providing new or extended services beyond their jurisdictions by contract or agreement with local landowners. The statute limits LAFCO approval for new or extended services beyond the agency's jurisdiction but within their spheres in anticipation of future annexations. Approval for new or extended services beyond an agency's jurisdiction and sphere is limited to addressing existing or impending public health or safety threats. In response, the Commission reconciled the requirements of the statute with American Canyon's inherited responsibilities by establishing extraterritorial sewer and water service areas for the City. The sewer and water extraterritorial service areas extend north of American Canyon to include unincorporated lands designated for an urban use by the County of Napa to Fagan Creek and Soscol Ridge, respectively.<sup>6</sup>

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<sup>4</sup> Based on actual 2007-2008 totals, American Canyon received \$424 in property tax revenues, which surpassed St. Helena at \$382, Calistoga at \$285, Napa at \$263, and Yountville at \$135.

<sup>5</sup> A third phase of Napa Junction is expected to add an additional 130,000 feet in commercial space.

<sup>6</sup> American Canyon must receive Commission approval before providing new or extended services within the extraterritorial service areas with the exception of land subject to the County's Airport Industrial Area Specific Plan.

## B. Sphere of Influence

### *Establishment*

American Canyon's sphere was established by the Commission in 1991 in conjunction with approving the City's incorporation. The Commission designated the sphere to closely match American Canyon's approved incorporated boundary with the notable addition of approximately 410 unincorporated acres located along the City's eastern border.<sup>7</sup> This unincorporated area was added to the sphere given its urban land use designation under the County General Plan, which was based on following the perceived 15% slope line of the adjacent Sulphur Mountain range. Two incorporated areas not included in the sphere involved American Canyon's water treatment plant located off of Kirkland Ranch Road and its wastewater storage ponds situated at the western terminus of American Canyon Road.

### *Amendments/Updates*

The Commission has approved three changes to American Canyon's sphere since its establishment in 1991. The first two changes to the sphere involved amendment requests made by individual landowners. The first amendment was approved in 1998 and added 25 acres located southeast of American Canyon Road's intersection with Flosden Road. This area was added as part of a concurrent annexation proposal and represents the far eastern portion of the present-day La Vigne subdivision. The second amendment was approved in 1999 and added 70 acres located east of State Highway 29's intersection with Poco Boulevard. This area was added to facilitate a future annexation of a town center project and is commonly referred to as the "horseshoe" area. The area remains unincorporated and undeveloped. The third change to the sphere was approved by the Commission in 2004 as part of a scheduled comprehensive update. The update included adding four distinct areas to the sphere totaling 640 acres. The largest addition involved over 370 acres located along the northern side of Green Island Road, which was later annexed into American Canyon in 2005, although it remains undeveloped or underdeveloped. The other additions to the sphere involved areas located off of Watson Lane, Eucalyptus Drive, and American Canyon Road and generally remain unincorporated.<sup>8</sup>

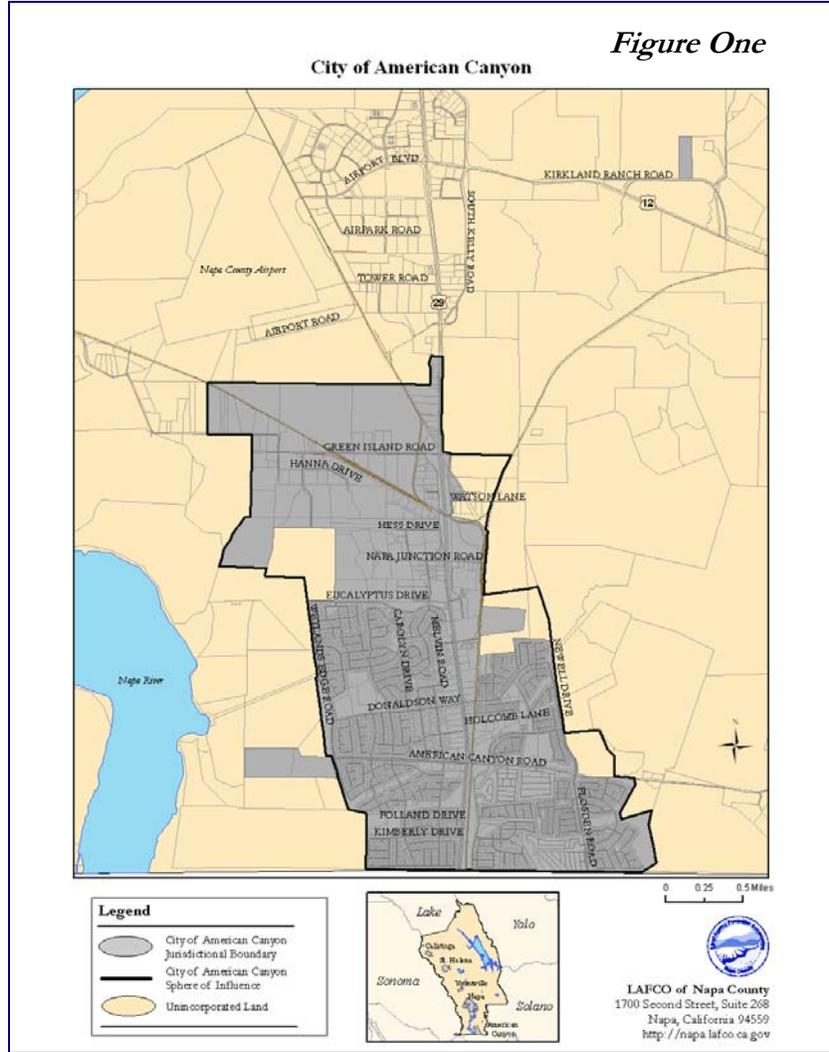
### *Current Composition*

American Canyon's sphere is currently 3,333 acres or 5.1 square miles in size. The sphere is coterminous with nearly 90% of American Canyon's incorporated boundary and includes a total of 5,214 assessor parcels. Of this amount, 18 assessor parcels are unincorporated and concentrated within four distinct areas. Three of these four unincorporated areas were added to the sphere in 2004 as part of the last comprehensive review. The fourth area, which consists of three assessor parcels located east of the intersection of State Highway 29 and Poco Boulevard, was added to the sphere in 1999 and is part of a planned town center project. Figure One depicts the current composition of the sphere. Figure Two highlights the four unincorporated areas within the current sphere.

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<sup>7</sup> American Canyon's incorporated boundary was established by the Commission to generally follow ACCWD's jurisdictional boundary with the exception of lands designated for non-urban use by the County.

<sup>8</sup> A portion of the area along Eucalyptus Drive was annexed into American Canyon in 2005 as part of the City's construction of a new wastewater treatment plant.



*Table One*

**Unincorporated Areas Within American Canyon’s Sphere**

(Source: LAFCO)

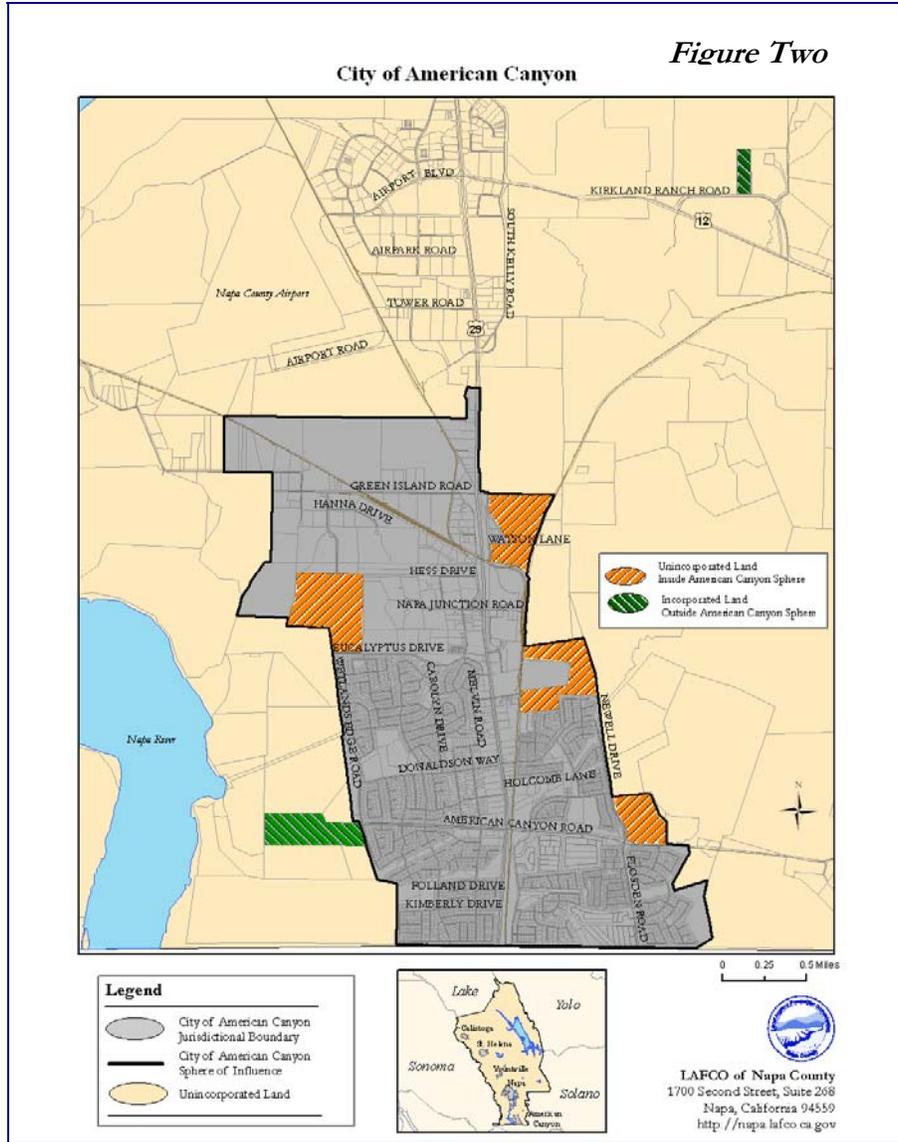
Location Description	Acres	Current Land Use
State Highway 29/Watson Lane	76.7	Rural Residential
American Canyon Road/Newell Drive	49.5	Under Construction: School Site
Eucalyptus Drive/Wetlands Edge Drive	106.6	Undeveloped
State Highway 29/Poco Way	70.0	Undeveloped

*Table Two*

**Incorporated Areas Outside American Canyon’s Sphere**

(Source: LAFCO)

Location Description	Acres	Current Land Use
Kirkland Ranch Road/Jameson Canyon	14.4	Water Treatment Facility
American Canyon Road/Wetlands Edge Drive	62.7	Undeveloped

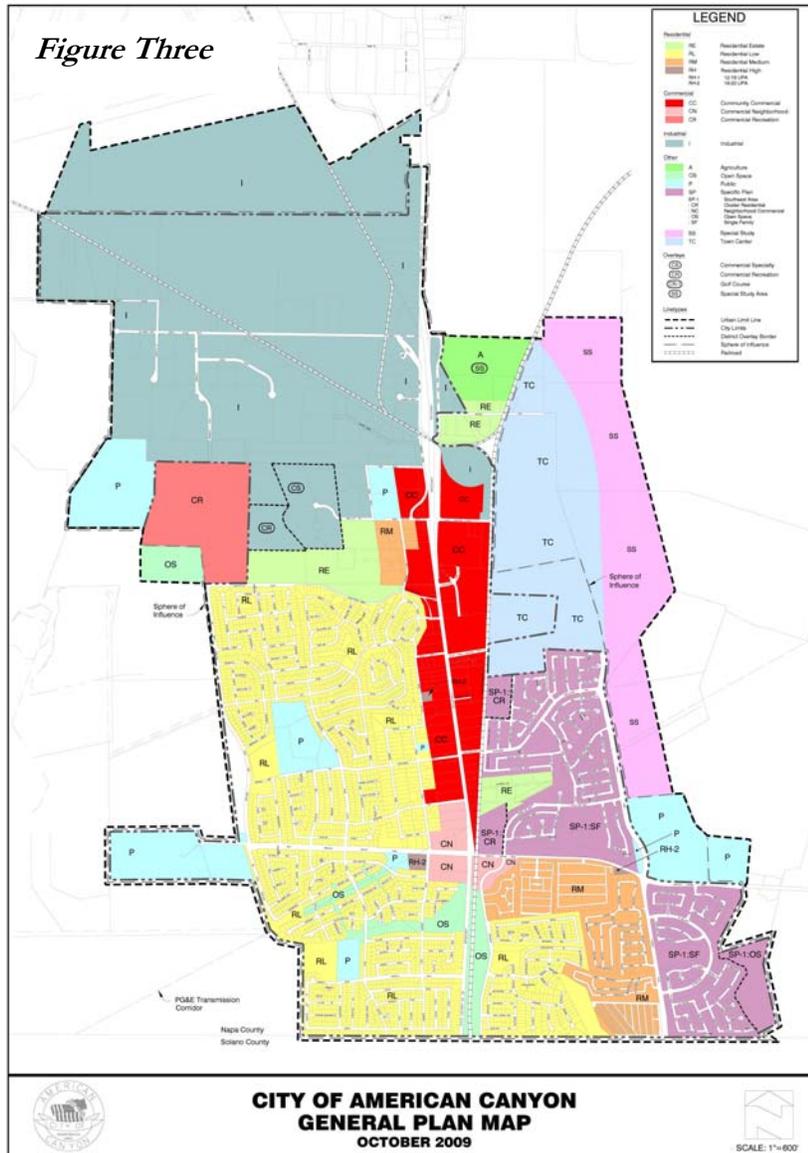


**C. Land Use Policies**

**American Canyon**

The American Canyon General Plan was adopted in 1994 and codifies land use objectives and policies for the City through 2010. The General Plan includes a vision statement for American Canyon to evolve into a “compact urban community surrounded by a well-defined network of farmlands, hillsides, and riverine habitats.” The General Plan outlines four broad development goals: (a) serve as a bedroom community for the greater region; (b) create a sufficient commercial base for residents; (c) become a subregion employment center; and (d) emerge as a destination for visitors to the Napa Valley.

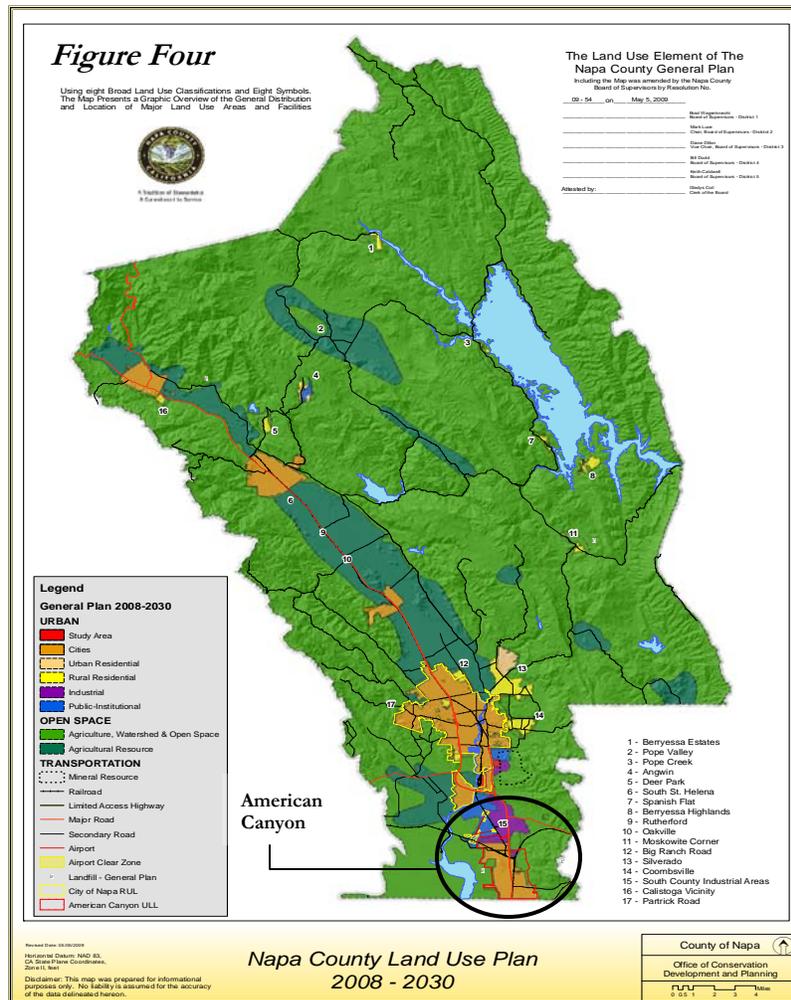
The American Canyon General Plan includes an urban limit line (ULL) that was recently amended as part of a negotiated agreement with the County and implemented through a citizens initiative.<sup>9</sup> The ULL directs American Canyon’s future growth through 2030 to extend north to the southern perimeter of the Napa County Airport and east towards the foothills of the Sulphur Mountain range. All lands within the ULL are assigned land use designations. These designations orient American Canyon’s development to emphasize predominately residential uses in the southwest and southeast while commercial and industrial uses are generally planned in the central and northwest. Figure Three shows American Canyon’s General Plan Map.



<sup>9</sup> The agreement between American Canyon and the County was entered into on June 3, 2008. The agreement stipulates the County will support the expansion of American Canyon’s sphere and subsequent annexation of lands lying north of the City and within its ULL identified in this report as Study Area “A.” In exchange, American Canyon pledges it will provide water service to outside customers within the County’s Airport Industrial Area Specific Plan. American Canyon further agrees not to file an additional sphere amendment request with the Commission through 2030 other than the City’s standing application on file to expand the sphere to match its revised ULL.

**County**

The County General Plan was last updated in 2008 and designates nearly all adjacent unincorporated lands east and west of American Canyon as *Agriculture, Watershed and Open Space*. This designation supports the preservation of existing agricultural and open-space land uses characterizing most of the area by requiring minimum lot densities of 160 acres. Contemplated uses under this designation include agriculture, processing of agricultural products, and single-family residences with or without a detached second unit.<sup>10</sup> Adjacent unincorporated land north of American Canyon is designated under the County General Plan as *Industrial*. This designation specifies minimum lot densities between 0.5 to 40 acres based on proximity to utilities and is intended to support various industrial uses, including warehouses, manufacturing facilities, and wineries.<sup>11</sup> Figure Four shows the County's General Plan Land Use Map.



<sup>10</sup> The County zones these lands as *Agricultural Watershed*. Specific uses allowed without a permit include agriculture, wineries, family daycare, residential care, and one single-family residence per legal lot with or without a second unit.

<sup>11</sup> Maximum building density coverage is 50%. The County zones the majority of these lands as *General Industrial*. Specific uses allowed without permit include agriculture, bakeries, creameries, storage yards, assembly and packing facilities, and electrical, plumbing, heating, welding, and sheet metal shops.

### III. DISCUSSION

#### A. Objectives

The basic objective of this report is to identify and evaluate areas warranting consideration for inclusion or removal from American Canyon's sphere as part of a comprehensive review. Underlying this effort is to designate the sphere to facilitate the sensible and timely development of American Canyon consistent with the provisions of CKH. Specific goals under this legislation include discouraging urban sprawl, preserving open-space and prime agricultural lands, and providing for the efficient extension of governmental services.

The Commission's "Policy Determinations" were last amended in 2003 and provide prescription in fulfilling its legislative objectives. The Policy Determinations highlight the Commission's commitment to avoid the premature conversion of designated agricultural or open-space lands to urban uses through a series of restrictive allowances. This includes a determination to exclude lands designated as agricultural or open-space from city spheres for the purpose of accommodating urban type development unless it is demonstrated that infill opportunities are limited or non-existent. An additional determination states the Commission will recognize the public's support for Measure "J" by deferring to the County General Plan in determining agricultural and open-space land use designations.<sup>12</sup> The Commission also directs any development or use of land for purposes other than open-space shall be guided away from existing prime agricultural lands.

#### B. External Considerations

Spheres have assumed an increasingly important role in informing statewide and regional planning activities that are external to LAFCOs, but parallel shared goals with respect to coordinating efficient and sustainable growth. The use of spheres, for example, by local council of governments (COGs) as the planning areas for purposes of preparing biannual population, jobs, and housing projections is significant. These projections are used by COGs in allocating housing need assignments among cities and counties within their regions as assigned by the Department of Housing and Community Development. Importantly, depending on the COGs allocation process, the placement of unincorporated land within a city sphere with potential job growth may result in an increased housing need assignment to the municipality as part of the next cycle.<sup>13</sup> Conversely, the placement of unincorporated land within a city sphere with potential housing growth may result in a decreased housing need assignment to the municipality. Agreements among local agencies may also have an effect on the allocations. Regardless, central to the allocation process is the sphere.

A more recent external consideration associated with spheres relates to Senate Bill 375, which was enacted in January 2009. This legislation now requires regional transportation agencies to establish sustainable community strategies (SCS) as part of their regional transportation plans. The end-goal of a SCS is to connect smart growth land use principles with transportation funding in order to further reduce greenhouse gas emissions in the state. The law requires consideration of adopted spheres in the development of a SCS.

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<sup>12</sup> Measure J was enacted by Napa County voters in 1990 and prohibits the amendment of agricultural or open-space land use designations in unincorporated areas without electorate approval through 2020. This initiative was extended in 2008 through 2050 through Measure "P."

<sup>13</sup> COGs' housing need allocation currently cycles every seven to eight years.

## C. Timeframe

State law requires LAFCOs review and update each local agency's sphere by January 1, 2008 and every five years thereafter as needed. Accordingly, it has been the practice of the Commission to update each local agency's sphere in a manner emphasizing a probable five-year annexation area. This update's analysis is consistent with this practiced timeframe.

## IV. STUDY AREAS

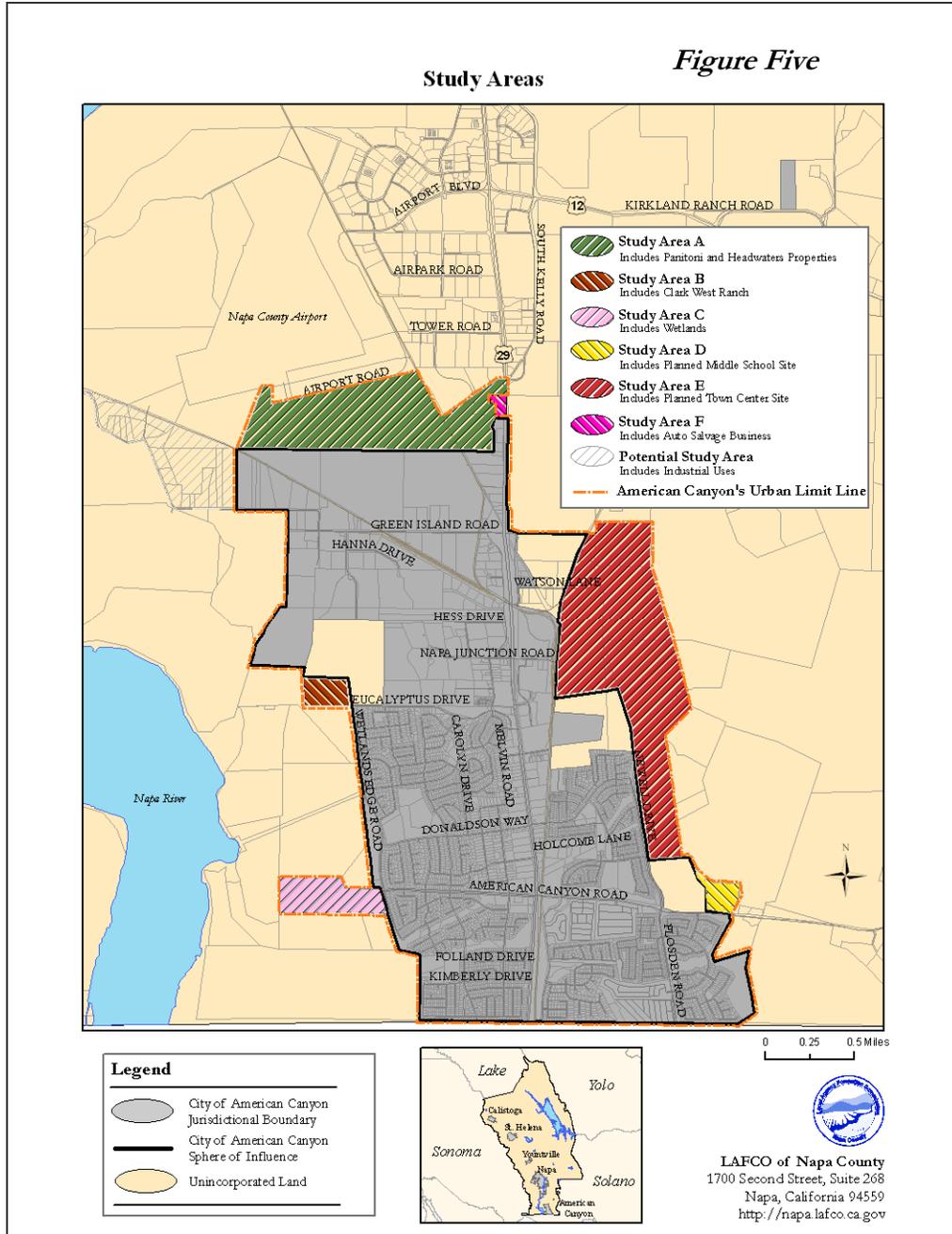
### A. Criteria and Selection

This report incorporates a formal request made by American Canyon to expand the sphere to match its revised ULL. As described on page 12 of this report, the amended ULL was formulated as part of a negotiated agreement between American Canyon and the County and implemented through a citizens initiative adopted by the City Council in August 2008. The ULL is intended to guide American Canyon's growth through 2030 and includes a total of 820 unincorporated acres lying outside the current sphere. This report categorizes these unincorporated ULL lands within five distinct study areas based on geographic similarities and are identified as "A," "B," "C," "D," and "E." A sixth study area, "F," has also been included for review by staff given the affected unincorporated lands are surrounded nearly four-fifths by American Canyon's ULL.

A potential seventh study area was also considered for conclusion in this review and update. This area comprises 155 unincorporated acres of mostly industrial land uses located along Green Island Road between American Canyon and the Napa River. Although it is outside the ULL, the area lies within American Canyon's extraterritorial water and sewer service areas as determined by the Commission. All vehicular access to the area must also go through American Canyon byway of Green Island Road. These preliminary factors all suggest including the area into the sphere is merited. Previous outreach efforts made during the last update, though, identified a sizeable portion of the landowners in the area opposed inclusion into the sphere. It is reasonable to assume this opposition continues today given the perceived lack of landowner change in the area. With this opposition in mind, and given the five-year timeframe, consideration of expanding the sphere to include the area is not further considered as part of this review.

Additionally, no study areas have been identified for review with respect to considering removal of any of the four existing unincorporated areas from the sphere. The rationale for not considering removals is prefaced on recognizing all four unincorporated areas are subject to current or impending annexation proposals.

Figure Five depicts the study areas evaluated as part of this review and update.



## V. ANALYSIS

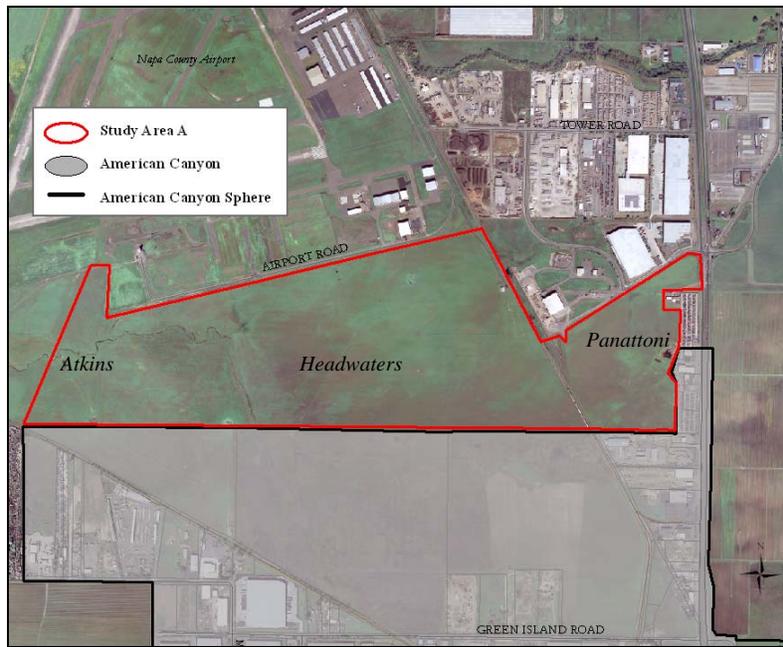
### A. Evaluation Factors

Evaluation of each study area is organized to address the four planning factors the Commission is required to consider anytime it makes a sphere determination. These planning factors are (a) present and planned uses, including agricultural and open space lands, (b) present and probable need for public facilities and services, (c) present adequacy and capacity of public services, and (d) existence of any social or economic communities of interest. Conclusions are offered for each study area with regard to whether a sphere modification is appropriate based on the accompanying analysis.

**B. Study Areas**

**Study Area A**

This study area comprises approximately 293 unincorporated acres located immediately north of American Canyon’s existing jurisdictional boundary and sphere and south of the Napa County Airport. The study area includes four entire assessor parcels and is bisected along its eastern side by an active railroad owned by Union Pacific. The affected assessor parcels are commonly referred to by their current or former landowner’s names, “Atkins,” “Headwaters,” and “Panattoni.” The study area was included in American Canyon’s original ULL and is considered for inclusion into the sphere at the request of the City.



Assessor Parcels	Landowner	Acres Size
057-090-080	Napa Airport Corp. Centre	11.9
057-090-079	Napa Airport Corp. Centre	37.2
057-090-069	Napa Industrial, LLC	218.1
057-040-007	Larry Atkins	25.4

Present and Planned Uses, Including Agricultural and Open Space Lands

The entire study area is presently undeveloped and consists of native grassland. There is no documentation or evidence indicating the study area has been developed or utilized in the past for any uses other than perhaps livestock grazing.

The County designates the entire study area as *Industrial* and contemplates a variety of urban non-residential uses ranging from manufacturing to office space.<sup>14</sup> The designation is supported by the County’s zoning standard of *Industrial Park* for all four of the affected assessor parcels, which specifies a minimum lot requirement of 5.0 acres. Specific development and design standards for the study area are outlined in the County’s Airport

<sup>14</sup> The minimum lot requirement under the County’s *Industrial* designation is 0.5 to 40 acres based on utility and road access.

Industrial Area Specific Plan (AIASP).<sup>15</sup> American Canyon also designates the entire study area as *Industrial* and has rezoned the affected assessor parcels as *Napa County Airport Industrial Area*. This rezoning standard has been made in conjunction with filing an annexation proposal with the Commission and fully incorporates the development and design standards codified in the County’s AIASP. The rezoning standard ensures future uses and densities within the study area would be identical under either jurisdiction.

There are two vested projects tied to the study area. The first project involves the smaller of the two contiguous affected assessor parcels referred to as the Panattoni property. The project was approved by the County Planning Commission in April 2008 and allows for the construction of four detached light industrial buildings totaling 171,000 square feet.<sup>16</sup> The second vested project involves subdividing the largest of the four affected assessor parcels referred to as the Headwaters property. This project was approved by the County Planning Commission in January 2009 and allows for the creation of a new 40 acre lot and the construction of a 645,000 square foot warehouse and distribution facility adjacent to the western side of the Union Pacific railroad track.<sup>17</sup> Both projects are currently dormant, but are expected to be completed within the timeframe of this review. These vested projects would not be affected by annexation.

The study area does not qualify as agricultural or open-space land under LAFCO law.<sup>18</sup> There are also no existing agricultural contracts tied to the four affected assessor parcels. The study area also lies within the Napa County Airport’s Compatibility Zone D, which marks the lands are routinely overflowed by aircraft ranging in altitude between 300 to 1,000 feet above ground. This zone prohibits all residential uses as well as any other uses deemed hazardous to flight as determined by the Napa County Airport Land Use Commission.<sup>19</sup>

Category	American Canyon	County of Napa
Designation	.....Industrial	.....Industrial
Designation Uses *	.....Manufacturing	.....Manufacturing
	.....Aviation	.....Warehouses
	.....Agribusiness	...Winery/Food Processing Facilities
	.....Thematic Industrial	.....Administrative Facilities
	.....Business Park	.....Research Institutions
	.....Warehouses	...Limited Office/Commercial Uses
	.....Professional Offices	
	.....Supporting Retail	
	.....Restaurants	
	.....Financial Uses	
Zoning	...Napa County Airport Industrial Area	.....Industrial Park
Density	.....Minimum Lot Size: 5.0 Acres	.....Minimum Lot Size: 5.0 Acres

\* As noted, the County and American Canyon’s zoning for the affected territory is identical and ensures future uses and densities within the study area would be the same under either jurisdiction.

<sup>15</sup> The County’s AIASP guides growth management within the surrounding 3,000 acre area through 2025.  
<sup>16</sup> The County has received a separate application to construct a 279,000 square foot warehouse and distribution facility on the larger of the two contiguous parcels comprising the Panattoni property. The application is on hold.  
<sup>17</sup> This vested project has been modified from an earlier approval by the County Planning Commission in 1999 to allow the entire Headwaters property to be developed by the prior landowner (Beringer) to include a 1.4 million square foot warehouse for winery production and storage along with a commercial vineyard.  
<sup>18</sup> Nearly three-fourths of the study area’s soil qualifies as prime agricultural land under LAFCO law based on its Class II rating by the United States Department of Agriculture’s Land Capability Index.  
<sup>19</sup> State law authorizes a city to override a determination by an Airport Land Use Commission by a two-thirds vote.

Present and Probable Need for Public Facilities and Services

Public facilities and services currently available or provided within the study area are considered basic and include fire protection and law enforcement from the County.<sup>20</sup> The study area also receives basic services, directly and indirectly, from several countywide special districts relating to vector control, soil conservation, parks and open-space, and flood control. The basic level and scope of these present services in the study area appears appropriate given the affected lands are undeveloped.

A full range of elevated public facilities and services are needed in the study area under both the urban land use designations and zoning standards adopted by the County and American Canyon. This includes, but is not limited to, an elevated level of community planning, police, fire, water, sewer, storm drainage, and street lighting and maintenance. These elevated services are expected to be needed in the timeframe of this review given two vested projects are already tied to two of the affected assessor parcels. American Canyon is the most logical multi-service provider for the study area based on service proximity.

<u>Category</u>	<u>County of Napa</u>	<u>American Canyon</u>
Probable Need for Public Facilities/Services	.....Yes	.....Yes

*Probable Need Based on Agency Land Use Designations*

Present Capacity of Public Facilities and Adequacy of Public Services

Information collected and analyzed in the municipal service review indicates American Canyon has generally established adequate capacities to extend a full range of public facilities and services to the study area to accommodate its planned and probable urban uses under the County and City’s land use policies. Specific and pertinent capacity issues identified in the municipal service review relative to the study area’s potential development that should be addressed at the time annexation is proposed include:

- Expansion of American Canyon’s water treatment and storage facilities to independently accommodate current and future peak-day demands.
- Availability of potable water supplies to meet present and future service demands during dry-year conditions.
- Improvements to traffic circulation to attain acceptable levels of services.

Existence of Social or Economic Communities of Interest

The study area’s social and economic interests are most strongly identified with American Canyon. These interests have been primarily fostered through the community’s long-standing expectation the study area would eventually become part of American Canyon given its inclusion within the City’s original ULL. The Commission recently recognized and strengthened these interests by including the affected lands in American Canyon’s extraterritorial water and sewer service areas. The County has also recognized these interests by agreeing to support the inclusion of the affected lands in the sphere as well as their annexation to American Canyon. These interests also appear reciprocal given all three of the current landowners within the study area have submitted letters of support to add their properties to the sphere to facilitate future annexation and development.

<sup>20</sup> The property known as “Atkins” is located within ACFPD and is entitled to receive an elevated level of fire protection services from the District as needed.

### Conclusion

Modifying American Canyon’s sphere to include the study area as well as the adjacent right-of-way portion of State Highway 29 appears warranted given the preceding analysis. Inclusion is consistent with the study area’s planned urban land uses under both the County and American Canyon General Plans. Inclusion would be responsive to the probable need for a full range of public services in which American Canyon is the most logical multi-service provider. Inclusion would also recognize the study area’s existing and distinct social and economic ties with American Canyon as well as support an agreement between the City and County regarding the long-term development of the Napa County Airport area. Furthermore, inclusion is consistent with the adopted policies of the Commission in facilitating orderly municipal growth. This includes guiding future urban uses away from agricultural and open-space designated lands.

### Study Area B

This study area comprises approximately 26 unincorporated acres located west of American Canyon’s existing jurisdictional boundary and sphere near the intersection of Eucalyptus Drive and Wetlands Edge Road. The study area also lies immediately west of an unincorporated property commonly known as the “Eucalyptus Grove,” which is already in the sphere. The study area represents a portion of a 113 acre assessor parcel purchased by American Canyon in 1999. American Canyon refers to the study area as “Clark Ranch West” and added the affected lands to the ULL in 2008. The study area is considered for inclusion into the sphere at the request of the American Canyon.



Assessor Parcel	Landowner	Acre Size
058-020-013 (portion)	City of American Canyon	26

Present and Planned Uses, Including Agricultural and Open Space Lands

The study area is generally undeveloped with no permanent structures. The far eastern portion does include a small number of temporary structures and equipment associated with the American Canyon 4-H Club, which houses small farm animals and poultry on site. The study area was formerly part of a large commercial cattle ranch. The County designates the entire study area as *Agriculture, Watershed and Open-Space* and contemplates a limited variety of non-urban uses ranging from agriculture to processing of agricultural products. The designation also allows for a single-family residence. The designation is supported by the County’s zoning standard of *Agricultural Watershed* for the portion of the affected assessor parcel, which specifies a minimum lot requirement of 160 acres. American Canyon designates the entire study area as *Open-Space* with the intent the lands be retained for open-space purposes, which includes passive recreation. American Canyon recently rezoned the study area *Open Space – Clark West Ranch* in conjunction with filing an annexation proposal with the Commission. This rezoning prescribes a minimum lot requirement of 10 acres.

American Canyon is currently in the process of completing a trail system connecting the City to the Napa River that runs parallel along the southern and western perimeter of the study area. American Canyon anticipates developing the study area into a passive public recreational park. This anticipated use may also include building a public safety facility to accommodate both a park ranger and fire station. The fire station, if built, would be used and operated by ACFPD.

The study area does not qualify as agricultural land under LAFCO law.<sup>21</sup> It does, though, qualify as open-space land given the study area’s designation under the County General Plan. The affected assessor parcel is not subject to an agricultural contract. The study area also lies within the Napa County Airport’s Compatibility Zones D and E. Zone D applies to most of the study area and signals aircraft routinely fly-over at altitudes between 300 to 1,000 feet above ground. No residential uses as well as other uses deemed hazardous to flight by the Napa County Airport Land Use Commission are allowed. Zone E applies to a small southeast section of the study area and signifies aircraft commonly flyover at altitudes above 1,000 feet in the course of landing or departing. Noise-sensitive outdoor uses are prohibited.

<b>Category</b>	<b>American Canyon</b>	<b>County of Napa</b>
Designation	.....Open Space	.....Agriculture, Watershed & Open Space
Designation Uses	.....Private or Public Open Space	.....Agriculture
	.....Passive Recreational	.....Processing of Agriculture
	.....Resource Management	.....Single-Family Residence
Zoning	.....Open Space - Clark West Ranch	.....Agricultural Watershed
Density	.....Minimum Lot Size: 10 Acres	.....Minimum Lot Size: 160 Acres

Present and Probable Need for Public Facilities and Services

Public facilities and services currently available or provided within the study area are considered basic and include fire protection and law enforcement from the County. The study area also receives basic services, directly and indirectly, from several countywide special districts relating to vector control, soil conservation, parks and open-space, and flood control. The present basic level and scope of services in the study area appears appropriate given the affected lands are undeveloped for urban use.

<sup>21</sup> The study area does not qualify as prime agricultural land under LAFCO law based on its soil rating of Class III under the United States Department of Agriculture’s Land Capability Index.

There is no probable need for a full range of elevated public facilities and services within the study area based on the non-urban land use designations and zoning standards adopted by both the County and American Canyon. A limited number of elevated public services, though, may be needed if the study area is annexed to American Canyon. In particular, this would include providing elevated community planning and law enforcement to accommodate and support the passive recreational use of the study area as contemplated by American Canyon. Other elevated services, such as water and sewer, may also be needed and defined when a specific project is proposed. American Canyon has indicated interest in proceeding with a master plan to guide the recreational development of the study area in the near future. If this development proceeds as contemplated, American Canyon is the most logical service provider in terms of delivering coordinated community planning and law enforcement as well as potentially extending water and sewer based on service proximity.

<u>Category</u>	<u>County of Napa</u>	<u>American Canyon</u>
Probable Need for Public Facilities/Services	.....No	.....No

*Need Based on Agency Land Use Designations*

Present Capacity of Public Facilities and Adequacy of Public Services

Information collected and analyzed in the municipal service review indicates American Canyon has established adequate capacities to extend a limited range of elevated public facilities and services in the study area needed to accommodate its potential passive recreational uses as contemplated by the City and allowed under its General Plan and Zoning Ordinance. The municipal service review does not identify any specific and pertinent capacity issues relative to American Canyon’s ability to accommodate this potential recreational use in terms of extending community planning and law enforcement services. This statement is predicated on presuming the demands would be relatively minimal; an assumption that would be reassessed at the time annexation is considered.

Existence of Social or Economic Communities of Interest

The study area has established distinct social and economic interests with both the County and American Canyon. The study area’s social and economic ties with the County were established in 1968 and drawn from its designation under the County General Plan as *Agriculture, Watershed and Open Space*. This designation carries significant local importance given it underlies the County’s sustained effort to maintain agriculture as the region’s primary land use as well as principal economic commodity. The designation also underscores an important social tie with the general public given they have repeatedly approved measures to protect all unincorporated agricultural lands as designated by the County from non-urban uses unless specifically authorized by voters.

The study area’s social and economic interests with American Canyon were established in 1999 when the City purchased the affected lands with the intent of eventually developing the site into a passive recreational park. American Canyon has strengthened these social and economic ties by recently adding the study area to the ULL.

## Conclusion

Modifying American Canyon’s sphere to include the study area does not appear warranted given the preceding analysis. Inclusion would conflict with the study area’s present and planned non-urban land uses under both the County and American Canyon General Plans, which suggest a full range of public services are not needed. Inclusion would also dismiss the tenured social and economic ties between the study area and the County. Additionally, inclusion would be inconsistent with the adopted policy of the Commission to use a city sphere to explicitly direct the location of urban development, which by practice has not been defined to include public parks. Furthermore, there does not appear to be sufficient public benefits outweighing the referenced policy considerations to support inclusion at this time.

As an alternative to expanding the sphere, the Commission may consider allowing American Canyon to annex the study area under G.C. Section 56742. This statute allows LAFCOs to annex non-contiguous lands owned and used by the affected city for municipal purposes without consistency with their sphere. The statute also includes a “poison pill” to require automatic detachment if the affected city ceases to be the landowner. Proceeding under this statute would allow American Canyon to coordinate elevated service provision within the study area consistent with its contemplated uses without diminishing the Commission’s assignment of the sphere as a demarcation of urban development. The Commission has used this statute before in accommodating city annexations of public parks, the most recent example involving Trancas Crossing to the City of Napa in February 2010.

## Study Area C

This study area comprises approximately 64 acres located west of American Canyon’s existing jurisdictional boundary and sphere near the intersection of American Canyon Road and Wetlands Edge Road. It includes two entire assessor parcels and a portion of a third assessor parcel. The study area is already incorporated with the exception of a 1.5 acre strip running along its entire eastern and a portion of the northern perimeter. The study area was previously owned by ACCWD before being transferred to American Canyon as part of the incorporation process. The study area was included in American Canyon’s original ULL and is considered for inclusion into the sphere at the request of the City.



Assessor Parcels	Landowner	Acre Size
058-050-047 (portion)	City of American Canyon	1.5
058-050-047	City of American Canyon	38
058-050-048	City of American Canyon	25

Present and Planned Uses, Including Agricultural and Open Space Lands

The study area is presently undeveloped. The far eastern portion of the study area is currently used by American Canyon as a corporation yard associated with an adjacent public works facility. The western portion is substantially submerged by tidal waters from the Napa River and includes four inactive wastewater storage ponds formerly used by ACCWD.

The County designates the entire study area as *Cities*, which memorializes its expectation the affected lands are or shall be eventually incorporated. The County does not zone the affected assessor parcels. American Canyon designates the entire study area as *Public*. This designation contemplates a limited number of quasi-urban uses ranging from government buildings to public schools. American Canyon has also zoned the affected assessor parcels *Public*, which does not prescribe a minimum lot requirement.

There are no current projects tied to the study area. American Canyon has indicated an eventual interest in relocating the corporation yard to allow for the development of the dry portion of the study area into a public park. It is not expected this potential project would be initiated within the timeframe of this review.

The study area does not qualify as agricultural or open-space lands under LAFCO law.<sup>22</sup> None of the affected assessor parcels are subject to an agricultural contract.

Category	American Canyon	County of Napa
Designation	.....Public	.....Cities
Designation Uses	.....Governmental Admin. Facilities	.....Cities
	.....Public Utilities	
	.....Schools	
	.....Public Parking	
	.....Parks	
	.....Landfills	
Zoning	.....Public	.....N/A (97%) .....Agricultural Watershed (3%)
Density	.....Minimum Lot Size: N/A	.....Minimum Lot Size: N/A

Present and Probable Need for Public Facilities and Services

Nearly all of the study area is already entitled to receive a full range of elevated services from American Canyon given the affected lands are incorporated. The entire study area is located within ACFPD. The entire study area also receives basic services, directly and indirectly, from several countywide special districts involving vector control, soil conservation, parks and open-space, and flood control. The need for services is presently limited to basic public safety since the affected lands are undeveloped for urban use.

<sup>22</sup> Less than 10% of the study area qualifies as prime agricultural land under LAFCO law based on its soil rating of Class II under the United States Department of Agriculture’s Land Capability Index. This portion of the study area lies along the far northeastern border near Westland Edge Road.

There is a potential need for a full range of elevated public facilities and services within the study area based on the quasi-urban land use designation and zoning standard adopted by American Canyon. Future needs, however, are likely to be limited to community planning and law enforcement to accommodate and support the potential use of the study area as a passive recreational park as contemplated by American Canyon. Other elevated services, such as water and sewer, may also be needed and defined when a specific project is proposed. American Canyon has indicated no timetable for pursuing this development. Nonetheless, if development does eventually proceed, American Canyon is the most logical service provider in terms of delivering coordinated community planning and law enforcement services as well as potentially extending water and sewer.

<u>Category</u>	<u>County of Napa</u>	<u>American Canyon</u>
Probable Need for Public Facilities/Services	.....N/A	.....Yes

*Need Based on Agency Land Use Designations*

Present Capacity of Public Facilities and Adequacy of Public Services

Information collected and analyzed in the municipal service review indicates American Canyon has adequate capacities to provide the limited range of elevated public facilities and services in the study area needed to accommodate its contemplated passive recreational uses. There are no specific and pertinent capacity issues identified in the municipal service review relative to American Canyon’s ability to extend the probable need for elevated community planning and law enforcement services to the study area if it is eventually developed. This statement is predicated on presuming the demands would be relatively minimal; an assumption that would be reassessed at the time an annexation is proposed for the 1.5 acre unincorporated portion of the study area.

Existence of Social or Economic Communities of Interest

The study area’s social and economic communities of interest are most strongly identified with American Canyon. Economic interests were established at the time of American Canyon’s incorporation when the City assumed ownership of the entire study area. Social interests are drawn from the inclusion of the majority of the study area within American Canyon’s jurisdictional boundary and expectation the site will eventually be developed into a passive recreational park. The American Canyon General Plan supports these social and economic ties by including the entire study area within the City’s ULL.

**Conclusion**

Modifying American Canyon’s sphere to include the study area does not appear warranted given the preceding analysis. Inclusion would conflict with the lack of a current or probable need for public services in the study area in the timeframe of this review. Additionally, inclusion would be inconsistent with the adopted policy of the Commission to use a city sphere to explicitly direct the location of urban development, which has not been defined by practice to include public parks. There also does not appear to be sufficient public benefits outweighing the referenced policy considerations to support inclusion at this time.

**Study Area D**

This study area comprises approximately 22 unincorporated areas located north of American Canyon’s existing jurisdictional boundary and sphere near the intersection of American Canyon Road and Newell Drive. The study area includes one entire assessor parcel and portions of two other assessor parcels. It also includes an adjacent portion of American Canyon Road. The study area was included in American Canyon’s original ULL and was recently purchased by the Napa Valley Unified School District (NVUSD), which is slated to begin construction of a new middle school on the site later this year. The unincorporated land to the west, which is already in the sphere, is also owned by NVUSD and currently under construction to include a new high school. The study area is considered for inclusion into the sphere at the request of the American Canyon.



Assessor Parcels	Landowner	Acre Size
059-040-075 (portion)	Napa Valley Unified School Dist.	1.9
059-040-076	Napa Valley Unified School Dist.	17.5
059-040-077	Napa Valley Unified School Dist.	2.7

Present and Planned Uses, Including Agricultural and Open Space Lands

The study area is currently undeveloped. Although previous attempts have been made, there is no documentation or evidence indicating the study area has been developed or utilized in the past for any uses other than perhaps for livestock grazing.<sup>23</sup>

The County designates the entire study area as *Agriculture, Watershed and Open-Space* and contemplates a limited variety of non-urban uses ranging from agriculture to processing of agricultural products. The designation also allows for a single-family residence. The designation is supported by the County’s zoning standard of *Agricultural Watershed* for the affected assessor parcels, which specifies a minimum lot requirement of 160 acres. American Canyon designates the entire study area as *Public*. This designation contemplates a

<sup>23</sup> In 1989, the study area’s former landowner proposed developing the site along with adjacent lands into a country club anchored by an 18-hole golf course. The proposed project was eventually withdrawn by 1996.

limited number of quasi-urban uses ranging from government buildings to public schools. American Canyon has also zoned the affected assessor parcels *Public* in conjunction with filing an annexation application with the Commission. This rezoning standard does not prescribe a minimum lot requirement.

As allowed under the law, NVUSD has approved a project to develop the study area into an approximate 50,000 square foot middle school.<sup>24</sup> The middle school is expected to accommodate up to 700 students and include a number of auxiliary facilities. NVUSD anticipates starting construction this year with a targeted completion date of August 2012.

The study area does not qualify as agricultural land under LAFCO law.<sup>25</sup> It does, however, qualify as open-space given the study area’s designation under the County General Plan. None of the affected assessor parcels are subject to an agricultural contract.

Category	American Canyon	County of Napa
Designation	.....Public	.....Agriculture, Watershed and Open Space
Designation Uses	.....Governmental Admin. Facilities	.....Agriculture
	.....Public Utilities	.....Processing of Agriculture
	.....Schools	.....Single-Family Residence
	.....Public Parking	
	.....Parks	
	.....Landfills	
Zoning	.....Public	.....Agricultural Watershed
Density	.....Minimum Lot Size: N/A	.....Minimum Lot Size: 160 Acres

**Present and Probable Need for Public Facilities and Services**

Public facilities and services currently provided or available within the study area are considered basic and include fire protection and law enforcement from the County. The study area also receives basic services, directly and indirectly, from several countywide special districts involving vector control, soil conservation, parks and open-space, and flood control. The present basic level and scope of services in the study area appears appropriate given the affected lands are undeveloped.

A full range of elevated public facilities and services are needed in the study area based on NVUSD’s pending development of the study area to include a middle school. This includes, but is not limited to, an elevated level of police, fire, water, sewer, storm drainage, and street lighting and maintenance services. American Canyon is the most logical multi-service provider for the study area.

Category	County of Napa	American Canyon
Probable Need for Public Facilities/Services	.....No	.....Yes

*Need Based on Agency Land Use Designations*

<sup>24</sup> G.C. Section 53094 exempts public school districts from complying with local land use zoning standards.

<sup>25</sup> Over two-thirds of the study area’s soil qualifies as prime agricultural land under LAFCO law based on its Class II rating by the United States Department of Agriculture’s Land Capability Index.

### Present Capacity of Public Facilities and Adequacy of Public Services

Information collected and analyzed in the municipal service review indicates American Canyon has generally developed adequate capacities to extend a full range of public facilities and services to the study area to accommodate its pending middle school use. Specific and pertinent capacity issues identified in the municipal service review relative to the study area's development that should be addressed at the time annexation is proposed include:

- Expansion of American Canyon's water treatment and storage facilities to independently accommodate current and future peak-day demands.
- Availability of potable water supplies to meet present and future service demands during dry-year conditions.
- Improvements to traffic circulation to attain acceptable levels of services.

### Existence of Social or Economic Communities of Interest

The study area's social and economic communities of interests are most strongly identified with American Canyon. Social interests with American Canyon were formally established in 1997 when the study area was added to the original ULL and marking a long-standing planning assumption the affected lands would eventually become part of the City. Social interests have been strengthened and expanded to include economic ties with the pending development of the study area into a middle school to primarily serve the American Canyon community. In addition, county voters affirmed their support in constructing the middle school in approving the underlying funding bond measure in 2006. This support lessens the relevance of the social and economic ties existing between the study area and the County drawn from its agricultural designation under the County General Plan.

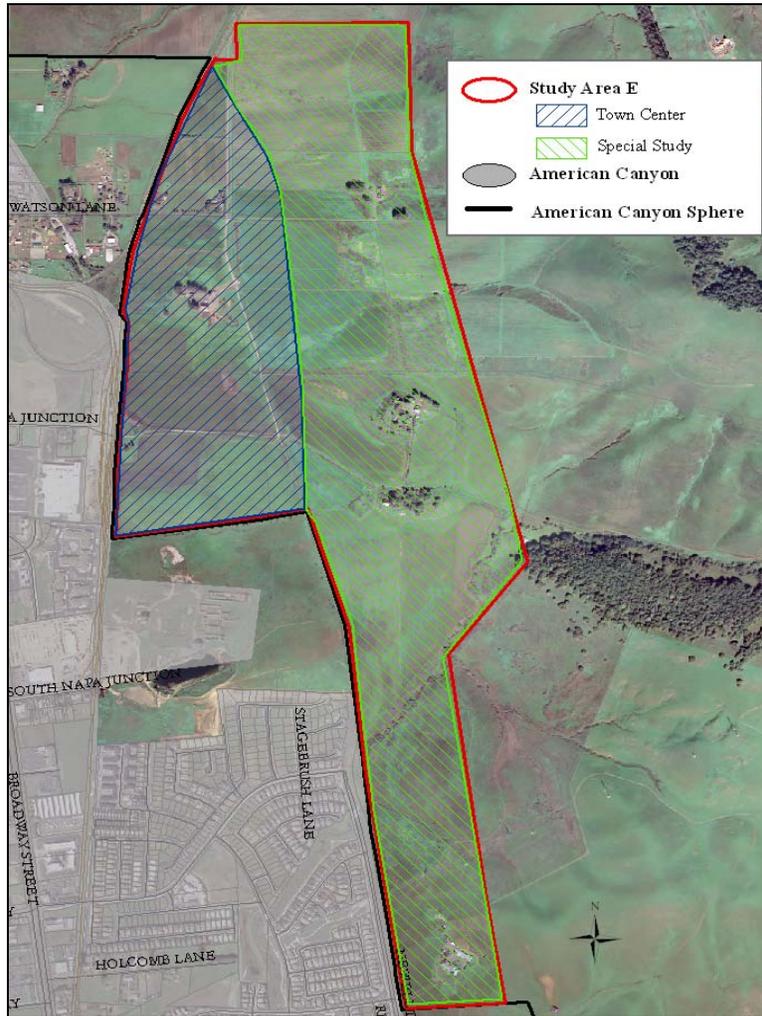
### **Conclusion**

Modifying American Canyon's sphere to include the study area appears warranted given the preceding analysis. Inclusion is consistent with the pending use of the study area as a middle school and supports the associated need for a full range of public services in which American Canyon is the most logical multi-service provider. Inclusion would also recognize the study area's existing and distinct social and economic ties with American Canyon.

Notwithstanding the above statements, inclusion of the study area is arguably inconsistent with the adopted policy of the Commission to exclude lands from city spheres designated for agricultural use under the County General Plan for purposes of urban development. This potential inconsistency, however, appears substantively muted because the middle school would serve both incorporated and non-incorporated students, and therefore supportive of both urban and non-urban development.

### Study Area E

This study area comprises approximately 477 unincorporated acres located along the eastern perimeter of American Canyon’s existing jurisdictional boundary and sphere. The study area encompasses four entire assessor parcels and portions of five other assessor parcels. It also includes adjacent portions of Newell Drive and Watson Lane and is bisected west-to-east by a Pacific Gas & Electric tower transmission line. The study area was included in American Canyon’s original ULL and is considered for inclusion into the sphere at the City’s request.



Assessor Parcels	Landowner	Acre Size
057-120-017	Cecil A. Paoli	5.6
059-020-008	Jamcan LLC	7.4
059-020-009	Jamcan LLC	126.6
059-020-010	John and Margaret Roche	1.1
059-020-011	Steven Clerici	10.1
059-020-029 (portion)	Jamcan LLC	91.4
059-020-032	Gary W. Clarke	51.8
059-030-003 (portion)	Pamela Smith	112.1
059-030-004 (portion)	City of American Canyon	9.8
059-040-048 (portion)	Pamela Smith	26.5
059-040-079 (portion)	Edward and Charlotte Biggs	35.4

### Present and Planned Uses, Including Agricultural and Open Space Lands

The study area is predominately undeveloped. The majority of the study area lies south of Watson Lane and consists of native grassland along with three single-family residences. The remaining portion of the study area lying north of Watson Lane consists of commercial vineyards and two single-family residences.

The County designates the entire study area as *Agriculture, Watershed and Open-Space* and contemplates a limited variety of non-urban uses ranging from agriculture to processing of agricultural products. The designation also allows for a single-family residence. The designation is supported by the County's zoning standard of *Agricultural Watershed* for the affected assessor parcels, which specifies a minimum lot requirement of 160 acres.

American Canyon divides the study area between two distinct designations and rezoning standards. Nearly two-thirds of the study area lying along the eastern half is designated and rezoned by American Canyon as *Special Study*, which specifies all uses and densities shall be determined by a subsequent study. The remaining one-third of the study area lying along the western half is designated and rezoned by American Canyon as *Town Center*. The *Town Center* assignments contemplate a broad mix of urban uses ranging from residential to visitor-serving facilities. Actual uses and densities, however, would be determined as part of a future specific plan. Markedly, land designations and rezoning standards for the entire study area were adopted by American Canyon in August 2008 in response to a citizens initiative certified to have been signed by more than 10% of eligible voters.

There are no current projects tied to the study area. However, as referenced above, American Canyon has recently redesignated one-third of the study area lying immediately adjacent to the City's current sphere as *Town Center*.<sup>26</sup> This designation for the affected lands and represents an expansion of a long-standing proposed project tied to an approximate 100 acre area immediately south of the study area involving three assessor parcels collectively referred to as the horseshoe. The most recent version of the town center project was prepared in May 2006 and involved developing the 100 acre area site south of the study area into 600 to 650 new multi-residential units along with a mixture of commercial, retail, and public uses. American Canyon has decided to expand the scope of the proposed project to include 130 additional acres lying within the study area to allow, among other things, for the expansion of Newell Drive to South Napa Junction Road.

A sizeable portion of the study area qualifies as agricultural land under LAFCO law given it is either used for a commercial vineyard or subject to a Williamson Act contract.<sup>27 28</sup> The entire study area qualifies as open-space land based on its designation under the County

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<sup>26</sup> Prior to August 2008, the portion of the study area currently designated as *Special Study* was predominantly designated as *Commercial Recreation* under the American Canyon General Plan. The portion of the study area currently designated as *Town Center* was primarily designated as *Special Study*.

<sup>27</sup> Over two-fifths of the study area's soil qualifies as prime agricultural land under LAFCO law based on its Class II rating by the United States Department of Agriculture's Land Capability Index. Nearly all of the Class II soil is located within the portion of the study area currently designated by American Canyon as *Town Center*.

<sup>28</sup> There are currently three Williamson Act contracts involving five of the affected assessor parcels within the study area, which cover 251 acres. These affected assessor parcels are identified as 059-020-009, 059-020-008, 059-020-029, 059-030-004, and 059-020-032. The first three affected assessor parcels listed are owned by Jamcan, LLC and are under the same contract, which is set to expire in 2012. G.C. Section 56426.6 directs LAFCOs not to approve inclusion of lands under Williamson Act contracts into city spheres unless it makes one of two findings: 1) inclusion would facilitate orderly growth and the public's interest in the jurisdictional change outweighs the public interest in continuing the contract or 2) inclusion will not adversely affect the continuation of the contract.

General Plan. Close to three-fourths of the study area also lies within the Napa County Airport’s Compatibility Zones D and E. Zone D applies to approximately 55 acres located in the far northern portion of the study area and signals aircraft routinely fly-over at altitudes between 300 to 1,000 feet above ground. No residential uses as well as other uses deemed hazardous to flight by the Napa County Airport Land Use Commission are allowed. Zone E applies to approximately 287 acres lying within the middle section of the study area and signifies aircraft routinely fly-over at altitudes above 1,000 feet in the course of landing or departing. Any noise-sensitive outdoor uses are prohibited within this zone.

Category	American Canyon	County of Napa
Designation	.....Special Study Area (SS); 66% .....Town Center (TC); 33%	....Agriculture, Watershed and Open Space
Designation Uses	.....To Be Determined (SS) ....Government and Community Services (TC) .....Retail Commercial (TC) .....Professional Offices (TC) .....Entertainment (TC) .....Restaurants (TC) .....Cultural Facilities (TC) .....Visitor-Serving Facilities (TC) .....Transit (TC) .....Multi-Family Residential (TC)	.....Agriculture .....Processing of Agriculture .....Single-Family Residence
Zoning	.....Special Study Area (SS); 66% .....Town Center (TC); 33%	.....Agricultural Watershed
Density	.....Minimum Lot Size: N/A (SS) (TC)	.....Minimum Lot Size: 160 Acres

Present and Probable Need for Public Facilities and Services

Public facilities and services currently provided or available within the study area are generally considered basic and include fire protection and law enforcement from the County. The study area also receives basic services, directly and indirectly, from several countywide special districts involving vector control, soil conservation, parks and open-space, and flood control. Water service is provided by American Canyon to two of the affected assessor parcels located along Watson Lane as a result of the City assuming ACCWD’s service obligations at the time of incorporation.<sup>29</sup> The present level and scope of services in the study area appears appropriate relative to current land uses.

There is no need for a full range of elevated public facilities and services in the study area based on the County’s non-urban land use designations and zoning standards. The probable need for these types of facilities and services would only be triggered if the study area is annexed to American Canyon. As noted, American Canyon has designated and rezoned one-third of the study area for urban type development as part of a town center project. Elevated services required to support this potential urban use includes, but is not limited to, an elevated level of community planning, police, fire, water, sewer, storm drainage, and street lighting and maintenance. American Canyon has expressed interest in submitting an annexation proposal for this portion of the study area in the near future. It is unknown whether any elevated public services are needed in the remaining portion of the study area. The uncertainty is drawn from the lack of specificity in American Canyon’s land use designation and rezoning standard for the affected lands.

<sup>29</sup> Water service provided by American Canyon in the study area involves assessor parcels 059-020-010 and 059-020-011.

Category	County of Napa	American Canyon
Probable Need for Public Facilities/Services	.....No	.....Yes (TC) .....N/A (SS)

*Need Based on Agency Land Use Designations*

Present Capacity of Public Facilities and Adequacy of Public Services

Information collected and analyzed in the municipal service review does not indicate American Canyon has adequate capacities to extend a full range of public facilities and services to the study area to accommodate its potential urban uses. American Canyon’s water and sewer services, for example, are guided by facility plans contemplating future demands in the study area based on previous land use designations under the City General Plan, *Commercial Recreation* and *Special Study*. These facility plans, accordingly, anticipate relatively minimal to no future water and sewer demands in the affected lands through 2025, which appear no longer applicable since one-third of the study area is now designated as *Town Center*. Uncertainties involving American Canyon’s ability to accommodate other demands in the study area without overtaxing present capacities are also generated due to the redesignations and their lack of specificity in use and density types.

Existence of Social or Economic Communities of Interest

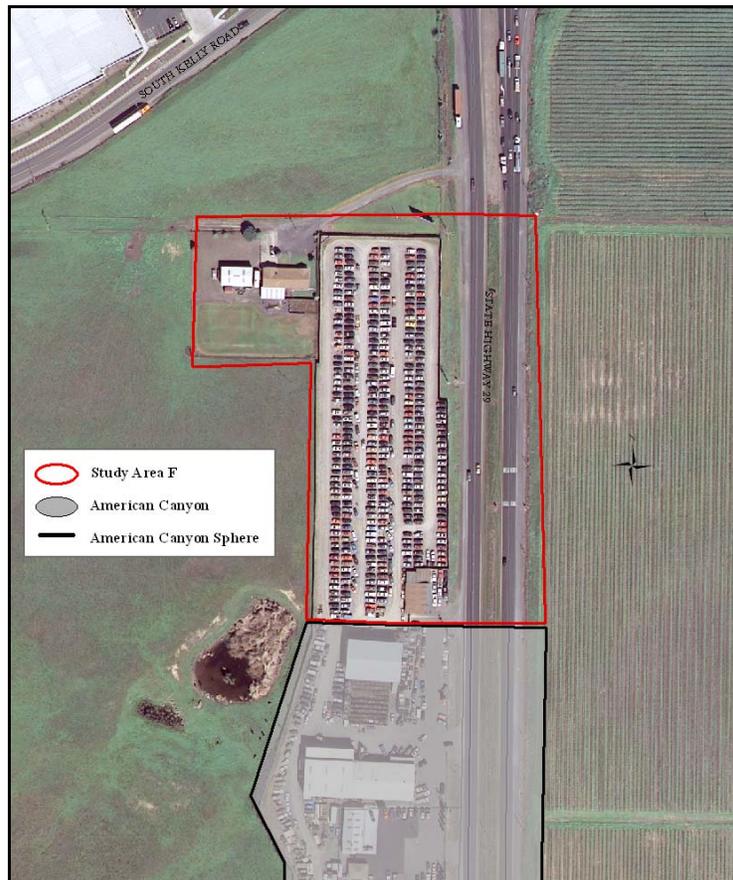
The study area’s social and economic interests are most strongly identified with the County. These ties were established in 1968 and drawn from the study area’s designation under the County General Plan as *Agriculture, Watershed and Open Space*. This designation carries significant local importance given it underlies the County’s sustained effort to maintain agriculture as the region’s primary land use as well as principal economic commodity. The designation also underscores an important social tie with the general public given they have repeatedly approved measures to protect all unincorporated agricultural lands as designated by the County from non-urban uses unless authorized by voters. These interests predate the social and economic ties existing between the study area and American Canyon that were established in 1997 when the City included the affected lands within its original ULL.

**Conclusion**

Modifying American Canyon’s sphere to include the study area does not appear warranted given the preceding analysis. Inclusion is inconsistent with the present and planned non-urban land uses of the study area under the County General Plan. Inclusion may also be inconsistent with the American Canyon General Plan given it does not specify whether urban or non-urban uses are planned for the eastern portion of the study area given its *Special Study* designation; a pertinent consideration given the Commission’s policy to use spheres as explicit guides to urban type development. It is also unknown whether inclusion is consistent with American Canyon’s facility and service capacities given the lack of specified uses and densities for the entire study area under the City General Plan. Inclusion is also inconsistent with Commission’s policy to exclude lands designated for agricultural use under the County General Plan for urban development, which at a minimum applies to the western portion of the study area designated by American Canyon as *Town Center*. The majority of the portion designated by American Canyon as *Town Center* also qualifies as prime agricultural land under LAFCO law. Finally, there does not appear to be sufficient public benefits outweighing the referenced policy considerations to support inclusion at this time.

**Study Area F**

This study area comprises approximately 7.0 unincorporated acres located immediately adjacent to the far northern perimeter of American Canyon’s existing jurisdictional boundary and sphere. It encompasses two entire assessor parcels and an adjacent portion of State Highway 29. The study area was included in American Canyon’s original ULL, but removed as part of the 2008 revision. The study area is considered for inclusion into the sphere by staff given the affected lands are surrounded nearly four-fifths by American Canyon’s ULL.



Assessor Parcels	Landowner	Acre Size
057-090-004	Frank and Shirley Azevedo	3.4
057-090-027	William and Lena Gonsalves	1.0

Present and Planned Uses, Including Agricultural and Open Space

The study area is developed. The larger of the two affected assessor parcels is used as part of an automobile salvage business and consists of an approximate 1,300 square foot building and paved lot used to line available car and trucks for part purchases. The smaller of the two affected assessor parcels consists of a legal non-conforming single-family residence. The adjacent right-of-way section of State Highway 29 includes four traffic lanes and a native grass medium operated by the California Department of Transportation.

The County designates the entire study area as *Industrial*. This designation contemplates a variety of urban non-residential uses ranging from manufacturing to office space. The designation is supported by the County’s zoning standard of *Industrial Park* for all of the affected assessor parcels, which specifies a minimum lot requirement of 5.0 acres. Specific development and design standards for the study area are outlined in the County’s AIASP. American Canyon previously designated the study area as *Industrial* before deleting this assignment in 2008 when the City removed the affected lands from its ULL in response to the aforementioned citizens initiative.

The study area does not qualify as agricultural or open-space lands under LAFCO law.<sup>30</sup> None of the affected assessor parcels are under an agricultural contact. The study area does lie within the Napa County Airport’s Compatibility Zone D, which marks the lands are routinely overflowed by aircraft ranging in altitude between 300 to 1,000 feet above ground. This zone prohibits all residential uses as well as any other uses deemed hazardous to flight as determined by the Napa County Airport Land Use Commission.

<b>Category</b>	<b>American Canyon</b>	<b>County of Napa</b>
Designation	.....N/A	.....Industrial
Designation Uses	.....N/A	.....Manufacturing .....Warehouses ...Winery/Food Processing Facilities .....Administrative Facilities .....Research Institutions ...Limited Office/Commercial Uses
Zoning	.....N/A	.....Industrial Park
Density	.....N/A	.....Minimum Lot Size: 5.0 Acres

Present and Probable Need for Public Facilities and Services

Public facilities and services currently provided or available within the study area are generally considered basic. This includes law enforcement from the County as well as services, directly and indirectly, from several countywide special districts relating to vector control, soil conservation, parks and open-space, and flood control. The larger of the two affected assessor parcels also receives fire protection from the County while the remaining assessor parcel is located within ACFPD. No public water or sewer service is currently provided. The present level and scope of services in the study area appears inadequate relative to current urban land uses.

A full range of elevated public facilities and services are needed in the study area under the urban land use designation and zoning standard adopted by the County. This includes, but is not limited to, an elevated level of community planning, police, fire, water, sewer, storm drainage, and street lighting and maintenance. The need for these elevated public facilities and services is already present and will be intensified upon the planned development of the surrounding lands under the AIASP. American Canyon is the most logical multi-service provider for the study area based on service proximity.

<sup>30</sup> None of the study area comprises prime agricultural land as defined under LAFCO law.

Category	County of Napa	American Canyon
Probable Need for Public Facilities/Services	.....Yes	.....N/A

*Need Based on Agency Land Use Designations*

Present Capacity of Public Facilities and Adequacy of Public Services

Information collected and analyzed in the municipal service review indicates American Canyon has adequate capacities to extend a full range of public facilities and services to the study area to accommodate its current and planned urban uses. Specific and pertinent capacity issues identified in the municipal service review relative to the study area’s present and potential intensification under the AIASP that would need to be addressed at the time annexation is proposed include:

- Expansion of American Canyon’s water treatment and storage facilities to independently accommodate current and future peak-day demands.
- Availability of potable water supplies to meet present and future service demands during dry-year conditions.
- Improvements to traffic circulation to attain acceptable levels of services.

Existence of Social or Economic Communities of Interest

The study area’s social and economic interests are most strongly identified with American Canyon. These interests were fostered until recently through the standing expectation the study area would eventually become part of American Canyon given its inclusion within the City’s original ULL before it was removed in 2008. Notwithstanding the change to the ULL, pertinent social and economic ties between the study area and American Canyon continue to exist. This includes the inclusion of the study area within American Canyon’s Commission-defined extraterritorial water and sewer service areas.

**Conclusion**

Modifying American Canyon’s sphere to include the study area appears warranted given the preceding analysis. Inclusion is consistent with the present and planned urban land uses under the County General Plan, which necessitates an elevated level of public facilities and services in which American Canyon is best situated to provide. Inclusion also reflects and strengthens existing social and economic interests between the study area and American Canyon. Inclusion is also consistent with the adopted policies of the Commission. This includes facilitating a more logical jurisdictional boundary line for American Canyon in concert with the earlier recommendation to add Study Area A to the sphere and thereby eliminate the potential future creation of an unincorporated pocket.<sup>31</sup>

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<sup>31</sup> The term “unincorporated pocket” is not defined. This term is intended to describe a portion of unincorporated land substantially surrounded by a city without qualifying as an “island” under G.C. Section 56375.3.

## VI. RECOMMENDATION

It is recommended the Commission update American Canyon's sphere to include all lands comprising Study Areas A, D, and F. It is also recommended the Commission add a right-of-way portion of State Highway 29 adjacent to Study Area A. The total size of the recommended additions to the sphere is 323 acres. These three additions support American Canyon's orderly growth and development in a manner consistent with the provisions of CKH and the adopted policies of the Commission. Adding Study Area A also supports an agreement between American Canyon and the County in which the two agencies agree the City's sphere should include the affected lands for purposes of facilitating their annexation.

Study Areas B, C, and E are not recommended for inclusion into the sphere given their additions are inconsistent with Commission's legislative directives and local policies. Study Areas B and C are not recommended for inclusion based on the Commission's basic policy to use spheres as explicit guides to urban development. This policy supports excluding the two study areas since American Canyon contemplates developing both sites into public parks; a use that by practice has not been considered urban by the Commission.<sup>32</sup>

Study Area E is not recommended for inclusion because the affected lands are all designated for agricultural use under the County General Plan and a sizeable portion also qualifies as prime agricultural land under LAFCO law. Accordingly, inclusion would conflict with the policy of the Commission to discourage the development of agricultural designated lands for urban uses as well as protect against the loss of prime agricultural soil. Similarly, inclusion would conflict with the Commission's policy to support Measure J, which requires voter approval to redesignate unincorporated land from agricultural to urban use. There is also a lack of pertinent information regarding the future uses and densities of the affected lands under the American Canyon General Plan. This information is needed, among other purposes, for the Commission to effectively evaluate potential service needs and impacts within the affected lands relative to American Canyon's available and planned capacities.<sup>33</sup> The information is also a necessary prelude for the Commission to consider the merits of making an exception to the referenced policy considerations.

The following statements are based on information analyzed in this report and have been prepared in support of the preceding recommendation pursuant to G.C. Section 56425:

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

Lands within American Canyon's updated sphere are predominately developed for urban uses or expected to be developed for urban uses within the next five years. Agricultural and open-space lands are limited and would not be impacted, directly or indirectly, as a result of the update.

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<sup>32</sup> As stated on page 23 of this report, as an alternative to expanding the sphere, the Commission may consider allowing American Canyon to annex Study Area B consistent with G.C. Section 56742. This statute allows LAFCOs to annex non-contiguous lands owned and used by a city for municipal purposes without consistency with their sphere. The statute also includes a "poison pill" to require automatic detachment if the city ceases to be the landowner.

<sup>33</sup> Specific information regarding land use types and densities is also needed to evaluate potential direct and indirect environmental impacts tied to expanding the sphere to include all or portions of Study Area E.

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

Lands within American Canyon’s updated sphere presently need an elevated level of public services or are expected to need an elevated level of public services within the next five years to accommodate and support planned urban uses.

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

The Commission’s recently completed municipal service review on the southeast county region indicates American Canyon has generally established adequate administrative, service, and financial capacities to accommodate present and planned urban uses within the updated sphere.

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

Lands within the updated sphere have established social and economic interdependencies with American Canyon distinct from neighboring unincorporated areas. The update affirms and strengthens these established community ties.

**RESOLUTION NO. \_\_\_\_****RESOLUTION OF THE  
LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
MAKING DETERMINATIONS****CITY OF AMERICAN CANYON  
SPHERE OF INFLUENCE UPDATE****STUDY AREA A**

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

**WHEREAS**, the Executive Officer of the Commission, hereinafter referred to as “the Executive Officer”, prepared a comprehensive review of the sphere of influence of the City of American Canyon pursuant to said schedule and California Government Code Section 56425; and

**WHEREAS**, the Executive Officer prepared a written report of the review, including his recommendation to add three distinct areas to the sphere of influence, including lands designated for review as Study Area “A”; and

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

**WHEREAS**, the Commission heard and fully considered all the evidence presented at public meetings held on April 5, 2010 and May 3, 2010; and

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

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

1. American Canyon’s sphere of influence is updated to include Study Area A as depicted in the attached Exhibit “One.”
2. The Commission, as lead agency, hereby determines the approved update to American Canyon’s sphere is exempt from further review under the California Environmental Quality Act pursuant to California Code of Regulations Section 15061(b)(3). This exemption is based on the Commission finding with certainty the update will have no possibility of significantly effecting the environment.

**DRAFT**

3. This sphere of influence update is assigned the following distinctive short-term designation:

**CITY OF AMERICAN CANYON  
SPHERE OF INFLUENCE UPDATE  
STUDY AREA A**

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

The foregoing resolution was duly and regularly adopted by the Commission at a meeting held on May 3, 2010 by the following vote:

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

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

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

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

ATTEST:        Keene Simonds  
                  Executive Officer

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

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**EXHIBIT TWO**  
**STATEMENT OF DETERMINATIONS**

**CITY OF AMERICAN CANYON**  
**SPHERE OF INFLUENCE UPDATE**

**STUDY AREA A**

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

Lands within American Canyon’s updated sphere are predominately developed for urban uses or expected to be developed for urban uses within the next five years. Agricultural and open-space lands are limited and would not be impacted, directly or indirectly, as a result of the update.

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

Lands within American Canyon’s updated sphere presently need an elevated level of public services or are expected to need an elevated level of public services within the next five years to accommodate and support planned urban uses.

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

The Commission’s recently completed municipal service review on the southeast county region indicates American Canyon has generally established adequate administrative, service, and financial capacities to accommodate present and planned urban uses within the updated sphere.

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

Lands within the updated sphere have established social and economic interdependencies with American Canyon distinct from neighboring unincorporated areas. The update affirms and strengthens these established community ties.

**DRAFT**

**RESOLUTION NO. \_\_\_\_****RESOLUTION OF THE  
LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
MAKING DETERMINATIONS****CITY OF AMERICAN CANYON  
SPHERE OF INFLUENCE UPDATE****STUDY AREA D**

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

**WHEREAS**, the Executive Officer of the Commission, hereinafter referred to as “the Executive Officer”, prepared a comprehensive review of the sphere of influence of the City of American Canyon pursuant to said schedule and California Government Code Section 56425; and

**WHEREAS**, the Executive Officer prepared a written report of the review, including his recommendation to add three distinct areas to the sphere of influence, including lands designated for review as Study Area “D”; and

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

**WHEREAS**, the Commission heard and fully considered all the evidence presented at public meetings held on April 5, 2010 and May 3, 2010; and

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

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

1. American Canyon’s sphere of influence is updated to include Study Area D as depicted in the attached Exhibit “One.”
2. The Commission, as lead agency, hereby determines the approved update to American Canyon’s sphere is exempt from further review under the California Environmental Quality Act pursuant to California Code of Regulations Section 15061(b)(3). This exemption is based on the Commission finding with certainty the update will have no possibility of significantly effecting the environment.

**DRAFT**

3. This sphere of influence update is assigned the following distinctive short-term designation:

**CITY OF AMERICAN CANYON  
SPHERE OF INFLUENCE UPDATE  
STUDY AREA D**

- 4. Pursuant to California Government Code Section 56425 of the Government Code, the Commission makes the statements of determinations in the attached Exhibit "Two."
- 6. The effective date of this sphere of influence update shall be immediate.
- 7. The Executive Officer shall revise the official records of the Commission to reflect this update of the sphere of influence.

The foregoing resolution was duly and regularly adopted by the Commission at a meeting held on May 3, 2010 by the following vote:

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

ATTEST: Keene Simonds  
Executive Officer

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

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**EXHIBIT TWO**  
**STATEMENT OF DETERMINATIONS**

**CITY OF AMERICAN CANYON**  
**SPHERE OF INFLUENCE UPDATE**

**STUDY AREA D**

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

Lands within American Canyon's updated sphere are predominately developed for urban uses or expected to be developed for urban uses within the next five years. Agricultural and open-space lands are limited and would not be impacted, directly or indirectly, as a result of the update.

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

Lands within American Canyon's updated sphere presently need an elevated level of public services or are expected to need an elevated level of public services within the next five years to accommodate and support planned urban uses.

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

The Commission's recently completed municipal service review on the southeast county region indicates American Canyon has generally established adequate administrative, service, and financial capacities to accommodate present and planned urban uses within the updated sphere.

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

Lands within the updated sphere have established social and economic interdependencies with American Canyon distinct from neighboring unincorporated areas. The update affirms and strengthens these established community ties.

**DRAFT**

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

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

**CITY OF AMERICAN CANYON  
SPHERE OF INFLUENCE UPDATE**

**STUDY AREA F**

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

**WHEREAS**, the Executive Officer of the Commission, hereinafter referred to as “the Executive Officer”, prepared a comprehensive review of the sphere of influence of the City of American Canyon pursuant to said schedule and California Government Code Section 56425; and

**WHEREAS**, the Executive Officer prepared a written report of the review, including his recommendation to add three distinct areas to the sphere of influence, including lands designated for review as Study Area “F”; and

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

**WHEREAS**, the Commission heard and fully considered all the evidence presented at public meetings held on April 5, 2010 and May 3, 2010; and

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

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

1. American Canyon’s sphere of influence is updated to include Study Area F as depicted in the attached Exhibit “One.”
2. The Commission, as lead agency, hereby determines the approved update to American Canyon’s sphere is exempt from further review under the California Environmental Quality Act pursuant to California Code of Regulations Section 15061(b)(3). This exemption is based on the Commission finding with certainty the update will have no possibility of significantly effecting the environment.

**DRAFT**

3. This sphere of influence update is assigned the following distinctive short-term designation:

**CITY OF AMERICAN CANYON  
SPHERE OF INFLUENCE UPDATE  
STUDY AREA F**

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

The foregoing resolution was duly and regularly adopted by the Commission at a meeting held on May 3, 2010 by the following vote:

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

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

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

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

ATTEST:        Keene Simonds  
                  Executive Officer

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

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**EXHIBIT TWO**  
**STATEMENT OF DETERMINATIONS**

**CITY OF AMERICAN CANYON**  
**SPHERE OF INFLUENCE UPDATE**

**STUDY AREA F**

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

Lands within American Canyon’s updated sphere are predominately developed for urban uses or expected to be developed for urban uses within the next five years. Agricultural and open-space lands are limited and would not be impacted, directly or indirectly, as a result of the update.

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

Lands within American Canyon’s updated sphere presently need an elevated level of public services or are expected to need an elevated level of public services within the next five years to accommodate and support planned urban uses.

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

The Commission’s recently completed municipal service review on the southeast county region indicates American Canyon has generally established adequate administrative, service, and financial capacities to accommodate present and planned urban uses within the updated sphere.

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

Lands within the updated sphere have established social and economic interdependencies with American Canyon distinct from neighboring unincorporated areas. The update affirms and strengthens these established community ties.

**DRAFT**



**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>

**May 3, 2010**  
**Agenda Item No. 6b (Public Hearing)**

April 26, 2010

**TO:** Local Agency Formation Commission

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

**SUBJECT: Napa County Mosquito Abatement District: Municipal Service Review and Sphere of Influence Update**

The Commission will receive a final report representing its scheduled municipal service review and sphere of influence update for the Napa County Mosquito Abatement District. The report is being presented to the Commission to receive and file. The Commission will also consider adopting resolutions confirming the determinative statements in the final report, including updating the sphere of influence with no changes.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 directs Local Agency Formation Commissions (LAFCOs) to review and update each local agency's sphere of influence every five years as needed. Spheres of influence are planning tools used by LAFCOs demarking the territory it believes represents the affected agency's appropriate future service area and jurisdictional boundary. Boundary changes, such as annexations, detachments, and agency formations, must be consistent with the affected agencies' spheres of influence with limited exceptions. As a prerequisite to updating spheres of influence, LAFCOs must prepare municipal service reviews to determine the adequacy and range of governmental services provided within their respective jurisdictions. The intent of the municipal service review is to evaluate the adequacy, efficiency, and effectiveness of services in relationship to local needs and circumstances.

**A. Discussion**

Staff has prepared a final report representing LAFCO of Napa County's ("Commission") scheduled municipal service review and sphere of influence update on the Napa County Mosquito Abatement District (NCMAD). The final report is attached and follows the preparation of an earlier draft circulated for public comment on March 17, 2010 and presented to the Commission for discussion on April 5, 2010. One written comment letter was received on the draft and was submitted by NCMAD. A copy of the letter has been incorporated into the final report as Appendix "D."

Juliana Inman, Chair  
Councilmember, City of Napa

Lewis Chilton, Commissioner  
Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner  
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Commissioner  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
*Executive Officer*

The final report includes a limited number of revisions from the earlier draft. These revisions are in the municipal service review portion of the report and address comments received from NCMAD. The revisions are considered generally non-substantive with two key exceptions involving determinations summarized below.

- Staff has added the following new determination in the final report under the *Financial Ability of Agencies to Provide Services* section relating to NCMAD's financial management:

“The dynamic nature of vector control services underlies and supports NCMAD's management decision to maintain a relatively high unrestricted fund balance rather than invest in fixed capital assets.”

- Staff has amended a determination included in the draft report under the *Status and Opportunities for Shared Facilities* section relating to NCMAD's formal agreements with local water and sewer districts to establish regular vector control services to help increase protection for unincorporated communities. Staff has amended this determination to acknowledge NCMAD has established these types of arrangements within the incorporated communities as follows:

“NCMAD has established formal agreements with the Cities of American Canyon, Calistoga, St. Helena, and Yountville along with the Napa Sanitation District to provide regular vector control services within their respective incorporated jurisdictions. NCMAD should consider ~~establishing formal~~ expanding the scope of these agreements to include arrangements with the remaining local water and sewer special districts to ~~establish regular vector control services to~~ help increase protection for unincorporated residential communities.”

## **B. Summary**

As discussed in the preceding section, the final report is relatively unchanged from the earlier draft presented at the April meeting. The report continues to assert NCMAD provides an appropriate level of vector control services relating to mosquitoes, yellowjackets, rodents, and ticks consistent with local needs and circumstances. The report notes NCMAD is financially solvent with minimal debt and an unrestricted fund balance equal to 20 months of operating costs. The report also emphasizes NCMAD's integral role in growth management given all six land use authorities orient urban uses within natural vector breeding grounds, namely the Napa River and its tributaries. No changes to NCMAD's sphere of influence are recommended as part of the update.

### **C. Alternatives for Commission Action**

The following two alternative actions are available for Commission action.

#### **Alternative One**

- a) Receive and file the final report representing the scheduled municipal service review and sphere of influence update on NCMAD;
- b) Adopt the attached draft resolution updating NCMAD's sphere of influence with no changes and making related determinations consistent with Government Code Section 56425; and
- c) Adopt the attached draft resolution making municipal service review determinations on NCMAD consistent with Government Code Section 56430.

#### **Alternative Two**

- a) Continue the public hearing to a later date and provide direction to staff as needed with respect to any additional information requests.

### **D. Recommendation**

Staff recommends the Commission take the prescribed actions identified under Alternative A in the preceding section.

Respectfully submitted,

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Keene Simonds  
Executive Officer

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Brendon Freeman  
Analyst

#### Attachments:

- 1) NCMAD: Municipal Service Review and Sphere of Influence Update Final Study
- 2) Draft Resolution Updating NCMAD's Sphere of Influence
- 3) Draft Resolution Making Municipal Service Review Determinations on NCMAD

## LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

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### NAPA COUNTY MOSQUITO ABATEMENT DISTRICT: MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE

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**Final Report  
May 2010**

**Prepared by:**

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

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

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

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



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## **I. INTRODUCTION**

### **A. Local Agency Formation Commissions**

Local Agency Formation Commissions (LAFCOs) are political subdivisions of the State of California and are responsible for administering a section of Government Code known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. LAFCOs are located in all 58 counties in California and delegated regulatory and planning responsibilities to coordinate the logical formation and development of local governmental agencies and their services while protecting agricultural and open space resources.

### **B. Municipal Service Reviews**

As part of the aforementioned Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, LAFCOs are now required to prepare municipal service reviews in conjunction with updating each local agency's sphere of influence ("sphere") every five years as needed. The legislative intent of municipal service reviews is to inform LAFCOs with regard to the availability and sufficiency of governmental services provided within their respective jurisdictions prior to making sphere determinations. Municipal service reviews vary in scope and can focus on a particular agency, service, or geographic region. Municipal service reviews may also lead LAFCO to take other actions under its authority, such as initiating a reorganization involving two or more special districts. All municipal service reviews, however, must include written statements making determinations with respect to the following six factors pursuant to Government Code (G.C.) Section 56340.

1. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
2. Growth and population projections for the affected area.
3. Financial ability of agencies to provide services.
4. Status of, and opportunities for, shared facilities.
5. Accountability for community service needs, including governmental structure and operational efficiencies.
6. Any other matter related to effective or efficient service delivery, as required by commission policy.

### **C. Sphere of Influence Updates**

As mentioned, a central planning responsibility for LAFCO is the determination of a sphere for each city and special district under its jurisdiction.<sup>1</sup> LAFCO establishes, amends, and

"Sphere" means a plan for the probable physical boundary and service area of a local agency, as determined by LAFCO.

updates spheres to designate the territory it believes represents the appropriate and probable future service area and jurisdictional boundary of the affected agency. All jurisdictional

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

changes, such as annexations and detachments, as well as outside service extensions, must be consistent with the spheres of the affected local agencies with limited exceptions.<sup>2</sup>

There are several important and distinct policy considerations underlying sphere determinations. For example, inclusion within a multi-purpose agency's sphere, such as a city or community services district, generally indicates an expectation by LAFCO the territory should be developed for urban uses. Inclusion of territory within a limited-purpose agency's sphere, such as a hospital or mosquito abatement district, in contrast may be intended to support both urban and non-urban uses. In addition, inclusion within a sphere does not provide any guarantees the territory will be annexed. Jurisdictional changes must be considered on their own merits with particular attention focused on assessing whether the timing of the proposed action is appropriate. Sphere determinations may also lead LAFCO to take other actions under its authority. This may include initiating the consolidation or dissolution of cities and special districts.

In making a sphere determination, LAFCO must prepare written statements addressing four specific planning factors listed under G.C. Section 56425. These factors range from evaluating current and future land uses to the existence of pertinent communities of interest. The intent in preparing the written statements is to capture the legislative intent of the sphere determination with regard to coordinating the sensible development of each local agency consistent with the anticipated needs of the affected community. The four factors are outlined below.

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

#### **D. Napa County Mosquito Abatement District**

This report represents LAFCO of Napa County's ("Commission") scheduled municipal service review and sphere update of the Napa County Mosquito Abatement District (NCMAD). The report succeeds the last municipal service review and sphere update prepared by the Commission on NCMAD completed in 2005. The report has been prepared in a manner consistent with the Commission's *Policy on Municipal Service Reviews* and is organized into two principal sections. The first section is an executive summary that includes determinations addressing the factors required for both the municipal service review and sphere update mandates. The second section provides a comprehensive review of NCMAD in terms of its formation and development, population and growth, organizational structure, municipal service provision, financial standing, and regional comparisons. Standard service indicators are incorporated into the review when appropriate to help contextualize and evaluate service levels.

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<sup>2</sup> A prominent exception involves land owned and used by cities for municipal purposes that are non-contiguous to their incorporated boundary (Government Code Section 56742).

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## **II. EXECUTIVE SUMMARY**

### **A. Municipal Service Review**

The municipal service review indicates NCMAD has generally established adequate administrative, service, and financial capacities to provide an appropriate level of vector control services within its existing jurisdictional boundary, Napa County. These capacities appear relatively sufficient to continue to provide effective services based on anticipated demands in the timeframe of this review. No pertinent concerns have been identified relative to NCMAD's ability to continue to provide services for which it has been formed. Statements addressing the factors prescribed for consideration ranging from infrastructure needs and deficiencies to relationships with growth management policies follow. These statements are based on information collected, analyzed, and presented in the agency review provided on pages 13 to 25 in this report.

#### **Growth and population projections for the affected area.**

- NCMAD has experienced more than a one-tenth increase in its resident population over the last 10 years from an estimated 121,913 to 137,571. It is reasonable to assume the rate of population growth will decrease by more than one-half over the next 10 years due primarily to the residual effects of the national economic downturn and its impacts on housing. This assumption is consistent with projections issued by the Association of Bay Area Governments and suggests NCMAD's resident population will reach 144,600 by 2020.
- Nearly one-half of the increase to NCMAD's resident population over the last 10 years is attributed to the development of the City of American Canyon. This disproportional amount of new growth in southeast county necessitates NCMAD continue to be proactive in abating mosquitoes due to the diminishing interface between urban and wetland uses in the southeast county region.
- California Department of Finance projects Napa County will continue to experience significant demographic changes as groups identified as non-whites become the majority by 2020. These changes present challenges for NCMAD as it will need to adapt and expand its services to bridge more social and cultural barriers to help ensure its effectiveness in preventing and controlling vectors and their diseases.
- California Department of Conservation reports NCMAD is experiencing a steady rate of urbanization as evident by the 12.3% increase in urban land uses over the last 10 years in Napa County. Continued urbanization will increase service demands by necessitating NCMAD focus more on labor intensive control activities, such as physical and biological, in response to prevalent citizenry concerns regarding chemical impacts on the environment.

**Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.**

- NCMAD has established an adequate level of vector control services to limit the nuisance effects of mosquitoes, yellowjackets, rodents, and ticks consistent with constituent preferences as evident by a recently approved special assessment.
- There has been a concerted effort made by NCMAD to proactively provide vector control services through self-initiated field work. These efforts have contributed to a one-fourth decline in service calls over the last five years and provide NCMAD with additional capacity to redirect resources to address new and urgent demands as needed.
- NCMAD's service demands are guided by a variety of seasonal, environmental, and land use factors. NCMAD should prepare and regularly update a written review of its service activities to help effectively and economically guide its available resources to reflect the continuous changes in these external factors. This document would also serve as a valuable resource to the county's six land use authorities in understanding vector-related trends in relationship to overseeing growth and development within their respective jurisdictions.
- There is currently a four-fold increase in home mortgage default notices within Napa County compared to 2006 and the start of the national economic downturn. The increase in default notices and probable rise in unmaintained properties may create a new type of service demand on NCMAD in controlling vector breeding grounds within urban residential areas.
- NCMAD's resources generally lie within the median range of adjacent public vector control providers as measured by staffing, revenues, and expenses, which suggests the District's service levels are comparable to regional standards.

**Financial ability of agencies to provide services.**

- NCMAD has increased its unrestricted fund balance by nearly two-thirds over the last five years from approximately \$1.47 to \$2.39 million. The unrestricted fund balance provides NCMAD over 20 months of cash to cover operating expenses as well as financial resources to respond to urgent public health or safety threats.
- The dynamic nature of vector control services underlies and supports NCMAD's management decision to maintain a relatively high unrestricted fund balance rather than invest in fixed capital assets.
- NCMAD has established a healthy capital structure as measured by its low debt-to-equity ratio, which is less than one percent.

- NCMAD has generally maintained positive cash flow since it began collecting its special assessment in 2003-2004. The cash flow margin is trending negatively as the rate of actual expenditures is surpassing the rate of actual revenues in terms of percentage change by two-to-one. It appears this trend, however, is an anomaly and the result of one-time expenses over the last few years associated with NCMAD's new facilities and pre-funding its other post-employment benefit costs.
- NCMAD benefits from a relatively stable source of funding given 90% of all revenues are drawn from property tax and special assessment proceeds.

**Status and opportunities for shared facilities.**

- NCMAD works closely with a variety of federal, state, and local agencies in the development, operation, and delivery of its vector control services. This includes resource-sharing arrangements with the Marin-Sonoma and Solano Mosquito Abatement Districts. These efforts help economize staffing resources and coordinate the implementation of effective vector control services in the region.
- NCMAD has established formal agreements with the Cities of American Canyon, Calistoga, St. Helena, and Yountville along with the Napa Sanitation District to provide regular vector control services within their respective incorporated jurisdictions. NCMAD should consider expanding the scope of these agreements to include arrangements with the remaining local water and sewer special districts to help increase protection for unincorporated residential communities.

**Accountability for community service needs, including governmental structure and operational efficiencies.**

- NCMAD is governed by a responsive and dedicated board and staff. These characteristics enhance accountability and cultivate positive working relationships with members of the public and other local agencies.
- NCMAD has measurably increased its organizational capacity over the last 10 years by doubling staff along with relocating and expanding its service facilities. The investment in additional resources reflects and supports management's commitment to proactively control vectors and vector-borne diseases in Napa County.
- Vector control services provided by NCMAD are currently limited to mosquitoes, yellowjackets, rodents, and ticks. All other services authorized under NCMAD's principal act are deemed latent and would require Commission approval to activate under Government Code Section 56824.12. Divestiture of any current services would also require Commission approval.

- NCMAD occasionally provides vector control services within adjacent outside lands through informal resource-sharing arrangements with the Marin-Sonoma and Solano Mosquito Abatement Districts. It appears NCMAD provides these services as comparable substitutes for services already provided by the two adjacent agencies and therefore does not require Commission approval under Government Code Section 56133. Approval is only required if services are provided beyond existing levels of the affected agencies.
- It may be appropriate to amend NCMAD's sphere to expand into Solano and Sonoma counties if the District's vector control services within these adjacent lands evolve from an occasional to a regular activity.
- NCMAD's board meetings are conducted monthly with minimal to no participation from the public. The lack of public participation reflects a degree of disengagement between NCMAD and its constituents and impedes feedback on new or changing vector control needs. NCMAD should increase its constituent engagement by expanding the scope and value of its website to include meeting notices, agendas, minutes, and other pertinent documents underlying its activities.

#### **Relationship with regional growth goals and policies.**

- NCMAD serves an important role in supporting growth management in Napa County by providing public health and safety protection against mosquitoes, yellowjackets, rodents, and ticks. This importance is accentuated given local land use policies generally orient residential and viticultural uses along common vector breeding grounds, namely the Napa River and its tributaries. Accordingly, it is imperative NCMAD continue to ensure its resources are sufficient to carry out its duties in an effective and timely manner.

#### **B. Sphere of Influence Update**

No changes to NCMAD's sphere appear warranted. This affirmation confirms the current sphere designation demarks NCMAD's appropriate service boundary consistent with its available and planned capacities. This determination is supported by the following statements.

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

The present and planned land uses within the sphere are outlined in the general plans prepared by the six land use authorities whose jurisdictions overlap NCMAD's jurisdictional boundary. The exercise of NCMAD's vector control services relating to mosquitoes, yellowjackets, rodents, and ticks support the urban and non-urban development contemplated in these general plans.

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

NCMAD's provision of vector control services relating to mosquitoes, yellowjackets, rodents, and ticks in the sphere is an integral component in supporting present and future growth management in Napa County.

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

The Commission has confirmed through the municipal service review process NCMAD has established adequate and effective vector control services relating to mosquitoes, yellowjackets, rodents, and ticks within the sphere.

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

The social and economic well-being of all lands within the sphere is dependent on NCMAD's effective control mosquitoes, yellowjackets, rodents, and ticks.

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### **III. AGENCY REVIEW**

#### **A. Napa County Mosquito Abatement District**

##### **1.0 Overview**

NCMAD was formed in 1925 and is the longest tenured special district operating in Napa County. NCMAD provides a range of municipal services relating to vector control involving mosquitoes, yellowjackets, rodents, and ticks. NCMAD is headquartered in the City of American Canyon and has a jurisdictional boundary encompassing all unincorporated and incorporated territory in Napa County. The estimated resident service population is 137,571. NCMAD is currently staffed by nine full-time employees with a total operating budget of \$2.0 million and an unreserved fund balance of \$2.4 million.<sup>3</sup>

##### **2.0 Formation and Development**

NCMAD was formed in 1925 to provide mosquito control services throughout Napa County. Formation proceedings were prompted in the early 1920s by the emergence of mosquitoes in the southern portions of the county, an area characterized by numerous wetlands and salt marshes. Two local organizations, Carneros Farm Center and Las Amigas Farm Bureau, combined efforts to address the threat of mosquito-borne diseases by galvanizing support for the formation of a mosquito abatement district. The formation had been recently permitted by the California Legislature with the passage of the Mosquito Abatement District Act of 1915. This law was enacted by legislators to facilitate the formation of public agencies capable of providing long-term protection against vector-borne diseases, such as malaria and encephalitis, and other pest related nuisances.<sup>4</sup> Following resolutions supporting formation adopted by the three cities (Calistoga, Napa, and St. Helena), the County Board of Supervisors adopted a resolution establishing NCMAD on July 14, 1925.

In 1926, NCMAD conducted the first comprehensive mosquito survey of Napa County. The survey preceded the implementation of physical control measures as part of a coordinated mosquito management program. Standard control measures utilized by NCMAD over the next several decades included building dykes and levees along with ditching and plowing cracked ground in the southeast region. NCMAD also began to augment its activities to include chemical and biological controls, such as applying oils and pesticides as well as stocking local ponds with mosquitofish.<sup>5</sup>

By the 1960s, advances in chemical engineering along with cost-savings prompted NCMAD to begin relying less on physical control measures in favor of emphasizing pesticides to control larval, pupal, and adult mosquitoes. In particular, this included the increasing reliance on

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<sup>3</sup> This results in a per capita operating cost of \$14.63.

<sup>4</sup> California Health and Safety Code defines “vector” as any animal capable of transmitting a human disease or producing human discomfort or injury, including, but not limited to, mosquitoes, flies, mites, ticks, other arthropods, and rodents and other vertebrates (Health and Safety Code Section 2002(k)).

<sup>5</sup> These labor-intensive activities were conducted with assistance from local inmates who were used frequently by NCMAD as a supplemental work force. This practice, however, was discontinued in the 1950s due to increased public concern over the use of inmate labor.

dichlorodiphenyltrichloroethane, or DDT.<sup>6</sup> By the 1970s, however, new federal and state regulations, along with increased public concern regarding the use of chemicals on the environment, prompted a significant change in NCMAD activities. Most notably, in order to minimize its use of pesticides, NCMAD began to emphasize the control of larvae rather than pupal and adult mosquitoes. This change resulted in a renewed emphasis on mosquito prevention through physical and biological control measures as well as community education.

A seminal moment for NCMAD occurred in 1978 with the passage of Proposition 13. This ballot initiative amended the California Constitution to restrict the ad valorem tax on property to no more than one percent of the full cash value.<sup>7</sup> The restriction prohibited NCMAD from continuing its annual practice of adjusting its property tax rate as needed to cover costs. The resulting reduction in property tax proceeds coupled with increasing costs contributed to a persistent structural budget imbalance. Consequently, NCMAD became dependent on County loans to help cover annual deficits through the early 1990s.

In the late 1990s, NCMAD took a series of steps to solidify its fiscal solvency and improve its mosquito management program. This included developing a service program with local landowners to help recover the costs of servicing lands with reoccurring mosquito problems. NCMAD also benefited from a review and update to its principal act codified under California Health and Safety Code. This process clarified and strengthened NCMAD’s ability to recover costs from negligent landowners with reoccurring mosquito problems. Measures to advance NCMAD’s mosquito management program included the hiring of a new manager and issuing an in-depth evaluation of its control services as part of its *Integrated Mosquito Management Program (1999)*. The evaluation, which included a review of potential environmental impacts, formalized NCMAD’s mosquito control services into six coordinated activities. These activities include 1) surveillance, 2) physical control, 3) vegetation management, 4) biological control, 5) chemical control, and 6) community education.

In 2003, to enhance service levels, NCMAD asked Napa County landowners to approve an annual parcel assessment to expand its mosquito control services and establish new vector control services relating to yellowjackets, rodents, and ticks.<sup>8</sup> An underlying motivation to establishing the parcel assessment was to help prepare for the anticipated arrival of the West Nile Virus in Napa County. The assessment was conducted by mail-in ballot and was approved by over two-thirds of the responding landowners. Specific improvements supported by the special assessment included the construction of a new administration building outfitted with a laboratory and adjoining corporation yard in American Canyon. Proceeds from the special assessment were also used to hire one scientist and three additional certified vector control staff, allowing NCMAD to perform its own laboratory analyses and increase control and surveillance activities. Surveillance and control services for yellowjackets, rodents, and ticks were all implemented by the end of 2004.

**Timeline of Events**

1925	.....NCMAD formed
1926	.....first mosquito survey completed
1930s	.....focus on physical control methods
1960s	.....focus on chemical control methods
1970s	.....focus on biological control methods
1978	.....loss of funding due to Proposition 13
1980s	.....dependent on County subsidies
2003	.....special assessment approved
2004	yellowjacket, rodent, and tick services est.

<sup>6</sup> DDT was banned by the United States Environmental Protection Agency in 1973.

<sup>7</sup> Proposition 13 also established a requirement that all new special taxes require two-thirds voter approval.

<sup>8</sup> In the 2008-2009 fiscal year, the annual assessment for a single-family residence was \$16.50.

### 3.0 Adopted Commission Boundaries

NCMAD’s jurisdictional boundary is 791.4 square miles or 506,517 acres in size and includes all unincorporated and incorporated lands within Napa County. There are a total of 49,804 assessor parcels within NCMAD with a combined assessed value of \$27.8 billion. A review of the database maintained by the County Assessor’s Office indicates 42,588 of these assessor parcels have been developed and assigned situs addresses.<sup>9</sup> The jurisdictional boundary is conterminous with NCMAD’s sphere of influence, which was adopted by the Commission in 1984 and updated with no changes in 2005. Although eligible to expand into other counties, there have been no changes to NCMAD’s jurisdictional boundary since formation.

Category	Jurisdictional Boundary	Sphere of Influence
Total Acres	506,517	506,517
Total Parcels	49,804	49,804

### 4.0 Population and Growth

#### 4.1 Population Trends

NCMAD’s current resident population is estimated at 137,571 based on demographic information published by the California Department of Finance for Napa County. The resident population overall has risen by 12.8% over the last 10 years, equaling a 1.3% annual increase. This increase comparatively ranks second in terms of percentage change among all nine Bay Area counties during the period. Napa County’s resident population is marked by two distinct periods within the last decade as the annual increase averaged 1.6% between 2000 and 2003 before tapering to 1.0% between 2004 and 2009 due to changes in the local housing market. Close to one-half of all resident population growth during the last decade occurred in American Canyon.<sup>10</sup> The following table summarizes past and current resident population projections.

#### Past and Current Resident Population Projections

(Department of Finance)

Category	1999	2001	2003	2005	2007	2009	Change
Population	121,913	125,975	129,792	132,280	134,559	137,571	12.8%

It is reasonable to assume resident population trends in Napa County will experience a moderate to significant decrease over the next 10 years. This expected decrease is attributed to the slowdown in residential growth in American Canyon and the residual effects of the national economic downturn. This assumption is consistent with recent demographic estimates prepared by the Association of Bay Area Governments, which projects Napa County’s annual population will increase by 0.4% annually through 2020 as summarized below.

<sup>9</sup> The assessor parcels that have been developed and assigned situs addresses in NCMAD represent 85.5% of the total land acres within the District.

<sup>10</sup> Between 1999 and 2009, American Canyon’s resident population increased from 9,558 to 16,503, representing 44% of the total population rise in Napa County.

**Future Resident Population Projections**

(Association of Bay Area Governments, *Projections and Priorities 2009*)

Category	2010	2012	2014	2016	2018	2020	Change
Population	138,800	139,913	141,034	142,165	143,304	144,600	4.2%

**4.2 Growth Trends**

Data cataloged by the California Department of Conservation (DC) illustrates NCMAD is experiencing a steady rate of urbanization within its jurisdictional boundary. The most recent report issued by DC identifies exactly one-half of the county comprises agricultural land uses. This amount represents a 1.8% reduction in agricultural uses compared to 10 years earlier. Urban land uses have comparatively increased over this period by 12.3%. Additionally, these land use patterns have accelerated over the last few years as reflected in the following table.

**Land Use Trends**

(California Department of Conservation)

Year	<i>Agricultural Land</i>			<i>Urban Land</i>		
	Acres	% Change	% of Total	Acres	% Change	% of Total
1996	260,911	(0.01)	51.58	20,318	0.52	4.02
1998	260,047	(0.33)	51.41	20,599	1.38	4.07
2000	259,697	(0.13)	51.34	21,110	2.48	4.17
2002	259,397	(0.12)	51.28	21,394	1.35	4.23
2004	259,237	(0.06)	51.25	22,244	3.97	4.40
2006	256,326	(1.12)	50.67	22,816	2.57	4.51

**5.0 Organizational Structure**

**5.1 Governance**

NCMAD was originally organized under the Mosquito Abatement District Act of 1915 (Health and Safety Code Sections 2000 to 2093). The principal act was amended in 2002 and is now referred to as the Mosquito Abatement and Vector Control District Law. The specific intent of the principal act is to facilitate and empower special districts with sufficient authority to conduct effective programs for the surveillance, prevention, abatement, and control of mosquitoes and other vectors. The State Controller’s Office reports there are currently 46 mosquito abatement and vector control districts in California.

NCMAD’s governing body is comprised of an appointed six-member board of trustees. One trustee is appointed from the County of Napa and each of the Cities of American Canyon, Calistoga, Napa, St. Helena, and Yountville. Trustees must be registered voters within the appointing authority’s jurisdiction. Terms are two to four years at the appointing authority’s discretion. Trustees are statutorily directed to exercise their independent judgment on behalf of the interests of the residents, landowners, and the public and not solely the interests of the appointing authority. Elections are based on a registered-voter system.



## 6.0 Municipal Services

NCMAD’s municipal services are provided directly through a range of surveillance, education, and control measures. Services are categorized into four distinct programs involving 1) mosquitoes, 2) yellowjackets, 3) rodents, and 4) tick surveillance.

### 6.1 Overall Service Demands

NCMAD performs regular field activities relating to all four programs within each of its six service zones. NCMAD also responds to service calls as needed. A review of service calls over the last five years reflects a permeating decline in constituent demands across all four programs with total calls decreasing from 1,587 to 1,139, or 28%. The decline is largely attributed to a readjustment from the initial public awareness and concern regarding the West Nile Virus, which contributed to a peak call demand in 2005-2006.

#### Service Calls by Program

Program	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	Average
Mosquitoes	1,252	1,873	857	988	978	1,189.6
Yellowjackets	311	153	147	258	145	202.8
Rodents	39	27	29	16	6	23.4
Ticks	1	0	0	0	0	0.2
Other	19	13	12	16	10	14
<b>Total</b>	<b>1,622</b>	<b>2,066</b>	<b>1,045</b>	<b>1,278</b>	<b>1,139</b>	<b>1,430</b>

Zone Four encompasses most of the Napa Valley north of Rutherford and generates the most service calls on average at nearly 500 annually, which is nearly one-fourth more than any other zone. Service calls within Zone Six represent the largest percentage increase by more than doubling over the last five fiscal years and are largely attributed to an increased awareness and demand within Circle Oaks and Capell Valley Mobile Home Park communities. The following table summarizes service calls within each zone over the last five fiscal years.

#### Service Calls by Zone

Zone	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	Average
One	104	70	40	28	76	64
Two	593	482	267	365	287	399
Three	300	309	170	215	194	238
Four	438	830	438	426	329	492
Five	134	216	63	128	127	134
Six	53	159	67	116	126	104
<b>Total</b>	<b>1,622</b>	<b>2,066</b>	<b>1,045</b>	<b>1,278</b>	<b>1,139</b>	<b>1,430</b>

An expanded review of all four NCMAD service programs in terms of organization, capacities, and demands follows.

## ***6.2 Mosquito Services***

NCMAD's mosquito services were established in 1925 and account for its largest allocation of resources. The underlying objective of these services is to prevent the emergence of adult mosquitoes while minimizing impacts to the environment by emphasizing long-term, non-chemical forms of control. Current services are guided by a 1999 policy document outlining six integrated programs aimed at controlling mosquitoes and their vector-borne diseases while minimizing environmental impacts. These six integrated programs are systematically tiered and include surveillance, community education, physical control, vegetation management, biological control, and chemical control. A brief summary of these six programs follows.

### ***Surveillance***

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Surveillance serves as NCMAD's initial and continual measure to monitor and control mosquitoes and their vector-borne diseases. Surveillance is facilitated through trapping systems, field investigations, direct visual inspection, and the use of sentinel chickens.<sup>11</sup> The information generated from surveillance helps NCMAD evaluate the type and number of mosquitoes within a targeted area as well as identifying the presence of vector-borne diseases. Surveillance is also used to help measure the effectiveness of any given control activity undertaken by NCMAD. Blood samples collected by NCMAD from sentinel chickens are analyzed in consultation with the University of California at Davis Arbovirus Research Laboratory.

### ***Community Education***

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NCMAD pursues a variety of outreach efforts to raise public awareness regarding methods to prevent and reduce local mosquito populations along with their disease potential. This includes posting educational information on NCMAD's website, distributing brochures, publishing notices in local newspapers, and making presentations to schools, home associations, and service clubs. NCMAD also utilizes local newspapers and radio stations to communicate regular service announcements between March and October.

### ***Physical Control***

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Physical control serves as NCMAD's primary means to manage mosquito habitat by modifying land to remove natural and man-made breeding grounds. This includes building dykes and levees along with ditching and plowing cracked ground. These actions help to eliminate stagnant water sources by improving water circulation and drainage of low-lying areas and local waterways. The Department of Health Services is responsible for reviewing all proposed work plans by NCMAD prior to implementation to ensure conformance with environmental regulations.<sup>12</sup>

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<sup>11</sup> NCMAD presently maintains three sentinel chicken stations located throughout Napa County. Each station consists of ten chickens. The chickens, which are immune to most vector-borne diseases, are routinely tested for exposure to Western Equine Encephalitis, Saint Louis Encephalitis, and West Nile Virus.

<sup>12</sup> NCMAD work plans are also reviewed for environmental conformance by the U.S. Fish and Wildlife Service, California Department of Fish and Game, Army Corp. of Engineers, State Water Quality Control Board, San Francisco Regional Water Quality Control Board, Central Valley Regional Water Quality Control Board, San Francisco Bay Conservation and Development Commission, and several local environmental organizations.

### ***Vegetation Management***

NCMAD occasionally supplements its physical control activities with a vegetation management program to improve surveillance and reduce mosquito populations. In addition to vegetation removal, this program involves applying herbicides within terminal water bodies, such as wastewater ponds, to impede growth and improve water circulation. Common herbicides used by NCMAD include Round Up, Rodeo, and Karmex DF.

### ***Biological Control***

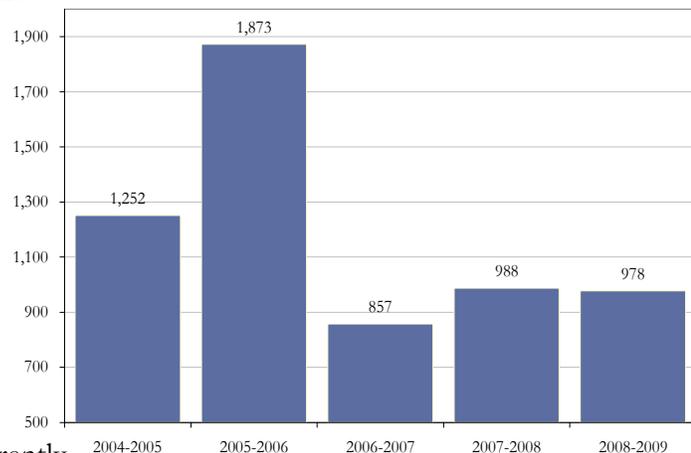
Biological control is used by NCMAD as a long-term strategy to manage mosquito larvae and prevent adult emergence. The primary biological control method involves stocking ponds, reservoirs, and other stagnant water sources with mosquitofish. Mosquitofish provide long-term control of larvae to permanent water bodies based on their reproductive capabilities. Another commonly used biological control involves the application of *Bacillus Sphaericus*, which is an aquatic bacterium used to terminate mosquito larvae.

### ***Chemical Control***

Chemical control is a short-term strategy used by NCMAD to manage both larvae and adult mosquitoes by applying pesticides either by hand, machine, or aircraft. The most common chemical controls used by NCMAD include two larvicides known as Golden Bear 1111 and Methoprene. These pesticides are applied using various forms of distribution and are effective against all mosquito species. Pyrethrin is the only adulticide used by NCMAD. This pesticide is used to control the Western Treehole Mosquito and is distributed using a truck mounted ultra-low volume mist machine during the early morning hours when winds are minimal. Pesticides are not used unless NCMAD determines other control measures would be ineffective in mitigating the mosquito population. Primary deterrents associated with the use of pesticides include cost, low residual effects, and environmental considerations. Appendix A summarizes pesticide uses by NCMAD over the last five years in terms of number of applications and quantities.

NCMAD has experienced nearly a one-fourth decline in service calls for mosquitoes over the last five years. Peak service call demands for mosquitoes during this period occurred in 2005-2006 and totaled 1,873. This amount is approximately one-half more than the number of calls received in 2008-2009 and attributed to greater public awareness aided by NCMAD's recently approved special assessment and media coverage involving the West Nile Virus.<sup>13</sup> Service calls relating to mosquitoes currently represent 87% of total calls received.

**Service Calls for Mosquitoes**



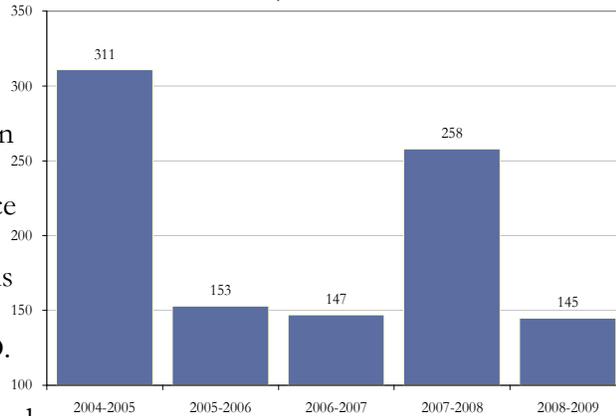
<sup>13</sup> Since testing began in 2002, there have been two positive human test results for West Nile Virus in Napa County. The positive test results occurred independently in 2006 and 2007; no deaths occurred. Overall, there have been 2,968 positive human test results for West Nile Virus in California, which have resulted in a mortality rate of 3.1% (93 deaths).

### 6.3 Yellowjacket Services

NCMAD's yellowjacket services were established in 2003 and represent its second largest allocation of resources. It consists of two coordinated activities aimed at containing and managing yellowjackets in Napa County: community education and chemical control. Community education is facilitated through preparation and distribution of informational literature, public speaking events, and responding to constituent inquiries. As needed, NCMAD provides chemical control of yellowjackets by applying pesticides to known nest sites.<sup>14</sup> Appendix A summarizes pesticide uses by NCMAD over the last five years in terms of number of applications and quantities.

NCMAD has experienced nearly a one-half decline in service calls for yellowjackets over the last five years. Peak service call demands for yellowjackets during this period occurred in 2004-2005 and totaled 311, which is approximately twice the number of service calls received in 2008-2009. The decline in service demands from the peak total is generally attributed to improved control measures implemented by NCMAD. Service calls relating to yellowjackets currently represent 13% of total calls received.

Service Calls for Yellowjackets

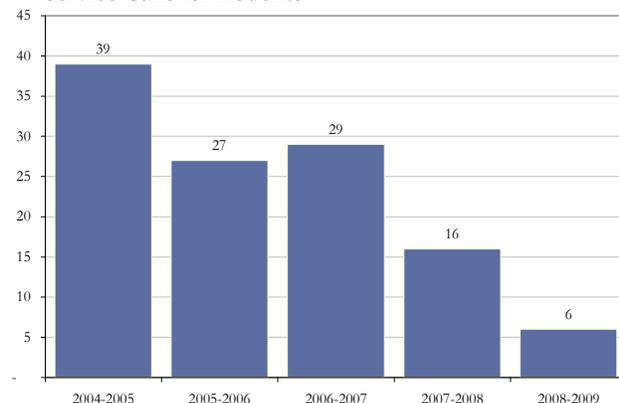


### 6.4 Rodent Services

NCMAD's rodent services were established in 2003 and account for its third largest allocation of resources. It consists of two coordinated activities: community education and field trappings. Community education is facilitated through preparation and distribution of informational literature, public speaking events, and responding to constituent inquiries. Field trappings are achieved through bait stations, which are placed at the request of the landowner. Rodents are also occasionally tested for rodent-borne diseases as part of a regional plague surveillance program, which is coordinated by DHS. This includes testing for Hantavirus and Arenavirus.

NCMAD has experienced nearly a four-fifths decline in service calls for rodents over the last five years. Peak service call demands for rodents occurred in 2004-2005 totaling 39. This amount is approximately six times the number of service calls received in 2008-2009. Service calls relating to rodents currently represent less than 1% of total calls received.

Service Calls for Rodents



<sup>14</sup> NCMAD reports the following yellowjackets are commonly found in Napa County: Aerial; Bald-Faced Hornet; Black Jacket; California; Common; Forest; German; Prairie; and Western.

## 6.5 Tick Surveillance and Disease Testing Services

NCMAD's tick surveillance and disease testing services were established in 2003 and account for its smallest allocation of resources. It consists of two coordinated activities relating to ticks and their disease potential in Napa County: surveillance and community education. Surveillance is achieved through trapping systems and field investigations. Ticks collected by NCMAD are tested for Rocky Mountain Spotted Fever and Lyme Disease. These efforts are complemented by NCMAD's community education activities. These include answering constituent inquiries, public speaking events, informational brochures, and posting information on NCMAD's website. Due to the nature of the program, service calls for tick surveillance and disease testing have been minimal. Only one service call has been recorded since the program was established.

## 7.0 Financial

### 7.1 Assets, Liabilities, and Equity

NCMAD contracts with a private consulting firm to prepare an annual report following the end of each fiscal year summarizing the agency's overall financial standing. The most recent report was prepared for the 2008-2009 fiscal year and includes audited financial statements identifying NCMAD's assets, liabilities, and equity as of June 30, 2009. These audited financial statements provide quantitative measurements in assessing NCMAD's short and long-term fiscal health and are summarized below.

#### Assets

NCMAD's assets at the end of the fiscal year totaled \$4.71 million. Assets classified as current, with the expectation they could be liquidated into currency within a year, represented slightly more than one-half of the total amount with the majority tied to cash investments.<sup>15</sup> Assets classified as non-current represented the remaining amount with the largest portion associated with NCMAD's administrative and workshop buildings at 15 Melvin Road in American Canyon.<sup>16</sup>

Category	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Current Assets	1.53	2.12	2.90	2.24	2.60
Non-Current Assets	1.58	1.65	1.62	1.94	2.11
Total Assets	\$3.11	\$3.77	\$4.52	\$4.19	\$4.71

*Amounts in millions*

<sup>15</sup> Current assets totaled \$2.60 million and include cash investments (\$2.34 million), accounts receivable (\$0.09 million), and inventory supplies (\$0.16 million).

<sup>16</sup> Non-current assets totaled \$2.11 million and include buildings (\$2.15 million), vehicles (\$0.33 million), and equipment (\$0.20 million) minus accumulated depreciation (\$0.59 million) plus land (\$0.01 million).

***Liabilities***

NCMAD’s liabilities at the end of the fiscal year totaled \$0.21 million. Current liabilities representing obligations owed within a year accounted for over four-fifths of the total amount and tied primarily to accounts payable.<sup>17</sup> Non-current liabilities accounted for the remaining one-fifth of the total amount and entirely tied to compensated absences.<sup>18</sup>

Category	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Current Liabilities	0.03	0.03	0.02	0.14	0.17
Non-Current Liabilities	0.02	0.02	0.02	0.03	0.04
Total Liabilities	\$0.05	\$0.05	\$0.04	\$0.17	\$0.21

*Amounts in millions*

***Equity***

NCMAD’s equity at the end of the fiscal year totaled \$4.50 million. This amount represents the difference between NCMAD’s total assets and total liabilities and includes \$2.39 million in unrestricted funds that can be used for any purposes. NCMAD relies on its unrestricted funds to cover operating expenses through the first two quarters of the fiscal year when it receives its first installment of property tax proceeds in December.

Category	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Invested in Capital Assets	1.59	1.65	1.62	1.95	2.11
Unrestricted Funds	1.47	2.07	2.86	2.08	2.39
Total Equity	\$3.06	\$3.72	\$4.48	\$4.03	\$4.50

*Amounts in millions*

NCMAD’s financial statements for 2008-2009 reflect the District experienced a positive change in its fiscal standing as its overall equity, or fund balance, increased by 12% from \$4.03 to \$4.50 million. Markedly, NCMAD has been able to increase its unrestricted portion of its fund balance by nearly two-thirds over the last five completed fiscal years from \$1.47 to \$2.39 million.

**2008-2009 Financial Statements**

Assets	\$4.712 million
Liabilities	\$0.208 million
Equity	\$4.504 million

Calculations performed assessing NCMAD’s liquidity, capital, and solvency indicate the District is in strong financial health. Liquidity remains high as NCMAD finished the fiscal year with current assets 15 times greater than its current liabilities along with 616 days cash sufficient to cover operating expenses.<sup>19</sup> NCMAD also finished with minimal debt relative to its equity. This indicates a strong capital structure as measured by NCMAD having less than one one-hundredth of long-term debt relative to its net assets.<sup>20</sup> NCMAD’s bottom line was also positive as revenues exceeded expenses by nearly one-fourth. This increase in the fund balance reflects NCMAD’s surplus in revenues over expenses during the fiscal year, which totaled \$0.47 million.<sup>21</sup>

<sup>17</sup> Current liabilities totaled \$0.17 million and include accounts payable (\$0.13 million) and accrued payroll (\$0.04 million).

<sup>18</sup> Non-current liabilities totaled \$0.04 million.

<sup>19</sup> NCMAD’s current ratio was 15.2:1.

<sup>20</sup> NCMAD’s debt-to-net-assets ratio was 0.8%.

<sup>21</sup> NCMAD’s total margin was 23.2%.

## 7.2 Revenue and Expense Trends

A review of NCMAD’s actual revenues and expenses identifies the District has generally maintained positive cash flow over the last six completed fiscal years, which extends to include the first year in which the special assessment was levied. Underlying the positive cash flow is the sizeable increase in ad valorem property tax proceeds that have risen by 55% or \$0.357 million. The cash flow margin, however, is trending negatively given actual total revenues as measured by percentage change are being surpassed by actual total expenses by two-to-one. Key increases in actual expense include salaries and benefits at 44% or \$0.31 million and services and supplies at 56% or \$0.15 million. The following table summarizes total actual revenues and expenses between 2003-2004 and 2008-2009.

<b>Fiscal Year</b>	<b>Actual Revenues</b>	<b>Actual Expenses</b>	<b>Difference</b>
2003-2004	\$1,821,575	\$1,481,065	\$340,510
2004-2005	\$2,442,931	\$2,037,668	\$405,263
2005-2006	\$1,867,282	\$1,324,796	\$542,486
2006-2007	\$1,829,771	\$1,154,967	\$674,804
2007-2008	\$1,962,682	\$2,757,343	(\$794,661)
2008-2009	\$1,988,958	\$1,793,485	\$195,473
Change (%)	9.2	21.1	---

\* NCMAD’s revenues and expenses between 2003-2004 and 2005-2006 reflect funds received and expended from the Napa River Flood Protection Project (“Measure A”) to relocate the District from Napa to American Canyon. Additionally, NCMAD incurred a shortfall in 2007-2008 due to paying a significant portion of its full other post employment benefit (OPEB) totaling \$1.0 million.

## 7.3 Annual Budget

NCMAD’s adopted budget for the 2009-2010 fiscal year totals \$2.02 million. This amount represents NCMAD’s total approved expenses or appropriations for the fiscal year within its two governmental fund accounts and reflects an approximate 11.9% increase from the prior year budget.<sup>22</sup> NCMAD estimates conservatively total revenues for the fiscal year will fall short of expenses by \$0.14 million and total \$1.88 million. Revenues overall are expected to slightly decrease by 1.1% from the prior year due to the decline in property tax values. An expanded review of adopted expenses and revenues for the fiscal year follows.

<b>2009-2010 Adopted Budget</b>	
Total Expenses:	\$2.02 million
Total Revenues:	\$1.88 million
Difference:	(\$0.14 million)

### General Operations Fund

NCMAD’s General Operations Fund supports basic mosquito abatement services. Approved expenses are estimated at \$1.09 million with apportionments dedicated to salaries and benefits (53%), services and supplies (32%), equipment (9%), and contingencies (6%). Estimated revenues are projected at \$0.98 million with proceeds expected to be supported through property taxes (94%), service charges (3%), and investments (3%). No end of year shortfall is expected based on NCMAD’s practice to adjust costs during the fiscal year to correspond with available revenues.

<sup>22</sup> NCMAD’s governmental fund accounts are divided between general operations and a special assessment.

***Special Assessment Fund***

NCMAD’s Special Assessment Fund accounts for the receipt and expense of monies earmarked to provide an elevated level of mosquito abatement services along with yellowjacket and rodent control, as well as tick surveillance and disease testing. Approved expenses are estimated at \$0.93 million and apportioned between salaries and benefits (55%), services and supplies (32%), contingencies (6%), buildings and improvements (5%), and equipment (2%). Estimated revenues are projected at \$0.90 million with proceeds expected to be drawn from the special assessment (94%), service charges (5%), and investments (1%).<sup>23</sup> No end of year shortfall is expected based on NCMAD’s practice to adjust costs during the fiscal year to correspond with available revenues.

**8.0 Regional Comparisons**

NCMAD is surrounded by four adjacent mosquito abatement districts serving Lake, Solano, Sonoma, and Yolo counties. A brief review of these adjacent districts indicates NCMAD’s resources generally lie within the regional median range based on staffing, revenues, and expenses relative to population and area served. These indicators are summarized below and suggest NCMAD’s service levels are comparable to regional standards with respect to providing vector control services.

<b>District</b>	<b>Staffing Per 1,000 Residents</b>	<b>Staffing Per 1,000 Acres</b>	<b>Revenues Per 1,000 Residents</b>	<b>Expenses Per 1,000 Residents</b>
Lake County MAD	0.125	0.009	\$28,112.28	\$25,036.99
Marin-Sonoma MAD	0.047	0.021	\$9,786.41	\$9,946.47
Napa County MAD	0.065	0.018	\$13,665.67	\$14,683.33
Sacramento-Yolo MAD	0.033	0.042	\$7,859.49	\$6,906.90
Solano County MAD	0.021	0.016	\$3,628.93	\$8,897.72

<sup>23</sup> The current annual special assessment is \$16.50 per calculated single-family equivalent (SFE) unit and is levied against all parcels in Napa County. All single-family residential units are assigned at 1.0 SFE, while condominiums, multi-family residential units, and mobile homes are factored at 0.74, 0.34, and 0.20 SFE, respectively. The majority of commercial and industrial properties are assigned a factor of 0.50 SFE. Wineries are assigned at 0.25 SFE and agricultural and open space uses are assigned at 0.002 SFE. The special assessment is reviewed annually and NCMAD is authorized to increase the levy by up to 3.0% based on the San Francisco Bay Area Consumer Price Index.

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## **IV. ENVIRONMENTAL REVIEW**

### **A. Municipal Service Review**

The municipal service review on NCMAD is a project under the California Environmental Quality Act (CEQA) given it may reasonably result in a future indirect physical change to the environment. The municipal service review is categorically exempt from further environmental review under Code of Regulations Section 15306. This exemption applies to basic data collection, research, and resource evaluation activities, which do not result in any serious or major disturbance to any environmental resource. This exemption applies to the municipal service review on NCMAD given it is strictly for information gathering purposes that may lead to an action which LAFCO has not approved, adopted, or funded.

### **B. Sphere of Influence Update**

The sphere update on NCMAD is a project under CEQA given it may reasonably result in a future indirect physical change to the environment. The sphere update is exempt from further environmental review under Code of Regulations Section 15061. This exemption is referred to as the “general rule” and applies to projects in which it can be seen with certainty there is no possibility the action may have a significant effect on the environment. This exemption applies to the sphere update on NCMAD given it can be seen with certainty the confirmation of the existing sphere will not result in any physical changes to the environment.

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## IV. SOURCES

### Agency Contacts

- Wesley Maffei, NCMAD Manager

### Documents

- LAFCO of Napa County, "1984 Baseline Report Sphere of Influence Establishment," November 1984
- NCMAD, "The Integrated Mosquito Management Program," October 1999
- NCMAD, "Budget for Fiscal Year 2003-2004"
- NCMAD, "Budget for Fiscal Year 2004-2005"
- NCMAD, "Budget for Fiscal Year 2005-2006"
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- NCMAD, "Management Report," June 2007 (R.J. Ricciardi, Inc.)
- NCMAD, "Management Report," June 2009 (R.J. Ricciardi, Inc.)
- NCMAD, "Engineer's Report," April 2008 (SCI Consulting Group)
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- California State Controller's Office Annual Reports, Fiscal Year 2004-2005 to 2008-2009
- Association of Bay Area Governments, "Projections and Priorities," 2009

### Websites

- Napa County Mosquito Abatement District, <http://www.napamosquito.org/>
- Mosquito and Vector Control Association of California, <http://mvcac.org/>
- Association of Bay Area Governments, <http://www.abag.org/>
- California State Controller's Office, <http://sco.ca.gov/>
- California Department of Finance, <http://www.dof.ca.gov/>
- California Department of Conservation, <http://www.conservation.ca.gov/Index/Pages/Index.aspx>

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
<b>Total Number of Applications</b>					
<b>Golden Bear 1111</b>	593	531	415	420	354
<b>Methoprene Liquid</b>	608	454	376	342	247
<b>Methoprene Pellets</b>	38	139	183	190	314
<b>Methoprene Briquets</b>	96	152	157	225	280
<b>BTI Liquid</b>	569	389	333	318	239
<b>Permethrin</b>	0	0	0	0	6
<b>Pyrethrin</b>	219	265	130	184	135
<b>Bacillus Sphaericus Granules</b>	0	6	9	36	124
<b>Drione</b>	213	109	113	202	145
<b>Allethrin</b>	29	22	13	17	6
<b>Total Amounts (Active Ingredient)</b>					
<b>Golden Bear 1111 (gallons)</b>	1,367.06	948.07	503.85	299.25	274.71
<b>Methoprene Liquid (gallons)</b>	69.81	139.28	66.13	62.78	47.81
<b>Methoprene Pellets (ounces)</b>	71.12	279.87	225.32	181.47	1,056.7
<b>Methoprene Briquets (ounces)</b>	9.14	16.66	14.29	66.44	52.35
<b>BTI Liquid (gallons)</b>	267.22	296.53	258.26	254.09	199.86
<b>Permethrin (gallons)</b>	0	0	0	0	5.58
<b>Pyrethrin (gallons)</b>	102.9	101.68	51.54	82	99.05
<b>Bacillus Sphaericus Granules (ounces)</b>	0	112	83	369.44	1,572.12
<b>Drione (ounces)</b>	722	306.1	377.4	553.76	428.73
<b>Allethrin (ounces)</b>	305.5	359	137	329.5	148

California Government Code Section 56430

(a) In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

- (1) Infrastructure needs or deficiencies.
- (2) Growth and population projections for the affected area.
- (3) Financing constraints and opportunities.
- (4) Cost avoidance opportunities.
- (5) Opportunities for rate restructuring.
- (6) Opportunities for shared facilities.
- (7) Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers.
- (8) Evaluation of management efficiencies.
- (9) Local accountability and governance.

(b) In conducting a service review, the commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area.

(c) The commission shall conduct a service review before, or in conjunction with, but no later than the time it is considering an action to establish a sphere of influence in accordance with Section 56425 or Section 56426.5 or to update a sphere of influence pursuant to Section 56425.

(d) Not later than July 1, 2001, the Office of Planning and Research, in consultation with commissions, the California Association of Local Agency Formation Commissions, and other local governments, shall prepare guidelines for the service reviews to be conducted by commissions pursuant to this section.



## LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

### *Policy on Municipal Service Reviews*

Adopted: November 3, 2008

#### **I. Background**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires the Commission to prepare municipal service reviews in conjunction with its mandate to review and update each local agency's sphere of influence every five years as necessary. The legislative intent of the municipal service review process is to inform the Commission with regard to the availability, capacity, and efficiency of governmental services provided within its jurisdiction prior to making sphere of influence determinations. Municipal service reviews must designate the geographic area in which the governmental service or services are under evaluation. Municipal service reviews must also include determinations addressing the governance factors prescribed under Government Code Section 56430 and any other matters relating to service provision as required by Commission policy.

#### **II. Purpose**

The purpose of these policies is to guide the Commission in conducting municipal service reviews. This includes establishing consistency with respect to the Commission's approach in the (a) scheduling, (b) preparation, and (c) adoption of municipal service reviews.

#### **III. Objective**

The objective of the Commission in conducting municipal service reviews is to proactively and comprehensively evaluate the level, range, and structure of governmental services necessary to support orderly growth and development in Napa County. Underlying this objective is to develop and expand the Commission's knowledge and understanding of the current and planned provision of local governmental services in relationship to the present and future needs of the community. The Commission will use the municipal service reviews not only to inform subsequent sphere of influence determinations but also to identify opportunities for greater coordination and cooperation between providers as well as possible government structure changes.

#### **IV. Municipal Service Review Policies**

##### **A. Scheduling**

Beginning in 2008, and every five years thereafter, the Commission will hold a public hearing to adopt a study schedule calendaring municipal service reviews over the next five year period. Public hearing notices will be circulated 21 days in advance to all local agencies as well as posted on the Commission website. The Commission will generally schedule municipal service reviews in conjunction with sphere of influence updates. The Commission, however, may schedule municipal service reviews independent of sphere of influence updates. The Commission may also amend the study schedule to add, modify, or eliminate calendared municipal service reviews to address changes in circumstances, priorities, and available resources.

In adopting a study schedule, the Commission will calendar three types of municipal service reviews. These three types of municipal service reviews are 1) service-specific, 2) region-specific, and 3) agency-specific and are summarized below.

- A service-specific municipal service review will examine particular governmental services across multiple local agencies on a countywide basis.
- A region-specific municipal service review will examine the range of governmental services provided by local agencies within a particular area.
- An agency-specific municipal service review will examine the breadth of governmental services provided by a particular local agency.

## **B. Preparation**

The Commission will encourage input among affected local agencies in designing the municipal service reviews to enhance the value of the process among stakeholders and capture unique local conditions and circumstances effecting service provision. This includes identifying appropriate performance measures as well as regional growth and service issues transcending political boundaries. The Commission will also seek input from the affected local agencies in determining final geographic area boundaries for the municipal service reviews. Factors the Commission may consider in determining final geographic area boundaries include, but are not limited to, spheres of influence, jurisdictional boundaries, urban growth boundaries, general plan designations, and topography.

The Commission will prepare the municipal service reviews but may contract with outside consultants to assist staff as needed. Data collection is an integral component of the municipal service review process and requires cooperation from local agencies. The Commission will strive to reduce the demands on local agencies in the data collection process by using existing information resources when available and adequate. All service related information compiled by local agencies will be independently reviewed and verified by the Commission.

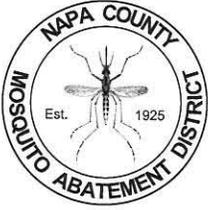
Each municipal service review will generally be prepared in three distinct phases. The first phase will involve the preparation of an administrative report and will include a basic outline of service information collected and analyzed by staff. The administrative report will be made available to each affected local agency for their review and comment to identify any technical corrections. The second phase will involve the preparation of a draft report that will be presented to the Commission for discussion at a public meeting. The draft report will incorporate any technical corrections identified during the administrative review and include determinations. The draft report will be made available to the public for review and comment for a period of no less than 21 days. The third phase will involve the preparation of a final report and will address any new information or comments generated during the public review period and will be presented to the Commission as part of a public hearing.

As noted, each municipal service review will include one or more determinations addressing each of the following governance factors required under Government Code Section 56430 and by Commission policy:

1. Growth and population projections for the affected area. (§56340(a)(1)).
2. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies. (§56340(a)(2))
3. Financial ability of agencies to provide services. (§56340(a)(3))
4. The status of, and opportunities for, shared facilities. (§56340(a)(4))
5. Accountability for community service needs, including governmental structure and operational efficiencies. (§56340(a)(5))
6. Relationship with regional growth goals and policies. (Commission)

### **C. Adoption**

The Commission will complete each scheduled municipal service review by formally receiving a final report and adopting a resolution codifying its determinations as part of public hearing.



# *Napa County Mosquito Abatement District*

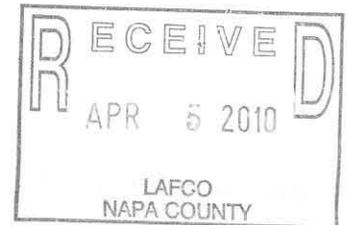
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5 April 2010

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



Subject: Written comments to Draft Napa County Mosquito Abatement District Municipal Service Review and Sphere of Influence Update.

Dear Mr. Freeman,

Thank you for forwarding copies of the Napa County Mosquito Abatement District Municipal Service Review and Sphere of Influence Update for review and comment by myself and our District Board of Trustees. Overall the District has found the update to be reasonably accurate and well done. I would like however to reiterate the following points for clarification as well as point out a couple of minor errors.

First, concerning the fifth bullet point on page 10, an additional note should be added here when comparing Napa MAD to other mosquito and vector control agencies. Specifically, there are many diverse factors to take into consideration which tend to be unique to each agency (e.g. microclimates, population density, ethnic/cultural diversity, constituent concerns, types and sizes of sensitive habitats and wetlands, amounts of wetlands restoration projects proposed or underway, diversity of sensitive or protected species, diversity of vector populations and habitats, and much more). Other than a gross overview of budgets, staffing, equipment used, training and the general practices concerning vector control and habitat management, each agency is quite unique.

Second, concerning the sixth bullet point on page 10, both verbally and in writing the District acknowledged that the unrestricted fund balance serves multiple purposes. Specifically, \$1.0 million of the unrestricted balance is the District's dry period cash that it operates with from July 1st through December 31st of each fiscal year. This addresses the District's desire to not borrow funds to maintain operations during this part of the fiscal year. Thus there is currently a \$1.39 million undesignated reserve. This reserve does allow the District to respond to urgent public health threats as well as unexpected changes in mosquito and vector populations (e.g. West End

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RON SOMPLE  
 St. Helena

Land Club, Stanly Ranch and Napa River SWOA Summer Salt Marsh Mosquito treatments from July-August 2009 resulted in an additional cost of \$60,599.14 in materials only ) The District is also preparing for what is projected to be substantial future costs associated with the escalation of wetlands enhancement and restoration projects (Cargill Salt Ponds, Napa River, American Canyon, Stanly Ranch, and numerous State Water Board storm water detention basin requirements with each and every development project over 1 acre in size) as well as compliance with increasing regulatory requirements (California Dept. of Fish and Game Stream Bed alteration permits, and NPDES permits for mosquito control by April 2011). These costs are expected to be quite substantial as the wetlands become more mature and the regulatory requirements continue to be further clarified by the regulatory agencies. Therefore, the District has already begun appropriate financial planning to address this pending issue.

Third, with respect to the second bullet point on page 11, Napa MAD does have a number of formal service agreements with local water and sanitary agencies (e.g. Napa Sanitation, City of American Canyon, Town of Yountville, City of St Helena, City of Calistoga, etc.).

Fourth, page 13, first paragraph, see comment number two above concerning the sixth bullet point on page 10. The dynamic nature of the District's work, coupled with the use of materials that are more costly, more labor intensive and have no residual effect necessitates that the District maintain sufficient cash on hand to effectively respond not only to urgent public health threats but also to maintain the District's current level of service into future years regardless of regulatory changes, population growth and wetlands enhancement projects.

Fifth, section 5.2, page 17 needs a minor correction. The General Manager oversees eight full-time staff.

Sixth, concerning the last line of the paragraph on surveillance (page 19), please note that chicken blood samples and mosquito pools are analyzed by the U.C. Davis Arbovirus Research Lab in cooperation with the California Department of Health Services. The District scientist collects the blood samples and mosquito pools and works with the Arbovirus research lab concerning the analysis. Also with respect to footnote 11, the District maintains three chicken flocks consisting of ten birds each.

Seventh, concerning the paragraph on community education (page 17), The District also runs informational ads from March through October in the Napa Register, American Canyon Eagle, Yountville Sun, St Helena Star, The Weekly Calistogan and the Calistoga Tribune. Furthermore the District also runs multiple weekly public service announcements Monday through Friday on both KVON and KVYN radio stations from March through October.

Eighth, concerning footnote 12 on page 17, District work plans are also closely reviewed by the State Water Quality Control Board, the San Francisco Regional Water Quality Control Board and the Central Valley Regional Water Quality Control Board.

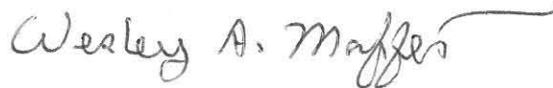
Ninth, concerning the service call graphs and charts on pages 18 and 20-21, it is important to note that 2004 and 2005 were significant years for two reasons, First, during mid 2003 the District had just undergone a County-wide benefit assessment election which resulted in

significantly greater public awareness of the District and its services, including newly available services. The demand for Yellowjacket control and advice about rodents tapered off as the programs became more established and the District got a better handle on population levels and control of these organisms. Please also keep in mind that prevailing weather conditions play a big factor in the population levels of these organisms. Second, 2003 through 2005 saw a tremendous amount of media attention concerning West Nile Virus which resulted in heightened public concerns about mosquitoes and mosquito-borne disease.

Lastly, concerning the District's revenue and expense trends chart on page 24, please note that in 2003 through 2005 the District received funds from the Napa River Restoration project as settlement for the District being relocated and having to construct a replacement facility. These funds totaled almost \$1.0 million. The unusual expenditure for fiscal year 2007-2008 is a result of the District funding its GASB45 requirement (Other Post Employment Benefits) which came to approximately \$1.008 million. The District was aware of the pending GASB45 requirement and had begun accumulating sufficient reserves in an attempt to meet the funding requirement of this Federal mandate. Fiscal year 2007-2008 was the first and most significant payment towards prefunding this requirement.

We appreciate all the work that you and your staff have put into this report. Thank you for the opportunity to respond to your inquiries and this report.

Respectfully,

A handwritten signature in cursive script that reads "Wesley A. Maffei". The signature is written in dark ink and has a long, sweeping horizontal line extending to the right from the end of the name.

Wesley A. Maffei  
Manager

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

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

**NAPA COUNTY MOSQUITO ABATEMENT DISTRICT  
SPHERE OF INFLUENCE REVIEW**

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

**WHEREAS**, the Executive Officer of the Commission, hereinafter referred to as “the Executive Officer”, prepared a review of the sphere of influence of the Napa County Mosquito Abatement District pursuant to said schedule and California Government Code Section 56425; and

**WHEREAS**, the Executive Officer prepared a written report of the review, including his recommendation to affirm with no changes the existing sphere of influence; and

**WHEREAS**, said Executive Officer’s report has 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 May 3, 2010; and

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

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

1. The Commission, as lead agency, hereby determines an action to affirm with no changes an agency’s existing sphere of influence qualifies for a general exemption from the requirements of the California Environmental Quality Act (CEQA). Approval to affirm an existing sphere of influence will not result in any land use changes or physical impacts to the environment. This proposal qualifies for a general exemption under CEQA because there is no possibility it will adversely affect the environment [CEQA Guidelines, Section 15061(b)(3)].
2. The sphere of influence review and update for the Napa County Mosquito Abatement District is APPROVED.

3. This sphere of influence review is assigned the following distinctive short-term designation:

**NAPA COUNTY MOSQUITO ABATEMENT DISTRICT  
SPHERE OF INFLUENCE REVIEW**

4. The sphere of influence for the Napa County Mosquito Abatement District is hereby affirmed with no changes to include the affected territory as shown on the attached map identified as "Exhibit A."
5. Pursuant to California Government Code Section 56425 of the Government Code, the Commission makes the statements of determinations in the attached "Exhibit B."
6. The effective date of this sphere of influence review shall be immediate.
7. The Executive Officer shall revise the official records of the Commission to reflect this review of the sphere of influence.

The foregoing resolution was duly and regularly adopted by the Commission at a meeting held on May 3, 2010 by the following vote:

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

ATTEST: Keene Simonds  
Executive Officer

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

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**EXHIBIT B**  
**STATEMENT OF DETERMINATIONS**

**NAPA COUNTY MOSQUITO ABATEMENT DISTRICT**  
**SPHERE OF INFLUENCE REVIEW**

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

The present and planned land uses within the sphere are outlined in the general plans prepared by the six land use authorities whose jurisdictions overlap Napa County Mosquito Abatement District's jurisdictional boundary. The exercise of the District's vector control services relating to mosquitoes, yellowjackets, rodents, and ticks support the urban and non-urban development contemplated in these general plans.

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

Napa County Mosquito Abatement District's provision of vector control services relating to mosquitoes, yellowjackets, rodents, and ticks in the sphere is an integral component in supporting present and future growth management in Napa County.

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

The Commission has confirmed through the municipal service review process Napa County Mosquito Abatement District has established adequate and effective vector control services relating to mosquitoes, yellowjackets, rodents, and ticks within the sphere.

- 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.**

The social and economic well-being of all lands within the sphere is dependent on Napa County Mosquito Abatement District's effective control mosquitoes, yellowjackets, rodents, and ticks.

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

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

**NAPA COUNTY MOSQUITO ABATEMENT DISTRICT  
MUNICIPAL SERVICE REVIEW**

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

**WHEREAS**, the Executive Officer of the Commission, hereinafter referred to as “the Executive Officer”, prepared a municipal service review on the Napa County Mosquito Abatement District pursuant to said schedule and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56000 of the California Government Code; and

**WHEREAS**, the Executive Officer prepared a written report on the municipal service review on the Napa County Mosquito Abatement District that was presented to the Commission in the manner provided by law; and

**WHEREAS**, the Executive Officer designated the geographic area of the municipal service review to generally include all lands located within Napa County; and

**WHEREAS**, the Commission heard and fully considered all the evidence presented at its public meetings concerning the municipal service review on the Napa County Mosquito Abatement District on April 5, 2010 and May 3, 2010; and

**WHEREAS**, as part of the municipal service review, the Commission is required pursuant to California Government Code Section 56430(a) to make a statement of written determinations with regards to certain factors.

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

1. In accordance with the adopted Local Agency Formation Commission Environmental Impact Report Guidelines, and applicable provisions of the California Environmental Quality Act (CEQA), the Commission hereby determines this municipal service review is exempt from the provisions of CEQA under Section 15306 of the State CEQA Guidelines (Title 14 of the California Code of Regulations Section 15306). The municipal service review is a data collection and research study. The information contained within the municipal service review may be used to consider future actions that will be subject to environmental review.

2. The Commission adopts the statement of written determinations prepared as part of the municipal service review on the Napa County Mosquito Abatement District set forth in "Exhibit A," which is attached and hereby incorporated by reference.

The foregoing resolution was duly and regularly adopted by the Commission at a regular meeting held on May 3, 2010 by the following vote:

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

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

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

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

ATTEST: Keene Simonds  
Executive Officer

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

## **EXHIBIT A**

### **NAPA COUNTY MOSQUITO ABATEMENT DISTRICT MUNICIPAL SERVICE REVIEW**

#### **WRITTEN STATEMENT OF DETERMINATIONS**

Growth and population projections for the affected area (Government Code 56430(a)(2))

- a) Napa County Mosquito Abatement District has experienced more than a one-tenth increase in its resident population over the last 10 years from an estimated 121,913 to 137,571. It is reasonable to assume the rate of population growth will decrease by more than one-half over the next 10 years due primarily to the residual effects of the national economic downturn and its impacts on housing. This assumption is consistent with projections issued by the Association of Bay Area Governments and suggests the District's resident population will reach 144,600 by 2020.
- b) Nearly one-half of the increase to Napa County Mosquito Abatement District's resident population over the last 10 years is attributed to the development of the City of American Canyon. This disproportional amount of new growth in southeast county necessitates the District continue to be proactive in abating mosquitoes due to the diminishing interface between urban and wetland uses in the southeast county region.
- c) California Department of Finance projects Napa County will continue to experience significant demographic changes as groups identified as non-whites become the majority by 2020. These changes present challenges for Napa County Mosquito Abatement District as it will need to adapt and expand its services to bridge more social and cultural barriers to help ensure its effectiveness in preventing and controlling vectors and their diseases.
- d) California Department of Conservation reports Napa County Mosquito Abatement District is experiencing a steady rate of urbanization as evident by the 12.3% increase in urban land uses over the last 10 years in Napa County. Continued urbanization will increase service demands by necessitating the District focus more on labor intensive control activities, such as physical and biological, in response to prevalent citizenry concerns regarding chemical impacts on the environment.

Exhibit A

Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies (Government Code 56430(a)(1))

- a) Napa County Mosquito Abatement District has established an adequate level of vector control services to limit the nuisance effects of mosquitoes, yellowjackets, rodents, and ticks consistent with constituent preferences as evident by a recently approved special assessment.
- b) There has been a concerted effort made by Napa County Mosquito Abatement District to proactively provide vector control services through self-initiated field work. These efforts have contributed to a one-fourth decline in service calls over the last five years and provide the District with additional capacity to redirect resources to address new and urgent demands as needed.
- c) Napa County Mosquito Abatement District's service demands are guided by a variety of seasonal, environmental, and land use factors. The District should prepare and regularly update a written review of its service activities to help effectively and economically guide its available resources to reflect the continuous changes in these external factors. This document would also serve as a valuable resource to the county's six land use authorities in understanding vector-related trends in relationship to overseeing growth and development within their respective jurisdictions.
- d) There is currently a four-fold increase in home mortgage default notices within Napa County compared to 2006 and the start of the national economic downturn. The increase in default notices and probable rise in unmaintained properties may create a new type of service demand on Napa County Mosquito Abatement District in controlling vector breeding grounds within urban residential areas.
- e) Napa County Mosquito Abatement District's resources generally lie within the median range of adjacent public vector control providers as measured by staffing, revenues, and expenses, which suggests the District's service levels are comparable to regional standards.

Financial ability of agencies to provide services (Government Code 56430(a)(3))

- a) Napa County Mosquito Abatement District has increased its unrestricted fund balance by nearly two-thirds over the last five years from approximately \$1.47 to \$2.39 million. The unrestricted fund balance provides the District over 20 months of cash to cover operating expenses as well as financial resources to respond to urgent public health or safety threats.
- b) The dynamic nature of vector control services underlies and supports Napa County Mosquito Abatement District's management decision to maintain a relatively high unrestricted fund balance rather than invest in fixed capital assets.

Exhibit A

- c) Napa County Mosquito Abatement District has established a healthy capital structure as measured by its low debt-to-equity ratio, which is less than one percent.
- d) Napa County Mosquito Abatement District has generally maintained positive cash flow since it began collecting its special assessment in 2003-2004. The cash flow margin is trending negatively as the rate of actual expenditures is surpassing the rate of actual revenues in terms of percentage change by two-to-one. It appears this trend, however, is an anomaly and the result of one-time expenses over the last few years associated with the District's new facilities and pre-funding its other post-employment benefit costs.
- e) Napa County Mosquito Abatement District benefits from a relatively stable source of funding given 90% of all revenues are drawn from property tax and special assessment proceeds.

Status of, and opportunities for, shared facilities (Government Code 56430(a)(4))

- a) Napa County Mosquito Abatement District works closely with a variety of federal, state, and local agencies in the development, operation, and delivery of its vector control services. This includes resource-sharing arrangements with the Marin-Sonoma and Solano Mosquito Abatement Districts. These efforts help economize staffing resources and coordinate the implementation of effective vector control services in the region.
- b) Napa County Mosquito Abatement District has established formal agreements with the Cities of American Canyon, Calistoga, St. Helena, and Yountville along with the Napa Sanitation District to provide regular vector control services within their respective incorporated jurisdictions. The District should consider expanding the scope of these agreements to include arrangements with the remaining local water and sewer special districts to help increase protection for unincorporated residential communities.

Accountability for community service needs, including governmental structure and operational efficiencies (Government Code 56430(a)(5))

- a) Napa County Mosquito Abatement District is governed by a responsive and dedicated board and staff. These characteristics enhance accountability and cultivate positive working relationships with members of the public and other local agencies.
- b) Napa County Mosquito Abatement District has measurably increased its organizational capacity over the last 10 years by doubling staff along with relocating and expanding its service facilities. The investment in additional resources reflects and supports management's commitment to proactively control vectors and vector-borne diseases in Napa County.

Exhibit A

- c) Vector control services provided by Napa County Mosquito Abatement District are currently limited to mosquitoes, yellowjackets, rodents, and ticks. All other services authorized under the District's principal act are deemed latent and would require Commission approval to activate under Government Code Section 56824.12. Divestiture of any current services would also require Commission approval.
- d) Napa County Mosquito Abatement District occasionally provides vector control services within adjacent outside lands through informal resource-sharing arrangements with the Marin-Sonoma and Solano Mosquito Abatement Districts. It appears the District provides these services as comparable substitutes for services already provided by the two adjacent agencies and therefore does not require Commission approval under Government Code Section 56133. Approval is only required if services are provided beyond existing levels of the affected agencies.
- e) It may be appropriate to amend Napa County Mosquito Abatement District's sphere to expand into Solano and Sonoma counties if the District's vector control services within these adjacent lands evolve from an occasional to a regular activity.
- f) Napa County Mosquito Abatement District's board meetings are conducted monthly with minimal to no participation from the public. The lack of public participation reflects a degree of disengagement between the District and its constituents and impedes feedback on new or changing vector control needs. The District should increase its constituent engagement by expanding the scope and value of its website to include meeting notices, agendas, minutes, and other pertinent documents underlying its activities.

Relationship with regional growth goals and policies (Government Code 56430(a)(6))

- a) NCMAD serves an important role in supporting growth management in Napa County by providing public health and safety protection against mosquitoes, yellowjackets, rodents, and ticks. This importance is accentuated given local land use policies generally orient residential and viticultural uses along common vector breeding grounds, namely the Napa River and its tributaries. Accordingly, it is imperative NCMAD continue to ensure its resources are sufficient to carry out its duties in an effective and timely manner.



**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>

**May 3, 2010**

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

April 26, 2010

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Amendments to Adopted Fee Schedule**

The Commission will consider amendments to its adopted fee schedule to reflect an increase in the composite hourly staff rate from \$103 to \$107.

Local Agency Formation Commissions (LAFCOs) are authorized to established fee schedules for the costs associated with administering its regulatory and planning duties under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This includes processing change of organization, outside service, and sphere of influence amendment proposals. LAFCOs' fee schedules shall not exceed the estimated "reasonable costs" in providing services. LAFCOs may also waive fees if it determines the payment would be detrimental to public interest.

**A. Background**

LAFCO of Napa County's ("Commission") fee schedule was comprehensively updated in June 2007 to improve cost-recovery for personnel and administrative overhead expenses associated with processing proposals. The update included re-categorizing common annexation and detachment proposals for purposes of assigning fixed application fees based on the (a) level of consent and (b) type of environmental review required. The update also included establishing a new method to calculate a composite hourly staff rate, which resulted in an increase from \$50 to \$90. This rate has been subsequently increased in each of the last two fiscal years and currently totals \$103. The Commission also established a surcharge on proposals in June 2009 to help contribute to the costs in preparing municipal service reviews equal to 20% of the application fee.

**B. Discussion**

In anticipation of the new fiscal year, staff has reviewed the Commission's fee schedule to consider whether amendments are warranted to help ensure an appropriate level of cost-recovery as well as to address other considerations. The review indicates amendments to the adopted fee schedule are justified to reflect an increase in the composite hourly staff rate from \$103 to \$107. This new rate has been calculated using the same method established three years ago as part of the comprehensive update and reflects the changes in the Commission's personnel and administrative overhead costs from 2009-2010 to 2010-2011 as summarized in the following tables.

Juliana Inman, Chair  
Councilmember, City of Napa

Lewis Chilton, Commissioner  
Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner  
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Commissioner  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
Executive Officer

**Current Composite Hourly Rate**

	Executive Officer	Analyst	Secretary
Salary/Benefit/Overhead Rate	\$123.30	\$88.37	\$95.63
Time Processing Proposals	40%	55%	5%
			\$102.71

**Proposed Composite Hourly Rate**

	Executive Officer	Analyst	Secretary
Salary/Benefit/Overhead Rate	\$126.66	\$92.95	\$97.39
Time Processing Proposals	40%	55%	5%
			\$106.66

**C. Analysis**

Amending the composite hourly staff rate from \$103 to \$107 would result in an across-the-board increase of 4% to the Commission's fee schedule. This increase does exceed the current year consumer price index for the San Francisco Bay Area of 1.8%.<sup>1</sup> However, as mentioned, the increase reflects the change in the Commission's projected personnel and administrative overhead costs for 2010-2011 and is consistent with its expressed desire to maintain an appropriate level of cost-recovery. The Commission's fee schedule with the increase would also remain at or below the median range for common annexation proposals among the other four Bay Area LAFCOs with similar schedules as reflected below.<sup>2</sup>

Annexations with 100% Consent (Exemption)		Annexations without 100% Consent (Exemption)	
Contra Costa	\$2,965	Contra Costa	\$2,965
Napa	\$3,852	Alameda	\$5,000
Sonoma	\$4,460	Napa	\$5,136
Alameda	\$4,500	Sonoma	\$8,100
Santa Clara	\$5,656	Santa Clara	\$11,408
Annexations with 100% Consent (Initial Study/N.D.)		Annexations without 100% Consent (Initial Study/N.D.)	
Contra Costa	\$3,515	Contra Costa	\$3,515
Napa	\$4,494	Alameda	\$5,000
Alameda	\$4,500	Napa	\$5,778
Sonoma	\$5,150	Sonoma	\$8,790
Santa Clara	\$5,869	Santa Clara	\$11,408

<sup>1</sup> The percentage reflects change in goods and services cost between February 2009 and February 2010 according to the United States Bureau of Labor Statistics.

<sup>2</sup> The other three Bay Area LAFCOs' (Marin, Solano, and San Francisco) fee schedules are based on acreage size of the affected territory.

Annexations with 100% Consent (Initial Study/E.I.R.)		Annexations without 100% Consent (Initial Study/E.I.R.)	
Contra Costa	\$3,765	Contra Costa	\$3,765
Alameda	\$4,500	Alameda	\$5,000
Napa	\$5,136	Napa	\$6,420
Sonoma	\$5,750	Sonoma	\$9,390
Santa Clara	\$6,525	Santa Clara	\$11,408

In considering the proposed amendments, the Commission should note the law requires a minimum of 60 days between the adoption and implementation of new fees.<sup>3</sup> The Commission may choose to extend the effective date if desired. The Commission may also choose to grandfather active proposals under the previous fee schedule at the time the amendments become effective.

#### D. Alternatives for Commission Action

After opening the public hearing, the Commission should consider taking one of the following actions.

**Option One:** Close the public hearing and adopt the attached draft resolution approving the amended fee schedule with or without changes. The Commission shall specify the effective date of the amended fee schedule to be no earlier than July 2, 2010 and whether to grandfather active proposals under the previous fee schedule.

**Option Two:** Close the public hearing and take no action.

**Option Three:** Continue the public hearing if more information is needed.

#### E. Recommendation

Staff recommends the Commission approve the proposed amendments to the fee schedule identified in the preceding section as Option One. It is also recommended that the effective date be July 2, 2010 with no grandfathering for active proposals.

Respectfully submitted,

---

Keene Simonds  
Executive Officer

Attachments:

- 1) Proposed Amended Fee Schedule (Changes Tracked)
- 2) Draft Resolution Approving Amended Fee Schedule
- 3) Calculation for Composite Hourly Staff Rate
- 4) Calculation for Fixed Hours for Common Annexations and Detachments

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<sup>3</sup> California Government Code Section 66017(a)

*Amendments to Fee Schedule*

*May 3, 2010*

*Page 4 of 4*



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

Effective Date: ~~December 7, 2009~~ July 2, 2010

The policy of the Commission is:

1. This fee schedule shall be administered in accordance with the provisions of California Government Code Section 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 ~~\$103~~107.00.
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 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: ~~\$3,708~~3,852(30 hours)
- Without 100% consent of property owners and affected agencies: ~~\$4,944~~5,136 (40 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: ~~\$4,326~~4,494(35 hours)
- Without 100% consent of property owners and affected agencies: ~~\$5,562~~5,778 (45 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: ~~\$4,944~~5,136(40 hours)
- Without 100% consent of property owners and affected agencies: ~~\$6,180~~6,420 (50 hours)

- \* All initial application fees for annexation and detachment proposals include a 20% surcharge to contribute to the costs in preparing municipal service reviews.
- \* Annexation or detachment proposals that involve boundary changes for more than two agencies and qualify as reorganizations will be charged an additional fee of \$515 (5 hours).
- \* City annexations involving entire unincorporated islands and subject to California Government Code Section 56375.3 will be charged a flat fee of \$500.
- \* If the Commission is the Lead Agency and an Initial Study is needed to determine whether a Negative Declaration or Environmental Impact Report is appropriate, 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:  
(Establishment, Amendment, or Update) Actual Cost

| **Request to Activate Latent Power** \$~~4,944~~5,136 (40 hours)

\* The initial application fee for the activation of a latent power includes a 20% surcharge to contribute to the costs in preparing municipal service reviews.

| **Request for an Extension of Time** \$~~515~~535 (5 hours)

| **Request to Approve an Outside Service Agreement** \$~~2,417~~2,568 (20 hours)

\* The initial application fee to approve an outside service agreement includes a 20% surcharge to contribute to the costs in preparing municipal service reviews.

| **Request for Reconsideration** \$~~2,060~~(2,140) (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") \$447 (3 hours)

**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: \$2,792.25
- Negative Declaration: \$2,010.25
- Mitigated Negative Declaration \$2,010.25
- Clerk-Recorder Filing Fee: \$50.00

Commission as Responsible Agency

- Notice of Determination (Represents Clerk Filing Fee): \$50.00
- Notice of Exemption (Represents Clerk Filing Fee): \$50.00

**Filing of Change to 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)

**RESOLUTION NO: \_\_\_\_\_**

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
AMENDMENTS TO ADOPTED SCHEDULE OF FEES AND DEPOSITS**

**WHEREAS**, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) authorizes the Local Agency Formation Commission of Napa County (hereinafter referred to as the “Commission”) to adopt a fee schedule; and

**WHEREAS**, the Commission established and adopted by resolution a “Schedule of Fees and Deposits” on December 1, 2001 in a manner provided by law; and

**WHEREAS**, the Commission has amended the adopted Schedule of Fees and Deposits as appropriate since its establishment on December 1, 2001; and

**WHEREAS**, the Commission has scheduled and noticed a public hearing on May 3, 2010 to consider new amendments to its Schedule of Fees and Deposits; and

**WHEREAS**, as part of a scheduled and noticed public hearing on May 3, 2010 verbal and written comments on the proposed amendments to the adopted Schedule of Fees and Deposits were received from the general public, and these comments were considered by the Commission; and

**WHEREAS**, the Commission has determined that the adoption of amendments to its Schedule of Fees and Deposits is exempt from the provisions of California Environmental Quality Act (CEQA) under Sections 15273(a) of the California Code of Regulations.

**NOW, THEREFORE, BE IT RESOLVED** by the Commission that the Schedule of Fees and Deposits shall be amended and readopted in the manner set forth in Exhibit “A” effective July 2, 2010 and that this action is categorically exempt from the provisions of CEQA.

The foregoing resolution was duly and regularly adopted at a regular meeting of the Commission held on May 3, 2010, by the following vote:

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

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

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

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

ATTEST: Keene Simonds  
Executive Officer

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



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

### Composite Hourly Staff Rate Calculation in 2010-2011

#### Step One: Calculating Hourly Input Rates

##### Input No. 1: Staff Salaries

<u>Budgeted Position</u>	<u>Hourly Rate</u>	
Executive Officer	\$ 52.54	(Step Five 1.0 FTE)
Staff Analyst	\$ 28.52	(Step Three: 1.0 FTE)
Secretary	\$ 22.56	(Step Five: 0.5 FTE)

##### Input No. 2: Staff Benefits

<u>Benefit</u>	<u>Executive Officer</u>		<u>Staff Analyst</u>		<u>Secretary</u>	
Retirement (Pension)	\$ 9.45	\$	5.44	\$	3.88	\$
Retirement (OPEB)	\$ 1.76	\$	1.76	\$	1.69	\$
Medicare	\$ 0.76	\$	0.46	\$	0.33	\$
Health/Dental Insurance	\$ 6.31	\$	3.91	\$	16.06	\$
Workers Compensation	\$ 0.04	\$	0.04	\$	0.04	\$
Car Allowance	\$ 2.54	\$	-	\$	-	\$
Cell Phone Allowance	\$ 0.43	\$	-	\$	-	\$
Total	\$ 21.29	\$	11.60	\$	22.00	\$

##### Input No. 3: Administrative Overhead Costs

<u>Overhead</u>	<u>Total Budget</u>		<u>Hourly Cost</u>	
Office Lease	\$ 29,280	\$	14.08	\$
Insurance	\$ 444	\$	0.21	\$
Communications	\$ 3,500	\$	1.68	\$
Legal Expense	\$ 26,010	\$	12.50	\$
ITS	\$ 18,439	\$	8.86	\$
EDMS Replacement	\$ 3,931	\$	1.89	\$
Auditing Services	\$ 8,277	\$	3.98	\$
Training	\$ 4,000	\$	1.92	\$
Special Dept. Expenses	\$ 1,000	\$	0.48	\$
Office Supplies	\$ 15,000	\$	7.21	\$
Total	\$ 109,881	\$	52.83	\$

\* Total budget divided by the number of work hours for one fulltime employee in a year (2,080)

#### Step Two: Calculating Hourly Staff Rates Per Budgeted Position

<u>Input</u>	<u>Executive Officer</u>		<u>Staff Analyst</u>		<u>Secretary</u>	
Staff Pay	\$ 52.54	\$	28.52	\$	22.56	\$
Staff Benefit	\$ 21.29	\$	11.60	\$	22.00	\$
Overhead	\$ 52.83	\$	52.83	\$	52.83	\$
Total	\$ 126.66	\$	92.95	\$	97.39	\$

#### Step Three: Calculating a Weighted Hourly Staff Rate

<u>Factor</u>	<u>Executive Officer</u>		<u>Staff Analyst</u>		<u>Secretary</u>	
Staff Rate	\$ 126.66	\$	92.95	\$	97.39	\$
% Processing Proposal	40.0%		55.0%		5.0%	
<b>Weighted Staff Rate</b>	<b>\$</b>		<b>\$</b>		<b>106.66</b>	

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**Staff Hours**  
**(CEQA: EIR/ND)**

Without  
100% Consent

1.0  
0.5  
1.0  
5.0  
2.0  
1.5  
2.0  
2.0  
1.5  
14.0  
2.0  
1.0  
1.0  
1.5  
1.0  
5.0  
1.0  
1.5  
2.0  
2.0

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48.5

50.0

5,350.00

1,070.00

**\$ 6,420.00**

6,180.00

\$ 240.00

4%



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

**Fixed Application Fees for Annexations and Detachments**  
**(LAFCO as Responsible Agency)**

Step	Process	Staff Hours (CEQA: Exemption)		Staff Hours (CEQA: Initial Study/ND)		With 100% Consent
		With 100 % Consent	Without 100% Consent	With 100% Consent	Without 100% Consent	
1	Initial Consultation	1.0	1.0	1.0	1.0	1.0
2	Receive and Set Up Proposal File	0.5	0.5	0.5	0.5	0.5
3	Preliminary Proposal Review	1.0	1.0	1.0	1.0	1.0
4	Preliminary CEQA Review	1.0	1.0	2.5	2.5	5.0
5	Prepare and Circulate Agency Review	2.0	2.0	2.0	2.0	2.0
6	Prepare and Circulate Property Tax Exchange Notice	1.5	1.5	1.5	1.5	1.5
7	Prepare and Circulate Request for Registered Voter List	-	2.0	-	2.0	-
8	Prepare and Circulate Status Letter	2.0	2.0	2.0	2.0	2.0
9	Prepare and Post Hearing Notice	-	1.5	-	1.5	-
10	Prepare Staff Report and Resolution	10.0	10.0	12.0	12.0	14.0
11	Review and Finalize Staff Report and Resolution	2.0	2.0	2.0	2.0	2.0
12	Prepare and Circulate Certificate of Filing	1.0	1.0	1.0	1.0	1.0
13	Commission Meeting	0.5	1.0	0.5	1.0	0.5
14	Prepare and Record Environmental Document	1.5	1.5	1.5	1.5	1.5
15	Prepare and Circulate Notice of Commission Action	1.0	1.0	1.0	1.0	1.0
16	Conducting Authority Proceedings	-	5.0	-	5.0	-
17	Finalize Resolution	1.0	1.0	1.0	1.0	1.0
18	Prepare and Record Certificate of Completion	1.5	1.5	1.5	1.5	1.5
19	Prepare and File Boundary Change with SBE	2.0	2.0	2.0	2.0	2.0
20	Close Proposal File and Scan Contents	2.0	2.0	2.0	2.0	2.0
Total Staff Hours:		31.5	40.5	35.0	44.0	39.5
Total Staff Hours Rounded:		30.0	40.0	35.0	45.0	40.0
Application Fee						
Staff Hours (@ \$107 Hourly Rate)		3,210.00	4,280.00	3,745.00	4,815.00	4,280.00
Municipal Service Review Surcharge (@ 20%)		642.00	856.00	749.00	963.00	856.00
		<b>\$ 3,852.00</b>	<b>\$ 5,136.00</b>	<b>\$ 4,494.00</b>	<b>\$ 5,778.00</b>	<b>\$ 5,136.00</b>
Current Fee (@ \$103 Hourly Rate)		\$ 3,708.00	4,944.00	4,326.00	5,562.00	4,944.00
Increase		\$ 144.00	\$ 192.00	\$ 168.00	\$ 216.00	\$ 192.00
		4%	4%	4%	4%	4%

**Alameda**

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	Exempt	IS/ND	EIR
No Hearing	900.00	1,930.00	3,313.00
Hearing	1,575.00	2,590.00	3,800.00

**Contra Costa**

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	Exempt	ND	EIR
Annexation/Detachment:	2,965.00	3,515.00	3,765.00
Reorganization:	3,885.00	4,635.00	4,885.00

**Santa Clara**

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	Exempt	ND	EIR
No Hearing	5,656.00	5,869.00	6,525.00
(deposits) Hearing	11,408.00	11,408.00	11,408.00



**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>

**May 3, 2010**  
**Agenda Item No. 7a (Action)**

April 26, 2010

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Establishment of an Ad Hoc Committee on Policies and Procedures:  
Continuation from the April 5, 2010 Meeting**

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

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At its April 5, 2010 meeting, the Local Agency Formation Commission of Napa County ("Commission") received a staff report recommending the establishment of an ad hoc committee to comprehensively review and update the agency's policies and procedures. The recommendation is consistent with the interest expressed by Commissioners during its recent workshop with the underlying goal of providing clear direction in guiding the agency in fulfilling its evolving directives in a manner responsive to local conditions. Four distinct tasks for the ad hoc committee were outlined beginning with an evaluation of the Commission's core objectives and priorities. Key policy issues to be address in the review and update were also outlined and include defining key terms, prescribing timing factors, and establishing quantifiable measurements in proposal review.

**A. Discussion**

The Commission agreed at its April 5, 2010 meeting to continue discussing the possible roles and duties of an ad hoc committee in order to receive input from Commissioners Chilton and Kelly. The Commission also requested additional information regarding the ad hoc committee's (a) potential composition and (b) task deadlines.

**B. Analysis**

***Potential Composition***

The April report recommended the Commission appoint any two of its members to the ad hoc committee, which would be staffed by the Executive Officer. This composition option would allow the ad hoc committee to meet without triggering compliance with the Brown Act due to the lack of a quorum. Several Commissioners, however, expressed interest in expanding the composition to include one member from each of its three

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Juliana Inman, Chair  
Councilmember, City of Napa

Lewis Chilton, Commissioner  
Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner  
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Commissioner  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
Executive Officer

appointment categories: 1) county; 2) city; and 3) public. This second composition option would provide equal representation on the ad hoc committee, but necessitate noticing and open meeting requirements under the Brown Act. Most notably, this would include providing no less than 72 hour posted notice for all meetings as well as providing reasonable accommodations for attendees. The latter consideration is most pertinent for the Commission given its office's conference room can only accommodate a total of eight persons. Two alternative meeting sites are available depending on the date and time, the County's Board Chambers and Napa County Transportation and Planning Agency's Board Room. Staff is confident one of these alternative sites would be available to the ad hoc committee if needed.

Interest in a third composition option was also discussed at the April meeting to include a member(s) from the general public. This option would presumably provide an "outsider" perspective on the appropriate policies and procedures of the Commission relative to the present and future needs of the community. Appointment of an outside public member(s) could be made similar to the selection of the regular and alternate public members and based on an open application process. This third option, though, would likely require a two to three month delay in the ad hoc committee initiating work on its assigned tasks due to the time tied to recruiting and interviewing applicants.

### ***Task Deadlines***

As mentioned, the April report outlined four distinct tasks for the ad hoc committee to complete in reviewing and updating the Commission's policies and procedures. The first three tasks are expected to require a considerable amount of time given the scope and complexity of the underlying issues. These factors make it difficult to project an informed deadline. Given this uncertainty, staff suggests the ad hoc committee provide regular updates on its activities at each Commission meeting with the broad goal of completing the first three tasks outlined in the April report within one calendar year.

### **C. Recommendation**

It is recommended the Commission take the following actions:

- 1) Establish an Ad Hoc Committee on Policies and Procedures to include no less than two appointed Commissioners and the Executive Officer;
- 2) Appoint no less than two Commissioners to the Ad Hoc Committee on Policies and Procedures;
- 3) If desired, direct the Executive Officer to recruit candidates to serve as an outside public member(s) on the Ad Hoc Committee on Policies and Procedures and schedule the appointment by the Commission at a future public meeting;

- 4) Direct the Ad Hoc Committee on Policies and Procedures to accomplish the tasks listed below with or without any changes; and
  - a) Review and update the Commission's objectives and priorities.
  - b) Develop baseline standards with respect to review of proposals.
  - c) Examine and amend Commission policies and procedures for consistency.
  - d) Create a codified policies and procedures document.
  
- 5) Direct the Ad Hoc Committee on Policies and Procedures to provide regular updates to the Commission with the goal of completing its assigned tasks within one calendar year.

Respectfully submitted,

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Keene Simonds  
Executive Officer

Attachment:

- 1) Staff Report from April 5, 2010



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

1700 Second Street, Suite 268  
 Napa, California 94559  
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**April 5, 2010**  
**Agenda Item No. 8a (Action)**

March 29, 2010

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Establishment of an Ad Hoc Committee on Policies and Procedures**

The Commission will consider establishing an ad hoc committee to review and update the agency's policies and procedures. Additional actions to be considered include appointments and defining a scope of work.

Local Agency Formation Commissions (LAFCOs) are responsible for regulating the formation and development of local governmental agencies and their municipal services under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH"). LAFCOs commonly exercise their regulatory actions by processing applicant proposals, which most frequently include annexation and detachment requests. LAFCOs are required to inform their regulatory actions through various planning activities, namely preparing municipal service reviews and sphere of influence updates. All regulatory actions undertaken by LAFCOs must be consistent with their written policies and procedures. LAFCOs may also condition approval as long as they do not directly regulate land use.

**A. Discussion**

At its February 1, 2010 meeting, LAFCO of Napa County ("Commission") received a presentation from staff regarding the different factors required for review in processing applicant proposals. The presentation was provided for informational purposes as part of the Commission's biannual workshop and noted the list of factors have more than doubled since 2000. Staff noted a key challenge in assessing these factors in the review of applicant proposals is drawn from the lack of applicable standards and directives in the Commission's adopted policies and procedures, the majority of which were established prior to CHK.

In discussing the presentation materials, the Commission expressed interest in forming an ad hoc committee to comprehensively review and update the agency's policies and procedures. Commissioners commented the underlying goal of the review and update should be to provide clear direction in guiding the agency in fulfilling its evolving legislative directives in a manner responsive to local conditions. The Commission accordingly asked staff to return with an outline of specific tasks for the ad hoc committee to perform in anticipation of making possible appointments.

Juliana Inman, Chair  
 Councilmember, City of Napa

Lewis Chilton, Commissioner  
 Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner  
 Councilmember, City of American Canyon

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 County of Napa Supervisor, 2nd District

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 Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
 Representative of the General Public

Keene Simonds  
 Executive Officer

## **B. Analysis**

Establishing an ad hoc committee to review and update the Commission's policies and procedures should focus on accomplishing four distinct tasks. The first task would involve reviewing and updating the Commission's basic objectives and priorities under CKH by amending its Policy Determinations as needed. The second task would involve developing a baseline in reviewing proposals with respect to determining the type of information needed from applicants and level of analysis required by staff. This task would include identifying standards for individual proposal factors. The third task would involve examining and amending all other Commission policies and procedures to ensure, among other issues, internal consistency. The final phase would involve creating a single document containing all Commission policies and procedures with appropriate narratives. The document would serve the Commission similarly to a general plan in terms of directing the agency in exercising its regulatory and planning responsibilities in a fair and consistent manner.

The completion of each task will inform the next and therefore should be accomplished in phases. Pertinent policy issues to be addressed in the review and update include:

- Defining key terms
- Prescribing appropriate timing for certain proposals
- Establishing quantifiable measurements in evaluating proposal factors
- Imposing standard approval conditions
- Requiring automatic proposal modifications
- Organizational structure and management

## **C. Recommendation**

It is recommended the Commission take the following actions:

- 1) Establish an Ad Hoc Committee on Policies and Procedures consisting of two appointed Commissioners and the Executive Officer;
- 2) Appoint two Commissioners to the Ad Hoc Committee;
- 3) Direct the Ad Hoc Committee to accomplish the tasks listed below; and
  - a) Review and update the Commission's objectives and priorities
  - b) Develop baseline standards with respect to proposal review
  - c) Examine and amend Commission policies and procedures for consistency
  - d) Create a codified policies and procedures document
- 4) Direct the Ad Hoc Committee to report back to the Commission for approval either at the conclusion of (a) each assigned task or (b) all assigned tasks.

Respectfully submitted,

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Keene Simonds  
Executive Officer

Attachment:

~~1) Presentation Materials from February 1, 2010 meeting~~