



LAFCO MEETING AGENDA

June 5, 2006

4:00 P.M.

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

Bill Dodd, Chair
Dr. Andrew Alexander, Vice-Chair
Kevin Block, Commissioner
Guy Kay, Commissioner
Brad Wagenknecht, Commissioner
Cindy Coffey, Alt. Commissioner
Brian Kelly, Alt. Commissioner
Mark Luce, Alt. Commissioner

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

1. CALL TO ORDER; ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

Minutes of April 3, 2006 Regular Meeting
Minutes of May 19, 2006 Special Meeting

4. PUBLIC COMMENT

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

5. CONSENT CALENDAR

Staff recommends approval of all items on the consent calendar. Proposed changes of organization or reorganization appearing on the consent calendar meet the provisions of applicable sections of the California Government Code that allow the Commission to waive subsequent protest and election proceedings.

a) Adoption of Calendar for July 2006 to December 2006 (Action)

The Commission will consider scheduling regular meetings for August 7, October 2, and December 4.

b) Request for Extension of Time: *Hagen Road No. 4 District Annexation to the Napa Sanitation District* (action)

The Commission will consider a request by the affected property owner to extend by one year the deadline for completion of the terms and conditions imposed by LAFCO Resolution 05-19. The proposal was approved by the Commission on August 1, 2005, and is meant to facilitate the connection of one single-family residence to the NSD sewer system. (APN: 049-190-015)

c) Request for Extension of Time: *Argyle Street No. 5 District Annexation to the Napa Sanitation District* (action)

The Commission will consider a request by the affected property owners to extend by one year the deadline for completion of the terms and conditions imposed by LAFCO Resolution 05-18. The proposal was approved by the Commission on August 1, 2005, and is meant to facilitate the connection of one single-family residence to the NSD sewer system. (APN: 007-261-008)

d) Amendment to Professional Services Agreement with Cotton/Bridges/Associates (Action)

The Commission will consider a second amendment to its agreement for staff support services with Cotton/Bridges/Associates to retroactively extend the term to March 31, 2006. No increase in the dollar amount of the agreement is proposed.

6. PUBLIC HEARING

a) Adoption of FY06-07 Final Budget

The Commission will consider a resolution adopting a final budget for FY06-07. (California Government Code §56381)

7. COMMISSION ACTION ITEMS

a) Nominations for CALAFCO Executive Board

The Commission shall consider whether to submit any nominations for vacancies on the CALAFCO Executive Board. The election will be held at the CALAFCO Annual Conference on Wednesday, September 6, 2006 in San Diego.

8. COMMISSION DISCUSSION

a) Napa Sanitation District: Comprehensive Sphere of Influence Review

The Commission will review an updated report prepared as part of the comprehensive sphere of influence review of the Napa Sanitation District. The report, which includes recommendations for an updated sphere of influence, is being presented for a first-reading. (California Government Code §56425)

b) Comprehensive Study of Sanitation/Wastewater Treatment Providers

The Commission will review draft determinations regarding the sewer service operations of the Circle Oaks County Water District, Lake Berryessa Resort Improvement District, Napa-Berryessa Resort Improvement District, Napa River Reclamation District No. 2109, and the Spanish Flat Water District. The draft determinations are being presented for a first-reading. (California Government Code §56340)

c) Comprehensive Study of Landscaping and Lighting Districts

The Commission will review draft determinations regarding the service operations of the County Service Area No. 3 and the Silverado Community Services District. The draft determinations are being presented for a first-reading. (California Government Code §56430)

d) Comprehensive Study of Fire Protection Services

The Commission will receive a draft copy of a municipal service review report on fire protection services in Napa County. The report represents the first phase of the Commission's review of public fire protection services and is being presented for preliminary discussion. (California Government Code §56430)

e) LAFCO Study Schedule: Status Report

The Commission will review a status report on its study schedule for municipal service reviews and sphere of influence updates. The status report is being presented for review and provides a summary of completed, active, and pending studies. The status report also provides an update on a pending governance study for the Lake Berryessa area. (California Government Codes §56430 and §56425)

9. EXECUTIVE OFFICER REPORT

The Commission will receive an oral report from the Executive Officer regarding present and planned staff activities.

10. CLOSED SESSION

a) Consideration of Public Employee Appointment:

Title: Executive Officer (California Government Code §56384)

11. INFORMATION ITEMS

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

a) CALAFCO Annual Conference

The CALAFCO Annual Conference is scheduled for September 5-7, 2006 in San Diego.

12. NEW BUSINESS/COMMISSIONER COMMENTS

13. ADJOURNMENT TO NEXT REGULAR MEETING

Adjournment to next meeting, as established under Agenda Item No. 5a.



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

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

JUNE 5, 2006
AGENDA ITEM NO. 5a

May 25, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Acting Executive Officer

SUBJECT: Adoption of Calendar for July 2006 to December 2006
The Commission will consider the adoption of a regular meeting calendar for the second-half of calendar year 2006.

The Commission's *Policy on the Regular Commission Meeting Calendar* calls for regular meetings to be scheduled for 4:00pm on the first Monday of even-numbered months. For the second six months of 2006, those dates are August 7, October 2, and December 4.

RECOMMENDATION

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

1. Adopt a regular meeting calendar for the second-half of calendar year 2006 to include August 7, October 2, and December 4.

Respectfully submitted,

Keene Simonds
Acting Executive Officer

Dr. Andrew Alexander, Vice-Chair
Mayor, City of Calistoga

Kevin Block, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alt. Commissioner
Councilmember, City of American Canyon

Bill Dodd, Chair
Supervisor, 4th District

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Guy Kay, Commissioner
Representative of the General Public

Brian Kelly, Alt. Commissioner
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Keene Simonds
Acting Executive Officer



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JUNE 5, 2006
AGENDA ITEM NO. 5b

May 25, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Acting Executive Officer

SUBJECT: **Request for Extension of Time: *Hagen Road No. 4 District Annexation to the Napa Sanitation District***
The Commission will consider a request by the affected property owner to extend by one year the deadline for completion of the terms and conditions imposed by LAFCO Resolution 05-19.

California Government Code Section §57001 requires that a Certificate of Completion be filed within one year of annexation approval by the Commission. This code section permits the Commission to authorize an extension of time deemed reasonable for the completion of necessary terms and conditions. It has been the practice of the Commission to allow applicants a one-time extension of up to one year.

The property owner (applicant) involved in the *Hagen Road No. 4 District Annexation to the Napa Sanitation District* has submitted the attached letter requesting an extension of time for the proposal, which was approved on August 1, 2005. The applicant is requesting a time extension to satisfy the approval requirements of the Napa Sanitation District. The Executive Officer recommends a one-year extension for this proposal through August 1, 2007.

RECOMMENDATION

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

- 1) Approve an extension of one year for the completion of terms and conditions relating to the *Hagen Road No. 4 District Annexation to the Napa Sanitation District*.

Respectfully submitted,

Keene Simonds
Acting Executive Officer

Attachments:

- ~~1. Letter of Request~~
- ~~2. LAFCO Resolution No. 05-19~~

Dr. Andrew Alexander, Vice-Chair
Mayor, City of Calistoga

Kevin Block, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alt. Commissioner
Councilmember, City of American Canyon

Bill Dodd, Chair
Supervisor, 4th District

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Guy Kay, Commissioner
Representative of the General Public

Brian Kelly, Alt. Commissioner
Representative of the General Public

Keene Simonds
Acting Executive Officer



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JUNE 5, 2006
AGENDA ITEM NO. 5c

May 25, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Acting Executive Officer

SUBJECT: **Request for Extension of Time: Argyle Street No. 5 District Annexation to the Napa Sanitation District**
The Commission will consider a request by the affected property owners to extend by one year the deadline for completion of the terms and conditions imposed by LAFCO Resolution 05-18.

California Government Code Section §57001 requires that a Certificate of Completion be filed within one year of annexation approval by the Commission. This code section permits the Commission to authorize an extension of time deemed reasonable for the completion of necessary terms and conditions. It has been the practice of the Commission to allow applicants a one-time extension of up to one year.

The property owners (applicant) involved in the *Argyle Street No. 5 District Annexation to the Napa Sanitation District* has submitted the attached letter requesting an extension of time for the proposal, which was approved on August 1, 2005. The applicant is requesting a time extension to satisfy the approval requirements of the Napa Sanitation District. The Executive Officer recommends a one-year extension for this proposal through August 1, 2007.

RECOMMENDATION

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

- 1) Approve an extension of one year for the completion of terms and conditions relating to the *Argyle Street No. 5 District Annexation to the Napa Sanitation District*.

Respectfully submitted,

Keene Simonds
Acting Executive Officer

Attachments:

- ~~1. Letter of Request~~
- ~~2. LAFCO Resolution No. 05-18~~

Dr. Andrew Alexander, Vice-Chair
Mayor, City of Calistoga

Kevin Block, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alt. Commissioner
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JUNE 5, 2006
AGENDA ITEM NO. 5d

May 25, 2006

TO: Local Agency Formation Commission
FROM: Keene Simonds, Acting Executive Officer
**SUBJECT: Amendment to Professional Services Agreement with
Cotton/Bridges/Associates**

The Commission will consider a second amendment to its agreement for staff support services with Cotton/Bridges/Associates to retroactively extend the term to March 31, 2006. This amendment is to facilitate the payment of an outstanding balance for Cotton/Bridges/Associates for work performed. No increase in the dollar amount of the agreement is proposed.

At its August 12, 2004 meeting, the Commission approved a professional services agreement between LAFCO and a planning consultant firm, Cotton/Bridges/Associates. The agreement is for planning and support services relating to the preparation of three countywide municipal service reviews for sewer, fire, and flood control. The financial term of the agreement is for a not-to-exceed amount of \$35,000. At its June 6, 2005 meeting, the Commission approved an amendment to extend the term of the agreement to December 31, 2005.

Cotton/Bridges/Associates recently completed its prescribed municipal service review assignments. The last phase of these assignments was completed on March 31, 2006. In order to pay the outstanding balance of \$1,257.20, the County of Napa Auditor's Office has notified LAFCO that an amendment to the agreement is needed to extend the term to cover the period for all work performed by Cotton/Bridges/Associates.

The Executive Officer recommends that the Commission extend the term of the agreement retroactively to March 31, 2006. This amendment will permit the Auditor's Officer to process LAFCO's payment of the outstanding balance (\$1,257.20) due for Cotton/Bridges/Associates.

RECOMMENDATION

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

1. Approve the attached Second Amendment to LAFCO Professional Services Agreement 04-02, extending the agreement term to March 31, 2006.

Respectfully submitted,

Keene Simonds
Acting Executive Officer

Dr. Andrew Alexander, Vice-Chair
Mayor, City of Calistoga

Kevin Block, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alt. Commissioner
Councilmember, City of American Canyon

Bill Dodd, Chair
Supervisor, 4th District

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Guy Kay, Commissioner
Representative of the General Public

Brian Kelly, Alt. Commissioner
Representative of the General Public

Keene Simonds
Acting Executive Officer

Attachments:

1. LAFCO Professional Services Agreement 04-02 – Second Amendment
- ~~2. E-mail from County Auditor's Office~~
- ~~3. LAFCO Professional Services Agreement 04-02 – First Amendment~~
- ~~4. LAFCO Professional Services Agreement 04-02~~

**LOCAL AGENCY FORMATION COMMISSION
OF NAPA COUNTY**

SECOND AMENDMENT TO AGREEMENT NO. 04-02

PROFESSIONAL SERVICES AGREEMENT

THIS SECOND AMENDMENT TO AGREEMENT No. 04-02 is made and entered into as of this _____ day of _____, 2006 by and between the Local Agency Formation Commission of Napa LAFCO, a political subdivision of the State of California, hereinafter referred to as "LAFCO," and Cotton/Bridges/Associates, a division of P & D Consultants, Inc., whose business address is 3840 Rosin Court, Suite 130, Sacramento, CA 95834, hereinafter referred to as "CONSULTANT".

WHEREAS, on August 12, 2004, LAFCO engaged CONSULTANT in Agreement No. 04-02 to provide certain services to the LAFCO; and

WHEREAS, on June 6, 2005, LAFCO and CONSULTANT amended Agreement No. 04-02 to extend its term to December 31, 2005; and

WHEREAS, LAFCO and CONTRACTOR, wish to amend Agreement No. 04-02 so as to further extend its term.

NOW, THEREFORE, the parties agree to amend Agreement No. 04-02 as follows:

1. Paragraph 1, "Term of the Agreement", is amended to read as follows:
 - "1. Term of the Agreement. The term of this contract is extended through March 31, 2006, unless terminated earlier in accordance with Paragraphs 9 (termination for Cause) or 10 (Termination for Convenience); except that the obligations of CONTRACTOR to LAFCO under Paragraphs 7 (Insurance) and 8 (Indemnification) shall continue in full force an effect after said expiration date or early termination in relation to acts or omissions occurring prior to such dates during the term of the Agreement, and the obligations of CONTRACTOR to LAFCO shall also continue after said expiration date or early termination in relation to the obligations prescribed by Paragraphs 15 (Confidentiality), 20 (Taxes) and 21 (Access to Records/Retention). For purposes of the Agreement, "fiscal year" shall mean the period commencing on July 1 and ending on June 30.
2. All other terms and conditions of Agreement No. 04-02 shall remain in full force and effect.

IN WITNESS THEREOF, the parties have executed this Second Amendment to Agreement No. 04-02 the day and year hereinabove first written.

Cotton/Bridges/Associates

LAFCO OF NAPA, a political subdivision
of the State of California

By _____
[NAME] , [Title]

By: _____
Bill Dodd, Chair
LAFCO of Napa County

Date _____

Date _____

ATTEST: Clerk of LAFCO

By _____

APPROVED AS TO FORM
LAFCO Counsel

By: E-Signature Jackie Gong

Date: 5/30/2006



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JUNE 5, 2006
AGENDA ITEM NO. 6a

May 22, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Acting Executive Officer

SUBJECT: Adoption of FY06-07 Final Budget (Public Hearing)

The Commission will consider a resolution adopting a final budget for FY06-07 in the amount of \$456,757.

At its April 3, 2006 meeting, the Commission adopted a preliminary budget for FY06-07 in the amount of \$456,757. The adopted preliminary budget was distributed to the six agencies that fund LAFCO for their review. No comments were received.

Staff has prepared a final budget for FY06-07 for consideration by the Commission pursuant to California Government Code §56381(a). The final budget is identical to the adopted preliminary budget and projects a total increase in LAFCO operating costs over FY05-06 of \$19,843 or 4.5%. Nearly half of the increase is attributed to a contractual increase in group insurance (\$9,154), which represents LAFCO's share of employee healthcare costs. The remaining portion of the increase is primarily attributed to an increase in information technology services (\$4,422), which is provided to LAFCO by the County of Napa. This increase represents LAFCO's proportional share of deferred and planned system improvements to the County's technology services over the next three years.

RECOMMENDATION

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

- 1) Adopt the attached resolution approving a final budget for FY06-07; and
- 2) Direct the Executive Officer to distribute the FY06-07 Final Budget to the six agencies that fund LAFCO.

Respectfully submitted,

Keene Simonds
Acting Executive Officer

Attachments:

- 1) Draft Resolution
- 2) Summary of Expenses

Dr. Andrew Alexander, Vice-Chair
Mayor, City of Calistoga

Bill Dodd, Chair
Supervisor, 4th District

Guy Kay, Commissioner
Representative of the General Public

Kevin Block, Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Brian Kelly, Alt. Commissioner
Representative of the General Public

Cindy Coffey, Alt. Commissioner
Councilmember, City of American Canyon

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Keene Simonds
Acting Executive Officer

RESOLUTION NO. _____**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
ADOPTING A FISCAL YEAR 2006-2007 FINAL BUDGET**

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

WHEREAS, Government Code Section 56381 requires that the Commission adopt a final budget no later than June 15; and

WHEREAS, at the direction of the Commission, the Executive Officer circulated for review and comment an adopted preliminary budget to the administrative officer and the financial officer of each of the six local agencies that contribute to the LAFCO budget, those agencies being the County of Napa and the Cities of American Canyon, Calistoga, Napa, St. Helena, and Town of Yountville; and

WHEREAS, the Commission reviewed all substantive written comments concerning the adopted preliminary budget; and

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

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

WHEREAS, the Commission heard and fully considered all the evidence presented at its hearing on the final budget held on June 5th, 2006; and

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

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

1. The final budget represented in Exhibit A is approved.

The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of Napa County, State of California, at a regular meeting held on the 5th day of June 2006, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

ATTEST: EXECUTIVE OFFICER

Clerk of the Commission

By: _____

LAFCO FY06-07 Proposed Final Budget

		FINAL FY04-05	FINAL FY05-06	PROPOSED FINAL FY06-07 5/25/2006	Change from Final FY05-06	
Salaries and Wages						
ACCT #	Account					
51100000	Regular Salaries	167,505.00	187,206.00	190,230.92 ^{1,2}	3,024.92	
51200100	Extra Help	6,188.00	2,206.26	0.00	(2,206.26)	
51200200	Overtime	0.00	0.00	0.00	-	
51200500	Per Diem	4,050.00	4,050.00	3,600.00	(450.00)	
51300100	Retirement	23,450.70	32,235.20	32,953.28	718.08	
51300300	Medicare	2,428.82	2,674.13	2,849.46	175.33	
51300500	Group Insurance	22,255.20	26,875.92	36,030.00 ³	9,154.08	
51301200	Ins Workers Comp	533.00	749.00	685.00	(64.00)	
51301700	401A Contributions	-	1,500.00	1,500.00	-	
51301800	Cell Phone Allowance	-	840.00	840.00	-	
		<u>226,410.72</u>	<u>258,336.51</u>	<u>268,688.66</u>	<u>10,352.15</u>	4.0%
Services and Supplies						
ACCT #	Account					
52070000	Communications	3,500.00	3,500.00	3,500.00	-	
52100300	Insurance: Liability	-	335.00	534.00	199.00	
52150000	Memberships	1,368.00	1,400.00	2,200.00 ⁴	800.00	
52170000	Office Exp.	12,000.00	15,000.00	15,000.00	-	
52180200	PSS: MIS	13,000.00	13,378.27	17,799.91 ⁵	4,421.64	
52180500	PSS: Legal	18,750.00	18,750.00	18,750.00	-	
52190000	PSS: Pubs/Not	1,000.00	1,000.00	1,000.00	-	
52180900	PSS: Contract Ex. Help	0.00	0.00	0.00	-	
52185000	PSS: Other	4,000.00	5,000.00	6,500.00 ⁶	1,500.00	
52235000	SDE: Other	1,000.00	1,000.00	1,000.00	-	
52240500	SDE: Prop. Lease	24,038.40	25,540.80	26,307.02 ⁷	766.22	
52250000	Trans & Travel	4,000.00	4,000.00	4,000.00	-	
52250800	T/T: Training	3,000.00	3,000.00	3,000.00	-	
52251200	T/T: Priv. Mileage	1,500.00	1,500.00	1,500.00	-	
		<u>87,156.40</u>	<u>93,404.07</u>	<u>101,090.93</u>	<u>7,686.86</u>	8.2%
	Total Expenses	313,567.12	351,740.58	369,779.59	18,039.01	5.1%
	Operating Reserve (10% of Expenses)	31,356.71	35,174.06	36,977.96	1,803.90	5.1%
	Professional Services Dedication	100,000.00	50,000.00	50,000.00	-	0.0%
	TOTAL	<u>444,923.83</u>	<u>436,914.64</u>	<u>456,757.55</u>	<u>19,842.92</u>	4.5%

NOTES

- Assumes appointment of Executive Officer at midpoint of current salary range, \$90,771.
- Assumes a 3.0% COLA for all employees. The County MOU with represented employees requires a COLA to be determined by an agreed formula. The COLA could be as low as 2.5% and as high as 4.0%. The County advises using a 3.0% factor at this time.
- Assumes Executive Officer will select Kaiser-PERS health insurance plan for self, partner, and an additional dependent.
- The CALAFCO Board of Directors approved an increase to its annual dues at its January 13, 2006 Board meeting. Implementation of the increase is pending a successful vote of its members, which is scheduled in September at the CALAFCO Annual Conference in San Diego. Based on the formula approved by the Board, Napa LAFCO's dues will range from \$1,800 to \$2,200.
- This account is for administration costs associated with the County's Information Technology Information Department (ITS) and includes network and database maintenance for payroll, purchasing, accounting, and geographic information services. ITS costs, which are calculated by the County, are apportioned to all of its "customers" by a series of formulae that consider the number of computers and the number of employees in a each department and agency. The increase represents LAFCO's proportional share of deferred and planned system improvements.
- This account includes costs associated with the preparation of an independent audit as well as charges from the Napa County Auditor-Controller for services rendered. Based on the rising cost of the independent audit and increased use of the Auditor-Controller, an increase in this line item is warranted.
- LAFCO does not yet have a lease for FY06-07. This figure represents last year's rent plus 3%.

May 25, 2006

**SUMMARY OF EXPENSES
LAFCO FY06-07 PROPOSED FINAL BUDGET**

Prior year figures are final budget amounts.

Salaries and Wages

This portion of the budget includes salaries and benefits for the Executive Officer, Analyst, and Commission Secretary (.5 FTE – “full time equivalent”). It also includes per diem funds for commissioners for up to six regular and three special meetings. An overall increase in salaries and wages of \$10,352 is projected. This increase is primarily drawn from a significant rise in LAFCO’s group insurance premium (added staff dependents) and a projected 3.0% cost-of-living adjustment scheduled for all employees as part of the County’s Memorandum of Understanding with represented employees.

Note: Budgeted amount assumes the appointment of an Executive Officer at the midpoint salary range of \$90,771. It also assumes that the Executive Officer will select Kaiser-Pers health insurance plan for self, partner, and an additional dependent.

FY2006-07:	\$268,688 (Proposed Final Budget)
FY2005-06:	\$258,337
FY2004-05:	\$226,411
FY2003-04:	\$203,537
FY2002-03:	\$210,545
FY2001-02:	\$171,034

Communications

This account covers telecommunications and mail costs. There are no changes from FY05-06.

FY2006-07:	\$3,500 (Proposed Final Budget)
FY2005-06:	\$3,500
FY2004-05:	\$3,500
FY2003-04:	\$3,500
FY2002-03:	\$2,000
FY2001-02:	\$2,000

Summary of Expenses

Insurance: Liability

This account covers liability insurance costs. An increase of \$199 from FY05-06 is budgeted and reflects LAFCO's portion of the County's risk pool.

FY2006-07:	\$534 (Proposed Final Budget)
FY2005-06	\$335
FY2004-05:	n/a
FY2003-04:	n/a
FY2002-03:	n/a
FY2001-02:	n/a

Memberships

This account covers membership in CALAFCO. An increase of \$800 from FY05-06 is budgeted and reflects the projected increase in CALAFCO's annual dues.

FY2006-07:	\$2,200 (Proposed Final Budget)
FY2005-06	\$1,400
FY2004-05:	\$1,368
FY2003-04:	\$1,340
FY2002-03:	\$1,340
FY2001-02:	\$1,340

Office Expenses

This account covers general office expenses. There are no changes from FY05-06.

FY2006-07:	\$15,000 (Proposed Final Budget)
FY2005-06	\$15,000
FY2004-05:	\$12,000
FY2003-04:	\$12,000
FY2002-03:	\$12,000
FY2001-02:	\$16,000

Summary of Expenses

Management Information Services (PSS: MIS)

This account covers network administration costs, including database maintenance for payroll, accounting, and GIS. An increase of \$4,422 from FY05-06 is budgeted and reflects LAFCO's assigned and proportional share of deferred and planned system improvements to the County's technology services over the next three years.

FY2006-07:	\$17,799 (Proposed Final Budget)
FY2005-06:	\$13,378
FY2004-05:	\$13,000
FY2003-04:	\$13,000
FY2002-03:	\$12,418
FY2001-02:	\$4,000

Legal Services (PSS: Legal)

This account covers legal services from County Counsel. There are no changes from FY05-06.

FY2006-07:	\$18,750 (Proposed Final Budget)
FY2005-06:	\$18,750
FY2004-05:	\$18,750
FY2003-04:	\$15,000
FY2002-03:	\$12,000
FY2001-02:	\$15,000

Publications/Legal Notices (PSS: Pubs/Not)

This account covers all legal notices. There are no changes from FY05-06.

FY2006-07:	\$1,000 (Proposed Final Budget)
FY2005-06:	\$1,000
FY2004-05:	\$1,000
FY2003-04:	\$1,000
FY2003-04:	\$1,000
FY2001-02:	\$750

Summary of Expenses

PSS: Other

This account covers the cost of an independent audit, as well as services from County Auditor-Controller. An increase of \$1,500 from FY05-06 is budgeted and reflects the rising costs for the preparation of the independent audit and charges from the Auditor-Controller.

FY2006-07:	\$6,500 (Proposed Final Budget)
FY2005-06:	\$5,000
FY2004-05:	\$4,000
FY2002-03:	\$4,000
FY2002-03:	\$5,000
FY2001-02:	n/a

SDE: Other

This account covers the cost of improvements to the LAFCO office. There are no changes from FY05-06.

FY2006-07:	\$1,000 (Proposed Final Budget)
FY2005-06:	\$1,000
FY2004-05:	\$1,000
FY2002-03:	\$3,500
FY2002-03:	\$1,000
FY2001-02:	n/a

Property Lease/Utilities

This account covers LAFCO's lease agreement. LAFCO does not currently have a lease for FY06-07. The amount budgeted is based on last year's rent plus 3.0%. This results in an increase of \$744 from FY05-06.

FY2006-07:	\$26,307 (Proposed Final Budget)
FY2005-06:	\$25,541
FY2004-05:	\$24,040
FY2003-04:	\$23,000
FY2002-03:	\$9,100
FY2001-02:	\$6,500

Summary of Expenses

Transportation and Travel

This account covers all transportation and travel costs that do not involve private vehicle mileage. There are two CALAFCO events that are annual costs in this account. In FY06-07, these events will be held in San Diego (annual conference) and Orange County staff workshop). Two to four people have generally attended each event. There are no changes from FY05-06.

FY2006-07:	\$4,000 (Proposed Final Budget)
FY2005-06:	\$4,000
FY2004-05:	\$4,000
FY2003-04:	\$4,000
FY2002-03:	\$4,000
FY2001-02:	\$3,500

Training

This account covers training courses for staff. There are no changes from FY05-06.

FY2006-07:	\$3,000 (Proposed Final Budget)
FY2005-06:	\$3,000
FY2004-05:	\$3,000
FY2002-03:	\$3,000
FY2002-03:	\$3,000
FY2001-02:	\$3,000

Mileage

This account covers private vehicle mileage. There are no changes from FY05-06.

FY2006-07:	\$1,500 (Proposed Final Budget)
FY2005-06:	\$1,500
FY2004-05:	\$1,500
FY2003-04:	\$1,500
FY2002-03:	\$1,500
FY2001-02:	\$1,500

Summary of Expenses

ZERO DOLLAR LINE ITEMS

The following accounts should be included in the budget as zero dollar line items to allow the Executive Officer the flexibility to use these accounts as necessary.

Extra Help

This account covers the employment of a student intern.

Overtime

This account covers overtime for non-management personnel (Analyst and Commission Secretary).

PSS: Contract Extra Help:

This account covers any supplemental administrative staff that LAFCO might hire from a temporary agency.



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

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

JUNE 5, 2006
AGENDA ITEM NO. 7a

May 25, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Acting Executive Officer

SUBJECT: Nominations for the CALAFCO Executive Board

The Commission will consider whether to submit any nominations for vacancies to the CALAFCO Executive Board.

Each year, as part of its Annual Conference, the California Association of Local Agency Formation Commissions (CALAFCO) conducts a business meeting where the Executive Board presents issues and matters of interest to the membership. As part of its business meeting, CALAFCO also conducts an election to fill expiring terms on the Executive Board. The Board is comprised of 15 members, broken into categories based on the authority that appointed candidates to their respective LAFCOs. Terms are for two years. This year, the following terms are expiring:

- 2 County Members
- 1 Special District Member
- 1 City Member
- 2 Public Members

The CALAFCO Executive Board Recruitment Committee has circulated a memorandum to each LAFCO inviting nominations for the above-cited offices through August 6, 2006 (attached). An election on all nominations will be held at the CALAFCO Annual Conference, Wednesday, September 6, 2006, in San Diego.

RECOMMENDATION

It is recommended that the Commission take the following action:

- 1) Determine if the Commission wishes to make any nominations for candidacy for the CALAFCO Executive Board, and direct the Chair to complete the nomination form if necessary.

Respectfully Submitted,

Keene Simonds
Acting Executive Officer

~~Attachments: as stated~~

Dr. Andrew Alexander, Vice-Chair
Mayor, City of Calistoga

Bill Dodd, Chair
Supervisor, 4th District

Guy Kay, Commissioner
Representative of the General Public

Kevin Block, Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Brian Kelly, Alt. Commissioner
Representative of the General Public

Cindy Coffey, Alt. Commissioner
Councilmember, City of American Canyon

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Keene Simonds
Acting Executive Officer



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JUNE 5, 2006
AGENDA ITEM NO. 8a

May 25, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Acting Executive Officer

SUBJECT: **Napa Sanitation District: Comprehensive Sphere of Influence Review**
The Commission will review an updated report regarding the comprehensive sphere of influence review of the Napa Sanitation District. The updated report includes recommendations and is being presented for a first-reading.

Staff has prepared the attached updated report regarding the comprehensive sphere of influence review of the Napa Sanitation District (NSD). The updated report revises and codifies earlier reports presented to the Commission at its December 5, 2005, February 6, 2006, and April 3, 2006 meetings. The updated report includes completed analysis and recommendations for four of the five study categories developed as part of this review. At the direction of the Commission, staff will complete its analysis and offer recommendations for the fifth study category, Study Category "C," following the completion of the current update to the County of Napa General Plan.

The updated report is being presented for a first-reading. This will include a presentation by staff providing an overview of the report and its recommendations, which are summarized on page 21. The presentation will provide an opportunity for the Commission to ask questions and provide direction to staff with regard to the review process. Staff anticipates presenting a final report and a draft resolution adopting a sphere of influence update for NSD at the Commission's August 2006 regular meeting.

Note: Staff will initiate a 30-day public comment period on the NSD sphere of influence review following today's meeting. Comments received during this period will be incorporated into the final report and presented to the Commission at its August 2006 regular meeting.

Dr. Andrew Alexander, Vice-Chair
Mayor, City of Calistoga

Kevin Block, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alt. Commissioner
Councilmember, City of American Canyon

Bill Dodd, Chair
Supervisor, 4th District

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Guy Kay, Commissioner
Representative of the General Public

Brian Kelly, Alt. Commissioner
Representative of the General Public

Keene Simonds
Acting Executive Officer

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

NAPA SANITATION DISTRICT COMPREHENSIVE SPHERE OF INFLUENCE REVIEW

UPDATED REPORT

JUNE 2006

LAFCO of Napa County

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

Bill Dodd, Chair

Dr. Andrew Alexander, Vice-Chair

Kevin Block, Commissioner

Guy Kay, Commissioner

Brad Wagenknecht, Commissioner

Cindy Coffey, Alt. Commissioner

Brian Kelly, Alt. Commissioner

Mark Luce, Alt. Commissioner

Keene Simonds, Acting Executive Officer

Jackie Gong, Commission Counsel

Kathy Mabry, Commission Secretary



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INTRODUCTION

Established in 1963, Local Agency Formation Commissions (LAFCO) are responsible for administering California Government Code Sections 56000 et. seq., which is known as the Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act of 2000. CKH charges LAFCO with encouraging the orderly formation and development of local agencies in a manner that preserves agricultural and open-space lands, promotes the efficient extension of municipal services, and prevents urban sprawl. Principle duties include regulating boundary changes through annexations or detachments, approving or disapproving city incorporations, and forming, consolidating, or dissolving special districts. LAFCOs are located in all 58 counties in California.

Among LAFCO's primary planning responsibilities is the determination of a sphere of influence for each agency under its jurisdiction. California Government Code §56076 defines a sphere as "a plan for the probable physical boundaries and service area of a local agency, as determined by the Commission." LAFCO establishes, amends, and updates spheres to indicate to local agencies and property owners that, at some future date, a particular area will likely require the level of services offered by the subject agency. The sphere designation also indicates to other potential service providers which agency LAFCO believes to be best situated to offer the services in question. LAFCO is required to review each agency's sphere every five years.

In reviewing an agency's sphere, the Commission is required to consider and prepare written statements addressing four factors enumerated under California Government Code §56425(e). These factors are identified below.

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

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

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

To help ensure that the Commission is well informed when reviewing a sphere, LAFCO is required to conduct a service review on the subject agency. The service review is a comprehensive evaluation of the subject agency's ability to provide service within a geographic area designated by LAFCO. This includes preparing written determinations addressing nine specific service factors enumerated under California Government Code §56430. These determinations, which range from infrastructure needs or deficiencies to government structure options, must be adopted by the Commission before the sphere review of the subject agency.

Napa Sanitation District

In October 2005, LAFCO of Napa County issued the first phase of its *Comprehensive Study of Sanitation/Wastewater Treatment Providers*. This initial phase was prepared for the Commission by Cotton/Bridges/Associates and included service review profiles for the 10 agencies providing public sewer services in Napa County, including the Napa Sanitation District (NSD).¹ Based on the service review profile on NSD, LAFCO initiated the second phase of the study and prepared written determinations on the District. These written determinations were adopted by the Commission at its April 3, 2006 regular meeting.² In adopting written determinations, the Commission fulfilled its service review requirement for NSD.

This report represents the sphere review of NSD. The report summarizes the primary planning factors used by the Commission in establishing the NSD sphere as well as in approving subsequent amendments. The report also outlines and evaluates the criteria used in establishing five distinct study categories for consideration as part of this review. These study categories represent areas that comprise specific boundary line and land use criterion. Recommendations are offered for each study category.

The preparation of this sphere review and its recommendations are based on information collected and analyzed as part of the aforementioned *Comprehensive Study of Sanitation/Treatment Providers* and is incorporated by reference. Written statements addressing the four factors enumerated under California Government Code §56425(e) that the Commission must consider when making a sphere determination will be prepared as part of a separate resolution.

¹ A review of NSD's reclamation services was included as part of the Commission's *Comprehensive Water Service Study*. Written determinations addressing NSD's reclamation services were adopted by the Commission on October 11, 2003 (LAFCO Resolution No. 03-29).

² LAFCO Resolution No. 06-03.

OVERVIEW

NSD was formed in 1945 to provide public sewer service for the City of Napa (Napa) and the surrounding unincorporated area of Napa County. The formation of NSD followed an agreement between Napa and the County of Napa (County) to coordinate public sewer provision for the purpose of serving existing and planned urban development in south Napa County. NSD began providing sewer service following the construction of its first collection and treatment facility in 1949.³ NSD presently provides sewer service to most of Napa along with several surrounding unincorporated developments, including the Silverado County Club and Estates, Chardonnay and Eagle Vines Golf Clubs, Napa State Hospital, and the Napa County Airport. In all, NSD currently serves 33,712 service connections within an estimated resident service population of 78,529.⁴

NSD is governed by a five-member board of directors consisting of a county supervisor, the mayor and a councilmember from Napa, and two public members. (Napa and the County appoint their own public member.) Service provision is guided by a master plan, which was adopted by the NSD Board in 1988. NSD is currently in the process of preparing an update to the master plan to codify service plans and objectives through 2030. The update will include a technical analysis of NSD’s sewer capacities and will incorporate projected service demands drawn from the Napa General Plan (1998) and the current update to the County General Plan.

Napa Sanitation District

Date Formed	1945
Enabling Legislation	Health and Safety Code 4700 et. seq.
Services Provided	Sewer Reclaimed Water
Residential Service Connections	29,973
Estimated Residential Service Population	78,529

Adoption of Sphere of Influence

NSD’s sphere was adopted by LAFCO in 1975. Principal planning factors used by the Commission in establishing the location of the sphere included recognizing the service capabilities of NSD and the adopted policies of Napa and the County with respect to existing and planned urban development. Notably, in addition to including the entire jurisdictional boundary of the NSD, the Commission designated the sphere to closely reflect Napa’s adopted urban growth boundary referred to as the “Rural-Urban Limit” (RUL) line.⁵ The sphere also included territory located outside the Napa RUL to recognize existing outside service provision for Kaiser Steel and the Napa State Hospital. The sphere was also configured to reflect available sewer capacity within the “Milliken Creek – McKinley Road” area.⁶

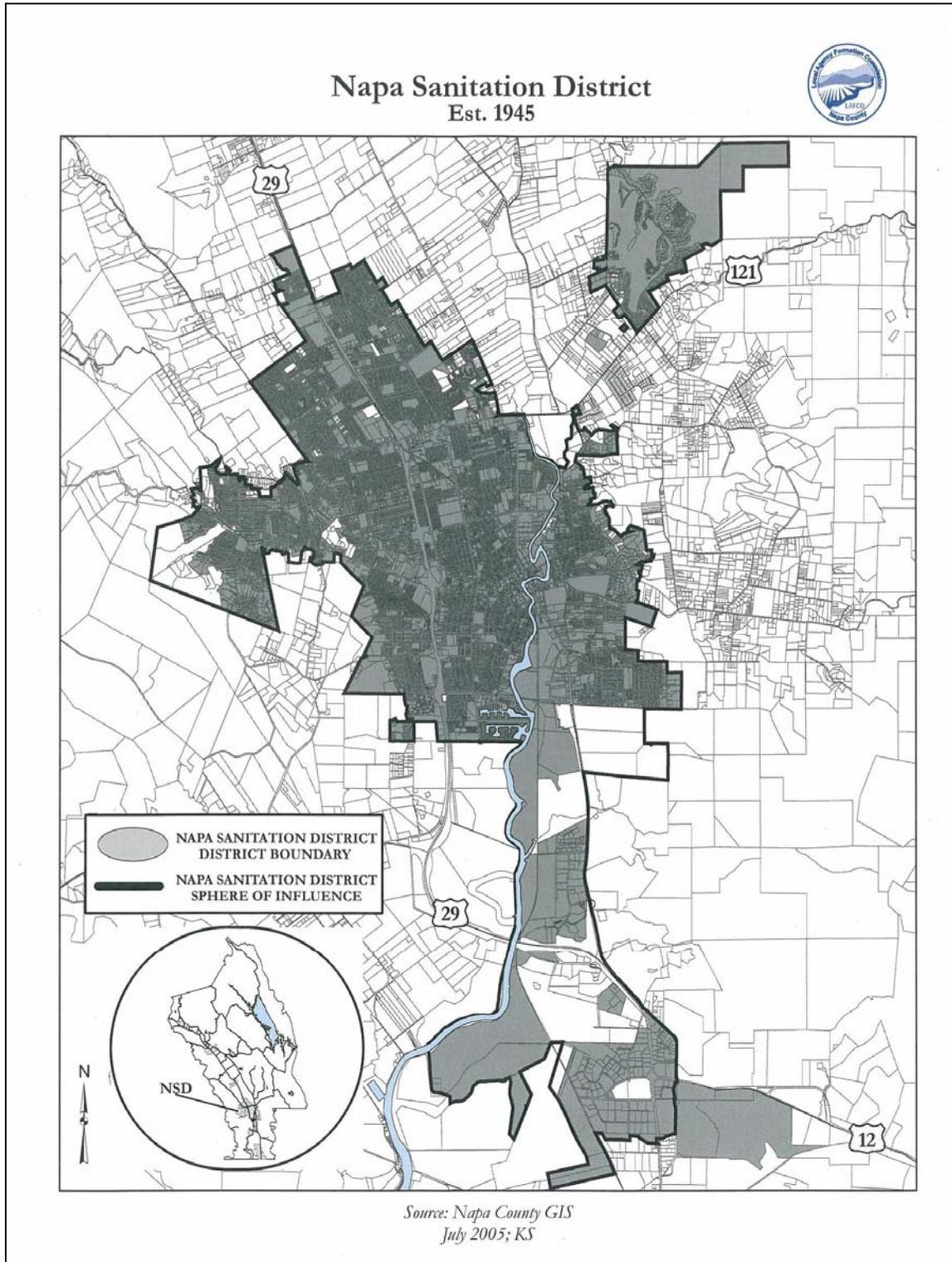
³ NSD expanded its operations in the early 1980s to include restricted (secondary) reclaimed water service for irrigation on non-domestic crops. These reclamation services were expanded in the late 1990s to include unrestricted (tertiary) reclaimed water for irrigation of domestic crops as well as for parks, golf courses, and certain industrial and commercial uses.

⁴ Projection based on the 2005 California Department of Finance population per household estimate (2.62) assigned to Napa County and multiplied by the number of residential sewer connections within NSD (29,973).

⁵ A notable exception of land inside the Napa RUL that was not included into the NSD sphere involved an approximate 900-acre incorporated area commonly referred to as “Stanly Ranch.” It appears that Stanly Ranch was excluded from the sphere for consistency with an earlier determination by the Commission to exclude the area from the Napa sphere as part of a policy statement against its urban development.

⁶ LAFCO removed the Milliken-Creek-McKinley Road area from the NSD sphere in 1976 at the request of property owners.

Existing NSD Jurisdiction and Sphere Boundaries



Amendments to Sphere of Influence

LAFCO has adopted 30 amendments to the NSD sphere since 1975. The majority of these amendments have involved territory located in the Napa RUL. The remaining portion of these amendments have primarily involved unincorporated territory located south of the Soscol Ridge and north of the City of American Canyon, including the Napa County Airport and surrounding industrial area.⁷ Nearly all of these amendments have been engendered by property owners as part of concurrent annexation proposals to the NSD to serve existing or planned residential or industrial development.

Napa Sanitation District: Sphere of Influence Amendments		
Proposal Name	Acreage	Date Approved
Borrette Lane No. 6	2.4	June 10, 2004
Forest Drive	4.9	June 12, 2003
Los Robles Drive	5.9	June 12, 2003
Browns Valley Road/Thompson Avenue No. 3	5.5	October 11, 2001
Atlas Peak Road//Monticello Road Area	1.70	April 2, 1997
Partrick Road/Borrette Lane Area	3.31	April 13, 1994
Napa County Airport Area	93.0	May 12, 1993
Shurtleff Avenue/Cayetano Drive Area	10.32	January 15, 1992
Salvador Avenue/Abbey Road Area	5.05	October 9, 1991
Forest Drive/Browns Valley Road Area	1.02	June 12, 1991
Browns Valley Road/Camilla Drive Area	0.82	April 10, 1991
Atlas Peak Road/Hillcrest Drive No. 2	4.04	April 10, 1991
Hagen Road Area No. 2	0.55	March 13, 1991
Redwood Road/Forest Drive Area	1.36	October 10, 1990
Napa County Airport Industrial Area – No. 1	---1	October 11, 1989
Broadmoor Drive/Dartmouth Drive Area	5.0	October 11, 1989
Atlas Peak Road/Hillcrest Drive No. 1	1.08	June 15, 1988
Napa County Airport Industrial Area	650	February 18, 1988
Browns Valley Road/ Redwood Road Area	36.89	December 10, 1986
Foster Road Area	35.86	August 27, 1986
Borrette Lane Area	22.14	May 28, 1986
North Kelly Road -Jamieson Canyon Road Area	25.27	October 29, 1984
Hagen Road Area	33.60	October 14, 1982
Napa County Airport – Fagan Slough Area	64.70	November 19, 1979
Pinewood Drive – Browns Valley Road Area	75.31	March 22, 1979
Redwood Road – Arden Way Area	33.43	October 17, 1977
Redwood Road – Montana Drive Area	1.37	October 17, 1977
El Centro Avenue/Solomon Avenue No. 8	12.16	September 29, 1976
Blackwood Area	14.50	July 14, 1976
Milliken Creek – McKinley Road (removal)	900 ²	May 12, 1976

⁷ The Napa County Airport and surrounding industrial area were included into the NSD sphere as part of three separate amendments between 1988 and 1993. In amending the sphere to include these areas, the Commission designated Fagan Creek as the southern boundary line for NSD. This designation recognized a formal agreement between NSD and the American Canyon County Water District (merged with the City of American Canyon upon its incorporation in 1992) to use the creek as the boundary line between their respective service areas.

- ¹ Technical adjustment to amend the NSD sphere to conform to existing parcel lines located along Fagan Creek.
- ² Estimate based on current GIS records for subject territory.

Current Boundaries

NSD’s sphere encompasses approximately 14,744 total acres and includes 25,276 parcels.⁸ Of this amount, approximately 13,183 total acres and 25,034 parcels are located inside the NSD jurisdictional boundary. This differential indicates that there are approximately 1,561 total acres (11%) and 242 parcels (10%) located inside the NSD sphere, but outside its jurisdictional boundary.

Napa Sanitation District: Current Boundaries (Source: County of Napa Geographic Information System; December 2005)	
Sphere of Influence	Jurisdictional Boundary
14,744 acres	13,183 acres
25,276 parcels	25,034 parcels

Land Use Authorities

NSD operates under the land use authorities of Napa and the County. Close to three quarters of NSD’s jurisdictional boundary is incorporated and under the land use authority of Napa. The remaining quarter of NSD’s jurisdictional boundary is unincorporated and under the land use authority of the County.

Napa Sanitation District: Land Use Authorities (Source: County of Napa Geographic Information System; December 2005)	
City of Napa	County of Napa
74%	26%
9,804 acres	3,379 acres

DISCUSSION

The underlying objective of this report is to identify and evaluate areas that warrant consideration for inclusion or removal from the NSD sphere as part of a comprehensive review. In the course of identifying areas to evaluate, staff has placed an emphasis on consistency between the NSD sphere and the Napa and County General Plans with respect to planned urban development. This approach is consistent with CKH and the Commission’s “General Policy Determinations,” which were last revised in 2001. Consideration is also given to the service capacity of NSD, which is drawn from information collected and analyzed as part of the *Comprehensive Study of Sanitation/Wastewater Providers*.

⁸ The phrase “total acres” accounts for both parcels and associated right-of-ways.

As noted earlier, California Government Code §56076 defines a sphere as “the probable physical boundaries and service area of a local agency, as determined by the Commission.” Underscoring this definition is the tenet that the sphere promote the orderly development of an agency and its services while protecting against the premature conversion of agricultural and open-space lands. This includes encouraging the logical development of an agency to advantageously provide for the present and future needs of the community. The Commission’s General Policy Declarations emphasizes its commitment to these concepts and includes a policy statement that urban development and services be located in areas designated for urban use in the County General Plan. The General Policy Declarations also state the Commission shall utilize the County General Plan to determine agricultural or open-space lands designations.

California Government Code requires that LAFCO review each agency’s sphere every five years. It has been the practice of this Commission to establish a sphere for the subject agency that emphasizes a probable five-year service area.

STUDY CATEGORIES

Five study categories have been developed as part of this comprehensive sphere review. These study categories represent areas that comprise specific boundary line and land use criterion. Four of the five study categories represent areas that are located outside the existing NSD sphere. These study categories are identified as Study Categories “A,” “B,” “C,” and “E” and are evaluated to consider the merits of their inclusion into the sphere. A fifth study category, which is identified as Study Category “D,” represents an area already inside the existing NSD sphere. This study category is evaluated to consider the merits of its removal from the sphere.

Each study category is generally described in terms of size, location, and current land uses. Other factors addressed include the land use designations of the affected territory and the consistency between the planned uses as identified in the Napa and County General Plans. Land use densities for affected territory are also provided. Densities for the County are identified under its zoning standards with respect to minimum parcel sizes; the County does not specify maximum parcel sizes. Maximum densities for Napa are identified under its land use designation, while its zoning standards provide specificity regarding minimum parcel sizes.

As part of this review, LAFCO has relied on two distinct methods to identify land use designations for Napa and the County. Land use designations for Napa are identified using the land use map adopted as part of its General Plan, which is parcel-specific. Land use designations for the County are identified using its adopted zoning standards, which are also parcel-specific. The decision to use zoning standards to identify land use designations for the County is based on the recommendation of its Planning Department and is drawn from the lack of parcel-specificity associated with the land use map adopted as part of the County General Plan.

Study Category A

(Emphasis reflects areas that are outside the NSD sphere, but inside the Napa sphere)

This study category consists of 175 parcels representing approximately 1,370 acres. It comprises 14 distinct incorporated and unincorporated areas that are located outside the NSD sphere and jurisdictional boundary, but inside the Napa sphere and RUL. A summary of each area is as follows:

- Area A-1: This area includes two incorporated parcels located near the eastern terminus of Los Robles Drive east of its intersection with Quarry Drive. It is approximately 11 acres in size and is comprised of single-family residences. As land use authority, Napa designates the area *Single-Family Residential – 183* with a maximum density of five units per acre. Napa has also zoned the area *Residential Single – 20*, which requires a minimum parcel density of 20,000 square feet (0.46 acres). These assignments are consistent with the County General Plan, which designates the area as *Cities* with no zoning standard.
- Area A-2: This area includes one unincorporated parcel located near the eastern terminus of Monte Vista Drive east of its intersection with El Camino Drive. It is approximately two acres in size and is comprised of a single-family residence. As land use authority, the County designates the area *Rural Residential* with a zoning standard of *Residential Country*, which requires a minimum parcel density of 10 acres. These assignments are consistent with the Napa General Plan, which designates the area *Single-Family Residential – 106* with a maximum density of two units per existing parcel. Napa has also rezoned the area *Residential Single – 20*, which requires a minimum parcel density of 20,000 square feet (0.46 acres).
- Area A-3: This area includes one incorporated parcel located along the southern side of Ashlar Drive east of its intersection with Hillside Avenue. It is approximately 1.62 acres in size and is comprised of a single-family residence. As land use authority, Napa designates the area *Single-Family Residential - 102* with a maximum density of five units per acre. Napa has also zoned the area *Residential Single - 10*, which requires a minimum parcel density of 10,000 square feet (0.23 acres). These assignments are consistent with the County General Plan, which designates the area *Cities* with no zoning standard.
- Area A-4: This area includes three incorporated and five unincorporated parcels located along the eastern side of Silverado Trail south of its intersection with Hagan Road. It is approximately 15.4 acres in size and is comprised of single-family residences. Napa designates the entire area (incorporated and unincorporated) *Single-Family Residential – 101* with a maximum density of two units per acre. Napa

has also zoned and prezoned the entire area with two residential-single standards that require minimum parcel densities ranging from 10,000 square feet (0.23 acres) to 20,000 square feet (0.46 acres). These assignments are consistent with the County General Plan, which designates the entire area (unincorporated and incorporated) *Cities* with a combination zoning standard of *Residential-Single: Urban Reserve* for all five unincorporated parcels.⁹ This zoning standard requires a minimum parcel density of 0.18 acres.

- Area A-5: This area includes one incorporated parcel located along the northern side of Trancas Street at its intersection with Silverado Trail. It is approximately 4.95 acres in size and is undeveloped. As land use authority, Napa designates the area *Greenbelt – 98* with a maximum density of one unit per existing parcel or one unit per 20 acres by use permit. Napa has also zoned the area *Agricultural Resource*, which does not require a minimum parcel density. These assignments are consistent with the County General Plan, which designates the area *Agricultural Resource* with no zoning standard.
- Area A-6: This area includes five incorporated parcels located along the northern side of Trancas Street across from the northern terminus of Soscol Avenue. It is approximately 1.85 acres in size and is comprised of commercial uses. As land use authority, Napa designates the area *Community Commercial – 443* with a maximum density of 0.4 floor area ratio of the total gross square feet. Napa has also zoned the area *Community Commercial*, which does not specify a minimum parcel density. These assignments are consistent with the County General Plan, which designates the area *Cities* with no zoning standard.
- Area A-7: This area includes five unincorporated parcels located along the western side of Big Ranch Road north of its intersection with Trancas Street. It is approximately 8.16 acres in size and is comprised of single-family residences. As land use authority, the County designates the area *Cities* with a combination zoning standard of *Residential Country: Urban Reserve*, which requires a minimum parcel density of 10 acres. These assignments are consistent with the Napa General Plan, which designates the area with a mixture of single-family residential uses that have maximum densities ranging from two to four units per acre. Napa has also prezoned the area with three types of residential-single standards that require minimum parcel densities ranging from 5,000 square feet (0.11 acres) to 20,000 square feet (0.46 acres).

⁹ The County does not assign zoning standards to the three incorporated parcels comprising the area.

- Area A-8: This area includes seven unincorporated parcels located along the western side of Big Ranch Road south of its intersection with El Centro Avenue. It is approximately 61 acres in size and is comprised of single-family residences, planted acreage, and undeveloped uses. As land use authority, the County designates the area *Cities* with a combination zoning standard of *Residential Country: Urban Reserve*, which requires a minimum parcel density of 10 acres. These assignments are consistent with the Napa General Plan, which designates the area with a mixture of single-family residential uses that have maximum densities ranging from two to six units per acre. Napa has also prezoned the area with five types of residential-single standards that require minimum parcel densities ranging from 5,000 square feet (0.11 acres) to 20,000 square feet (0.46 acres).
- Area A-9: This area includes 45 unincorporated and 21 incorporated parcels located along Redwood Road near its intersection with Forest Drive. It is approximately 60.25 acres in size and is predominately comprised of single-family residences. The County designates the entire area (unincorporated and incorporated) *Cities* with two types of combination zoning standards for the unincorporated parcels: *Residential County: Urban Reserve* and *Residential Single: Urban Reserve*. These zoning standards require minimum parcel densities of 10 and 0.18 acres, respectively.¹⁰ These assignments are consistent with the Napa General Plan, which designates the entire area (incorporated and unincorporated) with a mixture of single-family residential uses that have maximum densities ranging from two to five units per acre. Napa has also zoned and prezoned the entire area with three residential-single standards that require minimum parcel densities ranging from 10,000 square feet (0.23 acres) to 40,000 square feet (0.92 acres).
- Area A-10: This area includes two incorporated parcels located at the northern terminus of Borrette Lane north of its intersection with Tonya Lane. It is approximately 7.65 acres in size and is comprised of single-family residences and planted acreage. As land use authority, Napa designates the area *Single-Family Residential - 40* with a maximum density of two units per acre. Napa has also zoned the area *Residential Single - 40*, which requires a minimum parcel density of 40,000 square feet (0.92 acres). These assignments are consistent with the County General Plan, which designates the area *Cities* with no zoning standard.

¹⁰ The County does not assign zoning standards to the 21 incorporated parcels comprising the area.

- Area A-11: This area includes three unincorporated parcels located along the eastern side of Partrick Road near its intersection with Borrette Lane. It is approximately 1.84 acres in size and is comprised of single-family residences. As land use authority, the County designates the area *Cities* with a combination zoning standard of *Residential Country: Urban Reserve*, which requires a minimum parcel density of 10 acres. This zoning assignment is consistent with the Napa General Plan, which designates the area *Single-Family Residential – 40* with a maximum density of two units per acre. Napa has also rezoned the area *Residential Single – 40*, which requires a minimum parcel density of 40,000 square feet (0.92 acres).
- Area A-12: This area includes eight incorporated parcels located south of Browns Valley Road in proximity to its intersection with Thompson Avenue. It is approximately 133.48 acres in size and is comprised of single-family residences, planted acreage, open space, and a citywide park (Westwood Hills). As land use authority, Napa designates a mixture of uses for the area, including *Single-Family Residential – 42*, *Public Serving – 823* and *860*, and *Resource Area – 116*. The two public serving designations require maximum floor area ratios ranging from 0.1 to 0.4 of the total gross square feet, while the single-family residential designation requires a maximum density of four units per acre. The resource area designation requires a maximum density of one unit per existing parcel or one unit per 20 acres by use permit. Napa's zoning standards for the area include *Residential-Single – 7* and *40*, *Park and Open Space*, and *Agricultural Resource*. These residential zoning standards require minimum parcel densities of 7,000 and 40,000 square feet (0.16 and 0.92 acres), respectively. Neither non-residential zoning standard requires minimum parcel densities. These assignments are consistent with the County General Plan, which designates the area *Cities* with no zoning standard.
- Area A-13: This area includes 31 incorporated and 16 unincorporated parcels located along the western and eastern sides of Foster Road south of its intersection with Imola Avenue. It is approximately 186.98 acres in size and is comprised of single-family residences, grazing fields, auxiliary animal facilities, and undeveloped uses. Napa assigns four designations for the area that include *Single-Family Residential – 128*, *Single-Family Infill – 130*, *Multi-Family Residential – 129*, and *Corporate Park – 671*. The three residential designations provide a maximum density of two (single-family), eight (single-infill), and 20 (multi-family) units per acre, while the corporate designation allows for a maximum floor area ration of 0.25 of the total gross square feet. Napa has also zoned and rezoned the area with two standards, *Residential-Single – 40* and *Master Plan*. The residential standard requires a minimum parcel density of 40,000 square feet (0.92 acres),

while the master plan standard denotes that Napa must first approve a master or specific plan detailing land use and infrastructure standards prior to approving any development projects. These assignments are consistent with the County General Plan, which designates the area *Cities* with two combination zoning standards for the unincorporated parcels: *Residential Single: Urban Reserve* and *Agricultural Watershed: Urban Reserve*. These standards require minimum parcel densities of 8,000 square feet (0.18 acres) and 160 acres, respectively.

Area A-14: This area includes 19 incorporated parcels located south of the Soscol Ridge and partially bisected by State Highway 29. It is approximately 874.7 acres in size and is predominately comprised of vineyards and open-space uses. As land use authority, Napa designates the majority of the area *Resource Area – 210* with a maximum density of one unit per existing parcel or one unit per 20 acres by use permit. This area is zoned *Agricultural Resource*. The remaining portion of the area not designated *Resource Area* consists of a 2.6 acre parcel designated *Public Serving – 922*, which requires a maximum floor area ratio of 0.4 of the total gross square feet. This parcel is adjacent to Golden Gate Drive and is zoned *Park/Open Space*. Neither zoning standard in the area requires a minimum parcel density. These assignments are consistent with the County General Plan, which designates the entire area *Cities* with no zoning standard.

* A map depicting Study Category A is provided in Map One.

Analysis:

The majority of the study category is designated for an urban use by both Napa and the County as the affected land use authorities. Areas within the study category that are not designated for an urban use by the affected land use authority include A-5 and A-14. These areas are both incorporated and designated by Napa as *Greenbelt* and *Resource Area*, respectively. The remaining areas in the study category are generally designated for residential use by Napa and the County. Additionally, most of the unincorporated areas are assigned an overlay zoning standard by the County of *Urban Reserve*, which specifies that no additional development be allowed without annexation to Napa.

Conclusion:

With the exception of A-5 and the southeastern portion of A-12, inclusion of the study category into the NSD sphere is appropriate at this time. Inclusion would promote planned and orderly service provision for NSD in a manner that is consistent with the adopted land use policies of both Napa and the County. Inclusion would also provide for greater consistency between the policies of Napa, County, and LAFCO in terms of coordinating planned urban development. In addition, inclusion would be consistent with the past practice of the Commission to include territory located within the Napa RUL.

It is important to note that one of the areas in the study category recommended for inclusion into the NSD sphere is designated for a non urban use by Napa as the affected land use authority. This area, which is identified as A-14, is commonly referred to as Stanly Ranch and is designated by Napa as *Resource Area* with a zoning standard of *Agricultural Resource*. In 2003, Napa approved a subdivision for the area with the underlying project including the preservation of existing vineyards and open-space along with the development of a number of small wineries. Since these wineries will produce wastewater, and in recognition that water service is already provided to the area by Napa, staff believes that the extension of sewer – at a level contemplated by Napa – is consistent with the current and planned uses of the area and would not induce unplanned growth. It is also noteworthy that the extension of sewer to the area would likely be accompanied by the delivery of reclaimed water by NSD. If established, the extension of reclaimed water to the area could serve as a catalyst to extend reclamation services to adjacent agricultural lands, including the Carneros region.¹¹

With respect to the two areas in the study category not recommended for inclusion into the NSD sphere, both areas (A-5 and the southeastern portion of A-12) are incorporated and have existing and planned uses that are not consistent with the extension of sewer. A-5 consists of an undeveloped parcel and is designated by Napa as *Greenbelt* with a zoning standard of *Agricultural Resource*. The southeastern portion of A-12 consists of two parcels comprising a citywide park and dedicated open-space. Napa designates both parcels as *Public Serving* with zoning standards of *Agricultural Resource* and *Park/Open-Space*. Based on the current and planned uses, the extension of sewer to these areas would promote an urban use not contemplated by the land use authority.¹²

Recommendation: Staff recommends inclusion of the study category into the NSD sphere as part of this comprehensive review with the exception of A-5 and the southeastern portion of A-12. The portion of A-12 not recommended for inclusion into the NSD sphere is identified by the affected assessor parcel numbers: 050-270-014 and 050-320-017.

Study Category B

(Emphasis reflects areas that are inside the NSD jurisdiction, but outside its sphere)

This study category consists of nine parcels representing approximately 602 acres. It comprises two distinct unincorporated areas that are located outside the NSD sphere as well as outside the Napa sphere and RUL, but inside NSD’s jurisdictional boundary. A summary of each area is as follows:

¹¹ Approximately 5,700 acres in the Carneros region are in the Los Carneros Water District (LCWD). LCWD was formed in 1978 for the purpose of facilitating an agreement with NSD for the delivery of reclaimed water for agricultural use. Although various proposed reclamation projects have been considered with NSD over the past 25 years, none have been implemented and the District remains dormant. A principle constraint in establishing reclaimed water service remains the cost of infrastructure – specifically the cost of constructing a pipeline underneath the Napa River.

¹² A portion of the citywide park is already in the sphere and jurisdictional boundary of the NSD. This portion is identified by its assessor parcel number: 050-270-012.

Area B-1: This area includes three unincorporated parcels located along the southern side of Hedgeside Avenue east of its intersection with McKinley Road. It is approximately 20.23 acres in size and consists of single-family residences. As land use authority, the County designates the area *Rural Residential* with a zoning standard of *Residential Country*, which requires a minimum parcel density of 10 acres. The area is not designated or rezoned by Napa.

Area B-2: This area includes six unincorporated parcels located along the southern side of Jameson Canyon Road (Highway 12) near its intersection with South Kelly Road. It is approximately 582.10 acres in size and primarily consists of the Eagle Vines and Chardonnay Golf Courses. As land use authority, the County designates the area *Industrial* with a combination zoning standard of *Agricultural Watershed – Airport Compatibility*, which requires a minimum parcel density of 160 acres. The area is not designated or rezoned by Napa.

* A map depicting Study Category B is provided in Map One.

Analysis:

The entire study category is designated for an urban use by the County as the affected land use authority. The areas comprising the study category were both annexed to NSD based on special circumstances and have established sewer service. B-1 was annexed as part of two separate proposals. The last annexation occurred in 2003 and was approved by the Commission in recognition of NSD’s policy to allow connections to the sewer system for parcels that are contiguous to its “Milliken Creek” trunk line.¹³ (Staff did not recommend a concurrent sphere amendment for this proposal based on the appearance that the property was designated for agricultural use by the County. As part of this review, the County has informed LAFCO that parcels zoned *Residential Country* are designated *Rural Residential*. This zoning standard applies to the subject area). B-2 was annexed as part of one proposal in 2003 in recognition of existing service provision; a portion of the area had already established service through an out-of-agency agreement dating back to the early 1980s. As part of the proposal, staff recommended that a concurrent sphere amendment be approved. However, the Commission decided against modifying the sphere due to concerns of inducing a change of urban use for the area.

Conclusion:

Inclusion of the study category into the NSD sphere is appropriate at this time. Inclusion would recognize the current delivery of sewer service and promote the planned and orderly development of NSD by modifying the sphere to become congruent with its jurisdictional boundary. This would be consistent with the past practice of the Commission to emphasize the availability and delivery of sewer service in determining the location of the NSD sphere. Inclusion would also be consistent with recent amendments to California Government Code emphasizing that urban services be limited to areas located within the affected agency’s sphere.

¹³ The first annexation involving B-1 occurred in 1971. NSD’s sphere was not established until 1975.

There are two contextual issues that the Commission should consider with regard to staff's recommendation. First, the inclusion of B-1 would create a new "island" sphere boundary line for NSD. This is inconsistent with the Commission's adopted policy to establish only one sphere boundary line for each special district. However, in addition to recognizing that the current sphere boundary already comprises three non-contiguous areas, staff believes that deference should be assigned to recognizing existing service provision. Second, in approving the annexation of B-2 in 2003, the Commission decided against approving a concurrent sphere amendment due to concerns of inducing a change in urban use for the area. It appears that this concern is adequately addressed by the current zoning standard (*Agricultural Watershed: Airport Compatibility*), which makes future development of the area to a more urbanized use unlikely.

Recommendation: Staff recommends inclusion of the study category into the NSD sphere as part of this comprehensive review.

Study Category C

(Emphasis reflects areas that are outside both the NSD sphere and Napa sphere, but designated for an urban use by the County)

This study category comprises unincorporated territory that is located outside the NSD sphere and jurisdictional boundary as well as outside the Napa sphere and RUL, but designated for an urban use by the County. The study category is treated as one distinct area for the purposes of this review and includes Coombsville and the Big Ranch Road-El Centro Avenue and Milliken Creek-Monticello Road areas.

* A map depicting Study Category C is provided in Map One.

Analysis:

The entire study category is designated for an urban use by the County as the affected land use authority. The majority of the study category is designated by the County as *Rural Residential* with a zoning standard of *Residential County*, which requires a minimum parcel density of 10 acres. The prevailing use in the study category is low density residential. Notable exceptions include two moderately dense residential subdivisions in the Milliken Creek-Monticello Road area that are zoned *Residential Single*, which requires a minimum parcel density of 0.18 acres.¹⁴ The study category also includes a sizable area south of the Napa State Hospital designated and zoned by the County as *Industrial*.

¹⁴ These subdivisions along with a number of adjacent parcels in the Milliken Creek-Monticello Road area receive water service from Napa. Napa permits outside water service under its Policy Resolution No. 7, which allows the Public Works Director to authorize service for single-family residences that are contiguous to a public right-of-way that includes an existing water line and was of legal record as of December 31, 1982.

The inclusion of the study category into the NSD sphere is consistent with California Government Code and the Commission’s General Policy Declarations.¹⁵ A key factor supporting inclusion includes recognizing that the study category is designated for an urban use (*Rural Residential* or *Industrial*) by the County as the affected land use authority. Consequently, the extension of sewer service would not promote the premature conversion of designated agricultural or open-space lands. It is also reasonable to expect that the extension of sewer into the study category would help address a growing concern about septic systems polluting local groundwater basins. However, the determination of whether the inclusion of the study category into the NSD sphere is appropriate is a policy decision for the Commission. Underlying this policy decision is the issue of growth inducement and whether the extension of sewer service is appropriate with the present and planned uses in the study category.

It is reasonable to expect that the extension of the NSD sphere and its sewer services into the study category would induce greater sized lots through the ministerial approval of building permits. The inducement of greater sized lots would create a variable for NSD with respect to quantifying potential service demands. However, staff does not believe that the inducement of one permissible use to another permissible use under the same land use authority is the purview of LAFCO. With regard to inducing new development, the extension of sewer service does remove an obstacle to the intensification of uses, but it does not necessarily produce greater densities. The decision to change zoning densities remains the responsibility of the Board of Supervisors.

California Government Code and the Commission’s General Policy Declarations emphasize land use designations in considering whether changes in jurisdictional and sphere boundaries are appropriate with present and planned uses. As noted, the present and planned uses in the study category are designated urban by the County. The County has not indicated that reclassification of the study category into a non-urban use is a consideration of the current General Plan update.

In the course of preparing this review, Napa and the County have expressed concern regarding the potential extension of the NSD sphere into the study category. Both agencies believe that the extension of sewer services into the study category is generally inconsistent with present and planned uses and would be growth inducing.¹⁶ Both agencies have also stated that infrastructure planning associated with the extension of the NSD sphere should follow the completion of the County General Plan update. The County has requested that LAFCO defer consideration of any modifications to the NSD sphere involving this study category until the General Plan update is near completion.

¹⁵ The Commission’s General Policy Declarations states that that location and character of a special district sphere should be responsive to its existing and planned service facilities within a ten year period. Currently, NSD does not have existing or planned facilities to serve the majority of the study category with the exception of a limited number of parcels in the Milliken Creek-Monticello Road area. However, as part of its current master plan update, NSD has begun to develop computer models to project infrastructure requirements to serve the study category. The information developed from the computer modeling will help inform NSD in preparing a capital improvement schedule for the study category in the event it is added to the sphere.

¹⁶ Both agencies have advised LAFCO that they believe sewer service may be appropriate for two specific areas within the study category. One of these areas is commonly referred to as the “Syar/Pacific Coast Property” and is located south of the Napa State Hospital. The second area comprises a small number of parcels located along Monticello Road that have been designated by the County for affordable housing.

Conclusion:

The expansion of the NSD sphere to include the study category is consistent with California Government Code and the Commission’s General Policy Declarations. The determination of whether the inclusion of the study category into the sphere is appropriate is a policy decision for the Commission. Underlying this policy decision is the issue of growth inducement and whether the extension of sewer service is appropriate with the present and planned uses in the study category.

Recommendation: The Commission has chosen to honor the request of the County to defer consideration of this study category until the County General Plan is updated. Once the update is completed, staff will complete its analysis and offer recommendations on the study category for consideration by the Commission. In the interim, staff recommends that the Commission not accept sphere amendment proposals for areas located in the study category unless it is response to a public health concern or other special circumstances.

Study Category D

(Emphasis reflects areas that are inside the NSD sphere, but outside its jurisdiction and the Napa sphere, and designated for non-urban development by the County)

This study category comprises one distinct unincorporated area consisting of four unincorporated parcels located on the western side of Silverado Trail across from its intersection with Hagan Road. The study category is located inside the NSD sphere, but outside its jurisdictional boundary as well as outside the Napa sphere and RUL, and designated for a non-urban use by the County. It is approximately 19.1 acres in size and is comprised of single-family residences, planted acreage, and undeveloped uses.

* A map depicting Study Category D is provided in Map One.

Analysis:

As land use authority, the County designates the affected territory *Agricultural Resource* with a zoning standard of *Agricultural Preserve*, which requires a minimum parcel density of 40 acres. These assignments are consistent with the Napa General Plan, which designates the affected territory *Greenbelt* with no zoning standard. None of the four parcels comprising the study category receive sewer service from NSD.

Conclusion:

Removal of the study category from the NSD sphere is appropriate at this time. Removal would encourage orderly urban service provision for NSD in a manner that is consistent with the adopted land use policies of the County and Napa. Removal would also provide for greater consistency between the policies of the County, Napa, and LAFCO in terms of guiding urban development away from designated agricultural and open-space lands.

Recommendation: Staff recommends removal of the study category from the NSD sphere as part of this comprehensive review.

Study Category E

(Emphasis reflects areas that LAFCO and/or NSD staff have received inquiries from property owners with respect to amending the NSD sphere to facilitate annexation)

This study category consists of 290 parcels representing approximately 731 acres. It comprises five distinct unincorporated areas that are located outside the NSD sphere and jurisdictional boundary as well as outside the Napa sphere and RUL. This study category reflects areas that LAFCO or NSD staff have received inquiries on over the last several years with respect to possible inclusion into the sphere to facilitate annexation. A summary of each area is as follows:

- Area E-1: This area includes one unincorporated parcel located along the southern side of El Centro Avenue east of its intersection with Solomon Avenue. It is approximately 2.02 acres in size and is comprised of a single-family residence. Its western and southern border is directly adjacent to the existing NSD sphere as well as the Napa sphere and RUL. As land use authority, the County designates the area *Rural Residential* with a zoning standard of *Residential County*, which requires a minimum parcel density of 10 acres. The area is not designated or prezoned by Napa.
- Area E-2: This area includes 218 unincorporated parcels generally located along the southern side of Monticello Road in between Napa and the Silverado Estates. It is approximately 253.35 acres in size and is generally comprised of a single-family residence. The area is located in between two non-contiguous NSD sphere boundaries. As land use authority, the County designates the area *Rural Residential* with one of two zoning standards: *Residential County* or *Residential Single*.¹⁷ These zoning standards specify a minimum parcel density of 10 and 0.18 acres, respectively. The area is not designated or prezoned by Napa.
- Area E-3: This area includes one unincorporated parcel located along the western side of Solano Avenue north of its intersection with Oak Knoll Avenue. It is approximately 3.54 acres in size is comprised of a mixture of commercial uses. It is located approximately 1,800 feet north of the existing NSD sphere that comprises the northern boundary line of Napa and its RUL. As land use authority, the County designates the area *Agricultural Resource* with a zoning standard of *Commercial Limited*, which requires a minimum parcel density of one acre or one-half acre if public water or sewer is available. The area is not designated or prezoned by Napa.

¹⁷ Three of the parcels located within E-2 also have an overlay zoning standard of *Affordable Housing*.

Area E-4: This area includes 58 unincorporated parcels located along the southern side of Orchard Avenue east of Dry Creek Road. It is approximately 436.44 acres in size and is comprised of single-family residences, planted acreage, or undeveloped uses. Its eastern and southern border is directly adjacent to the existing NSD sphere as well as Napa and its RUL. As land use authority, the County designates the area *Agricultural Resource* with a zoning standard of *Agricultural Preserve*, which requires a minimum parcel density of 40 acres. The area is not designated or rezoned by Napa.

Area E-5: This area includes 12 unincorporated parcels located along the northwestern side of North Kelly Road near its intersection with Highway 29. It is approximately 35.88 acres in size and is generally comprised of single-family residences. This area is directly north of the existing NSD sphere. As land use authority, the County designates the area as *Agriculture Watershed and Open-Space* with a zoning standard of *Agriculture Watershed: Airport Compatibility*. This zoning standard requires a minimum parcel density of 160 acres. The area is not designated or rezoned by Napa.

* A map depicting Study Category E is provided in Map Two.

Analysis:

Three-fifths of the study category (E-3, E-4, and E-5) is designated for a non-urban use by the County as the affected land use authority. The remaining two areas (E-1 and E-2) overlap with Study Category C.

Conclusion:

Inclusion of E-3, E-4, and E-5 into the NSD sphere is not appropriate at this time. Inclusion would promote the extension of an urban service in a manner that is not contemplated by the affected land use authority. Inclusion would also be inconsistent with the adopted policy of the Commission to guide urban services away from agricultural or open-space designated lands. The remaining areas that comprise this study category (E-1 and E-2) shall be evaluated as part of Study Category C.

Recommendation: Staff does not recommend inclusion of E-3, E-4, and E-5 into the NSD sphere as part of this comprehensive review. E-1 and E-2 shall be analyzed as part of Study Category C.

SUMMARY OF RECOMMENDATIONS

- Study Category A:** Staff recommends inclusion of Study Category A into the NSD sphere as part of this comprehensive review with the exception of A-5 and the southeastern portion of A-12. The portion of A-12 not recommended for inclusion into the NSD sphere is identified by the two affected assessor parcel numbers: 050-270-014 and 050-320-017.
- Study Category B:** Staff recommends inclusion of Study Category B into the NSD sphere as part of this comprehensive review.
- Study Category C:** The Commission has chosen to honor the request of the County to defer consideration of Study Category C until the County General Plan is updated. Once the update is completed, staff will complete its analysis and offer recommendations on the study category for consideration by the Commission. In the interim, staff advises that the Commission not accept sphere amendment proposals for areas located in the study category unless it is response to a public health concern or other special circumstances.
- Study Category D:** Staff recommends removal of Study Category D from the NSD sphere as part of this comprehensive review.
- Study Category E:** Staff does not recommend inclusion of E-3, E-4, and E-5 into the NSD sphere as part of this comprehensive review. E-1 and E-2 shall be analyzed as part of Study Category C.

* A map depicting staff's recommendation for an updated NSD sphere is provided in Map Four.

SOURCES

Agency Contacts:

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Howard Siegel, Community Partnership Manager
- **City of Napa**
Richard Bottarini, Community Development Director
Jean Hasser, Senior Planner

Documents/Materials:

- LAFCOM of Napa County, File, “Napa Sanitation District Sphere of Influence Report,” December 1975.
- County of Napa General Plan, 1983
- LAFCO of Napa County (Wagstaff and Brady), File, “Napa County Airport Industrial Area Sphere of Influence: Baseline Report on the Napa Sanitation District and American Canyon County Water District,” February 1988.
- City of Napa General Plan, 1998
- LAFCO of Napa County, File, “Comprehensive Water Service Study,” October 2004.
- LAFCO of Napa County (Tracy Geraghty), Report, “Napa Sanitation District: Options and Opportunities for Governance,” December 2004.
- LAFCO of Napa County (Cotton/Bridges/Associates), File, “Comprehensive Study of Sanitation/Wastewater Providers,” September 2005.



**Local Agency
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JUNE 5, 2006
AGENDA ITEM NO. 8b

May 22, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Acting Executive Officer

SUBJECT: ***Comprehensive Study of Sanitation/Wastewater Treatment Providers***

The Commission will review draft determinations regarding the sewer service operations for five of the six special districts included in the *Comprehensive Study of Sanitation/Wastewater Treatment Providers*. The draft determinations are being presented for a first-reading and address the nine service factors required for adoption as part of the Commission's service review mandate.

On October 3, 2005, staff presented the first phase of the *Comprehensive Study of Sanitation/Wastewater Treatment Providers*. This initial phase included a written report, which was prepared for the Commission by P&D Consultants, evaluating the 10 public agencies providing wastewater services in Napa County. Following the meeting, a 30-day notice of review was circulated to each affected agency for their review and comment on the written report. No substantive comments were received during the review period.

Based on the written report prepared by P&D Consultants, staff has initiated the second phase of the study – the preparation of determinations for each affected agency. Determinations are required of the Commission as part of its service review mandate under Government Code §56430 and must be adopted prior to the update of the affected agency's sphere of influence. Determinations for the Napa Sanitation District were prepared by staff and adopted by the Commission at its April 3, 2006 meeting.

As a continuation of the second phase of the study, staff has prepared draft determinations for the five remaining special districts included in the study: Circle Oaks County Water District, Lake Berryessa Resort Improvement District, Napa-Berryessa Resort Improvement District, Napa River Reclamation District No. 2109, and the Spanish Flat Water District. These draft determinations are being presented for a first-reading and are accompanied by overview sections for each agency. Following today's meeting, staff will circulate the draft determinations to interested parties for their review and comment. Staff anticipates presenting final determinations, with or without revisions, to the Commission for consideration at its August 2006 regular meeting.

Dr. Andrew Alexander, Vice-Chair
Mayor, City of Calistoga

Kevin Block, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alt. Commissioner
Councilmember, City of American Canyon

Bill Dodd, Chair
Supervisor, 4th District

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Guy Kay, Commissioner
Representative of the General Public

Brian Kelly, Alt. Commissioner
Representative of the General Public

Keene Simonds
Acting Executive Officer

CIRCLE OAKS COUNTY WATER DISTRICT

Overview

The Circle Oaks County Water District (COCWD) was formed in 1962 as an independent special district under California Government Code §30000 et seq. COCWD is approximately 250 acres in size and is located in Cappell Valley near the intersection of State Highways 121 and 128. Its formation was petitioned by local property owners to serve the planned development of a multi-phase subdivision to be known as “Circle Oaks.” However, due to various factors, the development of Circle Oaks has been limited to a single phase comprising approximately 330 lots. Development within Circle Oaks has also been limited by a moratorium on new water service connections, which was adopted by COCWD in 2000 due to concerns regarding its available emergency water supplies. This moratorium is scheduled to be lifted once COCWD purchases and brings online a new pump station to improve system capacity for its higher pressure zone.

COCWD is governed by an elected five-member board of directors that serve staggered four-year terms. Elections are based on a registered-voter system. COCWD is staffed by one part-time general manager appointed by the Board. An engineering firm is contracted to operate COCWD’s sewer and water systems. COCWD currently serves 189 residential sewer connections with an estimated resident service population of 495.¹

Date Formed	1962
Enabling Legislation	California Water Code 30000 et. seq.
Services Provided	Sewer Water
Estimated Resident Service Population	495

Written Determinations

The following written determinations have been prepared by staff and are drawn from information collected as part of the Commission’s *Comprehensive Study of Sanitation/Wastewater Treatment Providers*. These determinations address the service factors prescribed for consideration for COCWD as part of Commission’s service review mandate under California Government Code §56430. When warranted, some determinations include supplemental information listed in italics to provide context to the underlying service factor.

General Policies:

- a) Determinations adopted by the Commission as part of the *Comprehensive Water Service Study* regarding the water service operations of the Circle Oaks County Water District remain valid and appropriate.

¹ Projection is based on the 2005 California Department of Finance population per household estimate (2.62) assigned to Napa County and multiplied by the number of residential sewer connections served by COCWD (189).

Infrastructure Needs or Deficiencies:

- a) The Circle Oaks County Water District's sewer system collects and provides primary treatment of wastewater before it is discharged into one of three storage ponds for evaporation. This is a basic level of sewer service that is regulated by the California Regional Water Quality Control Board.
- b) The sewer system for the Circle Oaks County District has adequate collection, treatment, and discharge capacities to meet existing service demands within its jurisdiction under normal conditions.

The Circle Oaks County Water District's sewer system has a daily design capacity of 72,000 gallons. In 2005, the District's average daily flow amount was approximately 63,700 gallons.

- c) The Circle Oaks County Water District requires a comprehensive facilities plan regarding its sewer service operations. The plan should evaluate the adequacy of existing facilities to meet present and future system demands, offer recommendations as part of a long-term capital improvement program, and evaluate funding requirements and opportunities.
- d) The ability of the Circle Oaks County Water District to effectively quantify its capacity to serve new growth would be measurably strengthened by preparing a comprehensive facilities plan for its sewer system.
- e) Central components of the Circle Oaks County Water District's sewer system have been in operation since the early 1960s. The age of the system underscores the importance for the District to emphasize preventive maintenance to help ensure its continued safe and effective operation.
- f) The Circle Oaks County Water District is operating under a "Cleanup and Abatement Order" from the California Regional Water Quality Control Board. This order, which was prompted by suspected deficiencies regarding excessive storm water intrusion into the collection system, reflects the need for the District to make timely improvements to its sewer system.

Growth and Population Projections:

- a) The Circle Oaks County Water District is under the land use authority of the County of Napa. Land located in the District is designated *Agriculture, Watershed and Open Space* and is primarily zoned *Residential Single*. This zoning standard requires a minimum parcel size of 0.18 acres, which is consistent with existing lot densities and limits additional subdivision and related growth from occurring in the District.

- b) Land located outside and adjacent to the Circle Oaks County Water District is designated by the County of Napa as *Agriculture, Watershed and Open Space*. This designation discourages the Commission from approving annexations to the District based on its policy to direct the extension of municipal services away from land designated agriculture or open-space under the County General Plan.
- c) The Circle Oaks County Water District has enforced a moratorium on new water service connections since 2000. This moratorium has suspended growth in the District because property owners are unable to secure a building permit from the County of Napa without documentation of an available water supply.
- d) The population per household projection issued by the California Department of Finance for Napa County is an appropriate indicator to estimate the resident service population of the Circle Oaks County Water District. Making use of the current per household projection, the estimated resident service population of the District is 495.

The California Department of Finance currently projects a population per household estimate of 2.62 for Napa County. This estimate has been calculated with the 189 residential sewer connections served by the Circle Oaks County Water District to project a resident service population.

Financing Constraints and Opportunities:

- a) The ability of the Circle Oaks County Water District to generate revenue for its sewer system has been constrained by the lack of planned development within its jurisdictional boundary.

At the time of Circle Oaks County Water District's formation, it was anticipated that the Circle Oaks community would develop into a multi-phase subdivision with approximately 2,200 residential units. However, only 331 residential lots have been created as part of a single subdivision phase, with an estimated 144 (44%) of these lots remaining undeveloped.

- b) The lack of planned development in the Circle Oaks County Water District has resulted in a confined customer base. This confined customer base diminishes the District's ability to establish economies of scale with respect to spreading out service costs for the benefit of its constituents.
- c) In the fiscal year evaluated (FY02-03), expenses for the Circle Oaks County Water District relating to its sewer service operations were in excess of its revenues. The District has made a concerted effort to examine its financial situation to rectify its cost-to-income relationship to avoid future shortfalls.

In FY02-03, the Circle Oaks County Water District experienced total expenses (including depreciation) of \$100,122 compared to total revenues of \$85,204 relating to the operation of its sewer system. This resulted in an income shortfall of 17%.

- d) The Circle Oaks County Water District is subject to significant fluctuations in its annual sewer service costs, which have contributed to past operating shortfalls. These shortfalls are symptomatic of the District serving a confined number of customers while maintaining an aging infrastructure system prone to repairs, improvements, and increasing regulatory standards.
- e) The Circle Oaks County Water District recently secured a low-interest loan from the California Special Districts Association in the amount of \$350,000. This loan will help the District fund necessary improvements to its sewer system to comply with its Cleanup and Abatement Order issued by the California Regional Water Quality Control Board.
- f) The Circle Oaks County Water District has made measurable progress over the past two years in replenishing its cash reserves. The accumulation of reserves decreases the District's dependency on loans, grants, or special assessments to help fund emergency repairs or capital improvements.

As of June 2006, the Circle Oaks County Water District maintained a cash reserve balance of \$80,100. This represents an increase in reserves of approximately \$70,000 from March 2004.

Cost Avoidance Opportunities:

- a) The Circle Oaks County Water District's decision to contract for sewer and water service operations with Phillips and Associates provides it with cost-savings relating to salaries, benefits, training, and certification.
- b) The Circle Oaks County Water District recently entered into an agreement with the County of Napa for legal services. This agreement provides significant cost-savings for the District by establishing maximum annual service charges for legal services.

Opportunities for Rate Restructuring:

- a) Sewer services for the Circle Oaks County Water District are primarily funded by a flat monthly availability charge, which is assigned to all developed lots within its jurisdictional boundary. Revenue generated from this charge is currently limited to recovering operational costs.

The Circle Oaks County Water District's flat monthly availability charge for sewer service is \$52.

- b) The Circle Oaks County Water District's dependency on its flat monthly availability charge to fund its sewer system underscores the importance for the District to ensure that this charge adequately recovers all operational costs while sufficiently funding reserves.

Opportunities for Shared Facilities:

- a) The Circle Oaks County Water District is restricted from participating in cost-sharing activities with other agencies, such as joint-use facilities and projects, due to its isolated service location.
- b) The Circle Oaks County Water District should consult with the Napa County Mosquito Abatement District regarding its sewer service operations. This will help to control vectors and vector-borne diseases within the Circle Oaks community.

Government Structure Options:

- a) The Circle Oaks County Water District is the only public agency authorized to provide sewer service within its jurisdictional boundary.
- b) The Circle Oaks County Water District has been successful in achieving its original service objective to provide sewer and water service to the Circle Oaks community. The District continues to serve as an appropriate instrument in meeting the service needs of the community by localizing costs for the direct benefit of its constituents.

Evaluation of Management Efficiencies:

- a) The Circle Oaks County Water District has made a concerted effort over the past two years to formalize its administrative operations by establishing written policies and procedures defining the responsibilities of staff and designated representatives. These efforts have contributed to a more efficient system of administration and enhanced decision-making.
- b) The Circle Oaks County Water District is currently preparing its first audit of financial records in several years. It is important that the District prepare an annual audit of its financial records in a timely manner to foster accountable and transparent management.

- c) Staff for the Circle Oaks County Water District should continue its efforts to remind constituents of the relationship between operational costs, service levels, and sewer rates.
- d) The Circle Oaks County Water District should evaluate and establish performance measures that are consistent with the service needs and preferences of its constituents.

Local Accountability and Governance:

- a) The Circle Oaks County Water District makes reasonable efforts to maintain public dialogue with its constituents. This includes conducting regularly scheduled meetings, distributing newsletters, posting service information on the District website, and soliciting comments from constituents. These efforts facilitate local accountability and contribute towards public involvement in local governance.
- b) The Circle Oaks County Water District is governed by a five-member board of directors. Directors serve voluntarily and are elected by and accountable to the registered voters residing in the District.
- c) The Circle Oaks County Water District should make a concerted effort to consult and address the needs of property owners that have been unable to establish residency in the District due to the current moratorium on new water service connections.
- d) The ability of the Circle Oaks County District to maintain a full number of board members, whether through election or by appointment, remains a challenge due to a lack of willing volunteers in the community.
- e) The long-term effectiveness and solvency of the Circle Oaks County Water District is dependent on its constituents recognizing that they are accountable to fund and govern the District.

LAKE BERRYESSA RESORT IMPROVEMENT DISTRICT

Overview

The Lake Berryessa Resort Improvement District (LBRID) was formed in 1965 as a dependent special district under Public Resource Code §13000 et seq. LBRID is approximately 2,000 acres in size and is located along the northwestern shoreline of Lake Berryessa at Putah Creek. Its formation was petitioned by property owners to provide a broad range of municipal services for the planned development of a multi-phase subdivision to be known as “Berryessa Estates.” Due to various factors, however, the development of Berryessa Estates has been primarily limited to a single phase comprising approximately 350 lots.² In addition, a 1971 amendment to its principal act limits LBRID to providing only sewer and water service.

LBRID is governed by the Napa County Board of Supervisors. Supervisors are elected by ward voting and serve staggered four year terms. LBRID elections are based on a registered-voter system. At the direction of the Board, the County Public Works Department administers and operates LBRID’s sewer and water systems. LBRID currently serves 163 residential sewer connections with an estimated resident service population of 427.³

Lake Berryessa Resort Improvement District

Date Formed	1965
Enabling Legislation	Public Resources Code 13000 et. seq.
Services Provided	Sewer Water
Estimated Resident Service Population	427

Written Determinations

The following written determinations have been prepared by staff and are drawn from information collected as part of the Commission’s *Comprehensive Study of Sanitation/Wastewater Treatment Providers*. These determinations address the service factors prescribed for consideration for LBRID as part of Commission’s service review mandate under California Government Code §56430. When warranted, some determinations include supplemental information listed in italics to provide context to the underlying service factor.

General Policies:

- a) Determinations adopted by the Commission as part of the *Comprehensive Water Service Study* regarding the water service operations of the Lake Berryessa Resort Improvement District remain valid and appropriate.

² A second phase of Berryessa Estates comprises Stagecoach Canyon Road, which was constructed by LBRID and provides access to the community from Snell Canyon Road.

³ Projection is based on the 2005 California Department of Finance population per household estimate (2.62) assigned to Napa County and multiplied by the number of residential sewer connections served by LBRID (163).

Infrastructure Needs or Deficiencies:

- a) The Lake Berryessa Resort Improvement District's sewer system collects and provides secondary treatment of wastewater before it is discharged into one of seven storage ponds for evaporation. This is an elevated level of sewer service that is regulated by the California Regional Water Quality Control Board.
- b) The sewer system for the Lake Berryessa Resort Improvement District is at capacity with regard to meeting existing service demands within its jurisdiction under normal conditions. Improvements are needed to help solidify the ability of the District to adequately collect, treat, and discharge existing service demands as well as to serve new growth.

The Lake Berryessa Resort Improvement District's sewer system has a daily design capacity of 35,000 gallons. In 2005, the District reported that its average daily sewer flow amount was equal to this capacity.

- c) The Lake Berryessa Resort Improvement District requires a comprehensive facilities plan for its sewer service operations. The plan should evaluate the adequacy of existing facilities to meet present and future system demands, offer recommendations as part of a capital improvement program, and evaluate funding requirements and opportunities.
- d) The ability of the Lake Berryessa Resort Improvement District to effectively quantify its capacity to serve new growth would be measurably strengthened by preparing a comprehensive facilities plan for its sewer system.
- e) Central components of the Lake Berryessa Resort Improvement District's sewer system have been in operation since the late 1960s. The age of the system underscores the importance for the District to emphasize preventive maintenance to help ensure its continued safe and effective operation.
- f) The Lake Berryessa Resort Improvement District is operating under a "Cease and Desist Order" from the California Regional Water Quality Control Board. This order, which was issued in 1996, requires the District to design, fund, and complete significant infrastructure improvements to its sewer system to comply with its discharge permit.
- g) The California Regional Water Quality Control Board recently issued a "Civil Liability Complaint" against the Lake Berryessa Resort Improvement District for failure to make necessary and timely improvements to its sewer system. The complaint includes a \$400,000 fine and formalizes a claim by the Regional Board that the District has been inattentive in abating reoccurring sewer spills into the Lake Berryessa watershed.

- h) The Lake Berryessa Resort Improvement District has identified approximately \$2,000,000 in needed capital improvements to its sewer system to comply with the adopted requirements of the California Regional Water Quality Control Board.
- i) The actions by the California Regional Water Quality Control Board reflect the need for the Lake Berryessa Resort Improvement District to make timely improvements to its sewer system.

Growth and Population Projections:

- a) The Lake Berryessa Resort Improvement District is under the land use authority of the County of Napa. Land located within the District's primary service area, the subdivided phase of Berryessa Estates, is designated and zoned *Rural Residential* and *Planned Development*, respectively. This zoning standard does not require a minimum parcel size, which allows for additional subdivision and related growth to occur within the District upon approval by the County.
- b) Land located outside and adjacent to the Lake Berryessa Resort Improvement District is designated by the County of Napa as *Agriculture, Watershed and Open Space*. This designation discourages the Commission from approving annexations to the District based on its policy to direct the extension of municipal services away from land designated agriculture or open-space under the County General Plan.
- c) There are a number of undeveloped parcels located within the Lake Berryessa Resort Improvement District. This includes an estimated 190 undeveloped lots within the existing subdivided phase of Berryessa Estates. Development of these lots would significantly increase the service population of the District and result in one of the largest unincorporated communities in Napa County.
- d) The population per household projection issued by the California Department of Finance for Napa County is an appropriate indicator to estimate the resident service population of the Lake Berryessa Resort Improvement District. Making use of the current projection, the estimated resident service population of the District is 427.

The California Department of Finance currently projects a population per household estimate of 2.62 for Napa County. This estimate has been calculated with the 163 residential sewer connections currently served by the Lake Berryessa Resort Improvement District to project a resident service population.

Financing Constraints and Opportunities:

- a) The ability of the Lake Berryessa Resort Improvement District to generate revenues for its sewer system has been constrained by the lack of planned development within the Berryessa Estates community.

At the time of Lake Berryessa Resort Improvement District's formation, it was anticipated that the Berryessa Estates would develop into a multi-phase subdivision with approximately 2,000 residential units. However, only 351 residential lots have been created as part of one subdivision phase, with an estimated 188 (53%) of these lots remaining undeveloped.

- b) The lack of planned development in the Lake Berryessa Resort Improvement District has resulted in a confined customer base. This confined customer base diminishes the District's ability to establish economies of scale with respect to spreading out service costs for the benefit of its constituents.
- c) In the fiscal year evaluated (FY03-04), expenses for the Lake Berryessa Resort Improvement District for sewer and water services were in excess of its revenues. The District has made a concerted effort over the past two years to examine its financial situation to rectify its cost-to-income relationship to avoid future shortfalls.

In FY03-04, the Lake Berryessa Resort Improvement District experienced total expenses (including depreciation) of \$476,323 compared to total revenues of \$385,296. This resulted in an income shortfall of 24%.

- d) The Lake Berryessa Resort Improvement District is subject to measurable fluctuations in its annual sewer service costs, which have contributed to past operating shortfalls. These shortfalls are symptomatic of the District serving a confined number of customers while maintaining an aging infrastructure system prone to repairs, improvements, and increasing regulatory standards.
- e) A key source of funding for the Lake Berryessa Resort Improvement District's sewer service operations is drawn from its variable monthly usage charge. Because this charge is based on the amount of potable water metered to the affected customer, funding for the sewer system is adversely affected by decreases in water use in the District.

- f) The Lake Berryessa Resort Improvement District supplements its revenue drawn from its monthly sewer service charges with two special assessments. These special assessments provide critical funding streams for the District and help minimize service rates increases.

The first special assessment for the Lake Berryessa Resort Improvement District was passed in 1998 and is equally divided to fund the maintenance and upgrade of the sewer and water systems. This assessment is currently \$570 and assigned to all parcels in the District. The second special assessment was passed in 2000 to fund seven specific improvements, including repairing and replacing existing sewer collection lines. This assessment is currently \$2,000 and \$1,000 for all developed and undeveloped parcels within the District, respectively.

- g) The California Regional Water Quality Control Board recently fined the Lake Berryessa Resort Improvement District \$400,000 for repeated sewer discharges into the Lake Berryessa watershed. Additionally, because of non-payment, the State of California has sued the District for additional violations relating to the discharges for a total amount of approximately \$2,700,000. It is unknown whether the District could remain solvent if required to pay a judgment or settlement in or near this amount.
- h) The Lake Berryessa Resort Improvement District has been notified by its insurance carrier that it will not renew its policy coverage at the end of this year due to the District's unauthorized sewer discharges and present legal actions with State of California. It is unknown whether the District will be successful in securing an alternative insurance carrier without incurring a significant increase in operational costs.

Cost Avoidance Opportunities:

- a) The Lake Berryessa Resort Improvement District benefits from cost-savings associated with its relationship with the County of Napa. Savings drawn from this relationship include providing the District with administrative and operational support relating to engineering and legal services at a cost below market value.

Opportunities for Rate Restructuring:

- a) The Lake Berryessa Resort Improvement District's sewer service operations are primarily funded by a flat monthly fixed charge and a variable monthly usage charge. Both of these charges have been significantly increased over the past two years to more effectively recover operational costs and contribute towards funding needed capital improvements.

The Lake Berryessa Resort Improvement District's fixed availability charge is currently \$100 and is applied to all parcels within the District. The District's variable usage charge is \$16 per 1,000 gallons of metered water use. (The usage charge applies after the first 1,000 gallons and is applied up to 6,000 gallons.)

- b) The Lake Berryessa Resort Improvement District's sewer rates are the highest among all public sewer providers in Napa County. Due to its current financial constraints and need for substantial capital improvements, a decrease in the District's rate schedule does not appear warranted.

An average ratepayer in the Lake Berryessa Resort Improvement District pays approximately \$180 per month for sewer service, which is an addition to \$2,570 for two special assessments for sewer and water system improvements. (Service rate charge based on the fixed monthly charge (\$100) plus the metered water use charge of 6,000 gallons (\$80).)

- c) The recent rate increases adopted by the Lake Berryessa Resort Improvement District will help finance approximately 2.0 million dollars in needed capital improvements to the sewer system.
- d) The Lake Berryessa Resort Improvement District should continue to evaluate its sewer service charges to ensure that they adequately reflect and recover operational costs while providing sufficient funding for reserves.

Opportunities for Shared Facilities:

- a) The Lake Berryessa Resort Improvement District maintains an informal relationship with the Napa-Berryessa Resort Improvement District to share equipment and materials as needed. This relationship, which is facilitated by the County of Napa, also provides the District with access to supplemental staff and the ability to pursue joint-use projects.
- b) The Lake Berryessa Resort Improvement District should consult with the Napa County Mosquito Abatement District regarding its sewer service operations. This will help to control vectors and vector-borne diseases within the Berryessa Estates community.

Government Structure Options:

- a) The Lake Berryessa Resort Improvement District is the only public agency authorized to provide sewer service within its jurisdictional boundary.

- b) The Lake Berryessa Resort Improvement District was formed to provide a broad range of municipal services for the Berryessa Estates community. However, due to an amendment to its principal act, the District is limited to providing only sewer and water service. Additional analysis is needed to determine whether any of the omitted services, which include public recreation and fire protection, are desired or warranted in the community.

At the time of its formation, the Lake Berryessa Resort Improvement District was authorized to provide water, sewer, fire protection, community planning, garbage collection and disposal, public recreation, street lighting, mosquito abatement, maintenance of a police department, road construction, and general public works.

- c) As part of the *Comprehensive Water Service Study*, the Commission determined the need for a governance study to evaluate the options and merits of reorganizing the Lake Berryessa Resort Improvement District. This includes examining the merits of consolidating the District with the Napa-Berryessa Resort Improvement District and Spanish Flat Water District to establish economies of scale and formalize service provision in the Lake Berryessa area. It is expected that this governance study will be completed prior to the next scheduled service review of all three districts.

Evaluation of Management Efficiencies:

- a) The Lake Berryessa Resort Improvement District provides a summary of past and projected revenues and expenditures relating to its sewer service operations as part of its annual budget. The District's budget process is conducted in an open and transparent manner and provides a clear directive towards staff with regard to prioritizing agency resources.
- b) Management for the Lake Berryessa Resort Improvement District makes a concerted effort to identify and communicate the needs of the District to the Board as part of its annual budget process. These efforts help to inform the decision-making process of the Board to allocate the District's resources efficiently and effectively.
- c) The Lake Berryessa Resort Improvement District has made a concerted effort over the past two years to examine and improve its solvency to avoid future operating shortfalls. These efforts strengthen the credibility and effectiveness of the District to manage the present and future needs of its constituents.

- d) Management for the Lake Berryessa Resort Improvement District should ensure that all documents, including reports, agendas, and minutes, be written on District letterhead rather than on the letterhead of the County of Napa. This will help to strengthen the distinction that the District is the governmental entity responsible for providing sewer and water service to the Berryessa Estates community.
- e) The Lake Berryessa Resort Improvement District should evaluate and establish performance measures that are consistent with the service needs and preferences of its constituents.

Local Accountability and Governance:

- a) The Lake Berryessa Resort Improvement District makes reasonable efforts to maintain public dialogue with its constituents. This includes conducting regularly schedule meetings, attending local community meetings, and distributing newsletters to constituents. These efforts help to facilitate local accountability and contribute towards public involvement in local governance.
- b) The Lake Berryessa Resort Improvement District is governed by the Napa County Board of Supervisors who are elected by and accountable to registered voters residing in their assigned ward. This governance system diminishes local accountability because constituents of the District are limited to voting for only one of five board members.
- c) The Napa County Board of Supervisors should consider delegating governance of the Lake Berryessa Resort Improvement District to a five-member board of directors pursuant to Public Resources Code §13032. This action, which would establish a board comprising four elected residents and one supervisor representing the affected ward, would help to improve local accountability and strengthen community participation in District activities.

Public Resources Code §13034 also authorizes the directors of the Lake Berryessa Resort Improvement District to unanimously vote to replace the supervisor on the board with a fifth elected director.

- d) It is important that the Lake Berryessa Resort Improvement District make a concerted effort to remind constituents that it – and not the County of Napa – is the designated sewer and water authority for the community.
- e) The long-term effectiveness and solvency of the Lake Berryessa Resort Improvement District is dependent on its constituents recognizing that they are accountable to fund the operations of the District.

NAPA-BERRYESSA RESORT IMPROVEMENT DISTRICT

Overview

The Napa-Berryessa Resort Improvement District (NBRID) was formed in 1965 as a dependent special district under Public Resource Code §13000 et seq. NBRID is approximately 1,900 acres in size and is located along the southern shoreline of Lake Berryessa. Its formation was petitioned by property owners to provide a broad range of municipal services for the planned development of a multi-phase subdivision to be known as “Berryessa Highlands” as well as to serve the Steele Park Resort.⁴ Due to various factors, however, the development of Berryessa Highlands has been limited to two phases that collectively comprise approximately 560 lots. In addition, a 1971 amendment to its principal act limits NBRID to providing only sewer and water service.

NBRID is governed by the Napa County Board of Supervisors. Supervisors are elected by ward voting and serve staggered four year terms. NBRID elections are based on a registered-voter system. At the direction of the Board, the County Public Works Department administers and operates NBRID’s sewer and water systems. NBRID currently serves 330 residential connections with an estimated full-time resident service population of 865.⁵ NBRID also provides sewer service to one commercial connection dedicated to the Steele Park Resort. It is estimated that the Steele Park Resort has a part-time resident service population of 597.⁶

Napa-Berryessa Resort Improvement District

Date Formed	1965
Enabling Legislation	Public Resources Code 13000 et. seq.
Services Provided	Sewer Water
Estimated Resident Service Population	865 (full-time) 597 (part-time)

Written Determinations

The following written determinations have been prepared by staff and are drawn from information collected as part of the Commission’s *Comprehensive Study of Sanitation/Wastewater Treatment Providers*. These determinations address the service factors prescribed for consideration for NBRID as part of the Commission’s service review mandate under California Government Code §56430. When warranted, some determinations include supplemental information listed in italics to provide context to the underlying service factor.

⁴ The Steele Park Resort was developed in the late 1950s and is one of seven concessionaries under contract with the United States Bureau of Reclamation to provide public recreational and commercial services at Lake Berryessa.

⁵ Projection is based on the 2005 California Department of Finance population per household estimate (2.62) assigned to Napa County and multiplied by the number of residential sewer connections served by NBRID (330).

⁶ The Steele Park Resort permits tenets to live in their private mobile homes for up to 175 days per year. The part-time population projection for the Steele Park Resort is based on its total number of assigned equivalent dwelling units by the County Public Works Department (228) and multiplied by the population per household estimate (2.62) assigned to Napa County by the California Department of Finance for 2005.

General Policies:

- a) Determinations adopted by the Commission as part of the *Comprehensive Water Service Study* regarding the water service operations of the Napa-Berryessa Resort Improvement District remain valid and appropriate.

Infrastructure Needs or Deficiencies:

- a) The Napa-Berryessa Resort Improvement District's sewer system collects and provides secondary treatment of wastewater before it is discharged through a spray irrigation system onto District-owned lands. This is an elevated level of sewer service that is regulated by the California Regional Water Quality Control Board.
- b) The sewer system for the Napa-Berryessa Resort Improvement District requires improvements to its discharge capacity to adequately meet existing service demands in order to comply with the requirements of the California Regional Water Quality Control Board.

The Napa-Berryessa Resort Improvement District's sewer system has a daily design capacity of 175,000 gallons. However, the California Regional Water Quality Control Board limits the District from discharging no more than 50,000 gallons per day. In 2005, the District reported that its average daily sewer flow amount was approximately 105,000 gallons.

- c) The Napa-Berryessa Resort Improvement District recently completed a comprehensive facilities plan for its sewer and water service operations. This plan includes a recommended capital improvement program that identifies approximately \$5,200,000 in needed sewer infrastructure upgrades.
- d) The ability of the Napa-Berryessa Resort Improvement District to adequately meet existing sewer service demands and to serve new growth is dependent on financing and implementing the infrastructure improvements identified in its comprehensive facilities plan.
- e) Central components of the Napa-Berryessa Resort Improvement District's sewer system have been in operation since the late 1960s. The age of the system underscores the importance for the District to emphasize preventive maintenance to help ensure its continued safe and effective operation.

Growth and Population Projections:

- a) The Napa-Berryessa Resort Improvement District is under the land use authority of the County of Napa. The District's primary service area includes two subdivided phases of Berryessa Highlands that are designated *Agriculture, Watershed and Open-Space* and *Rural Residential*. Zoning for Berryessa Highlands is *Planned Development*. This zoning standard does not require a minimum parcel size, which allows for additional subdivision and related growth to occur within the District upon approval by the County.
- b) Land located outside and adjacent to the Napa-Berryessa Resort Improvement District is designated by the County of Napa as *Agriculture, Watershed and Open Space*. This designation discourages the Commission from approving annexations to the District based on its policy to direct the extension of municipal services away from land designated agriculture or open-space under the County General Plan.
- c) There are a number of undeveloped parcels located within the Napa-Berryessa Resort Improvement District. This includes an estimated 230 undeveloped lots within the two existing subdivided phases of Berryessa Highlands. Development of these lots would significantly increase the service population of the District and result in one of the largest unincorporated communities in Napa County.
- d) The Napa-Berryessa Resort Improvement District serves two distinct service populations. This includes serving full-time residents within the Berryessa Highlands community and part-time residents at the Steele Park Resort.
- e) The population per household projection issued by the California Department of Finance for Napa County is an appropriate indicator to estimate the resident service population of the Napa-Berryessa Resort Improvement District. Making use of on the current projection, the estimated year-round and part-time resident service populations of the District are 865 and 597, respectively.

The California Department of Finance currently projects a population per household estimate of 2.62 for Napa County. This estimate has been calculated with the 330 residential sewer connections served by the Napa-Berryessa Resort Improvement District and the 228 equivalent dwelling units in the Steele Park Resort to project full-time and part-time resident service populations.

Financing Constraints and Opportunities:

- a) The ability of the Napa-Berryessa Resort Improvement District to generate revenues for its sewer system has been constrained by the lack of planned development within its primary service area, Berryessa Highlands.

At the time of Napa-Berryessa Resort Improvement District's formation, it was anticipated that the Berryessa Highlands would develop into a multi-phase subdivision with approximately 1,700 residential units. However, only 561 residential lots have been created as part of two subdivision phases, with an estimated 231 (41%) of these lots remaining undeveloped.

- b) The lack of planned development in the Napa-Berryessa Resort Improvement District has resulted in a confined customer base. This confined customer base diminishes the District's ability to establish economies of scale with respect to spreading out service costs for the benefit of its constituents.
- c) In the fiscal year evaluated (FY03-04), the Napa-Berryessa Resort Improvement District experienced a revenue surplus of approximately \$50,000 for its sewer and water systems. This surplus contrasts with the prior fiscal year (FY02-03) in which the District experienced a shortfall of approximately \$29,000.
- d) The Napa-Berryessa Resort Improvement District is subject to significant fluctuations in its annual sewer service costs, which have contributed to past operating shortfalls. These shortfalls are symptomatic of the District serving a confined number of customers while maintaining an aging infrastructure system prone to repairs, improvements, and increasing regulatory standards.
- e) A key source of funding for the Napa-Berryessa Resort Improvement District's sewer service operations is drawn from its variable monthly usage charge. Because this charge is based on the amount of potable water metered to the affected customer, funding for the sewer system is adversely affected by decreases in water use in the District.

Cost Avoidance Opportunities:

- a) The Napa-Berryessa Resort Improvement District benefits from cost-savings associated with its relationship with the County of Napa. Savings drawn from this relationship include providing the District with administrative and operational support relating to engineering and legal services at a cost below market value.

Opportunities for Rate Restructuring:

- a) The Napa-Berryessa Resort Improvement District's sewer service operations are primarily funded by a flat monthly available charge and a variable monthly usage charge. Both of these charges have been recently increased to more effectively recover operational costs while contributing towards funding needed capital improvements.

The Napa-Berryessa Resort Improvement District's flat monthly availability charge is currently \$10 and is applied to all parcels within the District. The District's variable monthly usage charge is \$4 for the first 1,000 gallons and \$1.31 for every 1,000 gallons of metered water use thereafter.

Opportunities for Shared Facilities:

- a) The Napa-Berryessa Resort Improvement District maintains an informal relationship with the Lake Berryessa Resort Improvement District to share equipment and materials as needed. This relationship, which is facilitated by the County of Napa, also provides the District with access to supplemental staff and the ability to pursue joint-use projects.
- b) Based on proximity and similar service operations, the Napa-Berryessa Resort Improvement District should explore shared arrangements with the Spanish Flat Water District.
- c) The Napa-Berryessa Resort Improvement District should consult with the Napa County Mosquito Abatement District regarding its sewer service operations. This will help to control vectors and vector-borne diseases within the Berryessa Highlands community and the Steele Park Resort.

Government Structure Options:

- a) The Napa-Berryessa Resort Improvement District is the only public agency authorized to provide sewer service within its jurisdictional boundary.
- b) The Napa-Berryessa Resort Improvement District was formed to provide a broad range of municipal services for the Berryessa Highlands community. However, due to an amendment to its principal act, the District is limited to providing only sewer and water service. Additional analysis is needed to determine whether any of the omitted services, which include public recreation and fire protection, are desired or warranted in the community.

At the time of its formation, the Napa-Berryessa Resort Improvement District was authorized to provide water, sewer, fire protection, community planning, garbage collection and disposal, public recreation, street lighting, mosquito abatement, maintenance of a police department, road construction, and general public works.

- c) As part of the *Comprehensive Water Service Study*, the Commission determined the need for a governance study to evaluate the options and merits of reorganizing the Napa-Berryessa Resort Improvement District. This includes examining the merits of consolidating the District with the Lake Berryessa Resort Improvement District and the Spanish Flat Water District to establish economies of scale and formalize service provision in the Lake Berryessa area. It is expected that this governance study will be completed prior to the next scheduled service review of all three districts.

Evaluation of Management Efficiencies:

- a) The Napa-Berryessa Resort Improvement District provides a summary of past and projected revenues and expenditures relating to its sewer service operations as part of its annual budget. The District's budget process is conducted in an open and transparent manner and provides a clear directive towards staff with regard to prioritizing agency resources.
- b) Management for the Napa-Berryessa Resort Improvement District makes a concerted effort to identify and communicate the needs of the District to the Board as part of its annual budget process. These efforts help to inform the decision-making process of the Board to allocate the District's resources efficiently and effectively.
- c) Management for the Napa-Berryessa Resort Improvement District should ensure that all documents, including reports, agendas, and minutes, be written on District letterhead rather than on the letterhead of the County of Napa. This will help to strengthen the distinction that the District is the governmental entity responsible for providing sewer and water service to the Berryessa Highlands community.
- d) The Napa-Berryessa Resort Improvement District should evaluate and establish performance measures that are consistent with the service needs and preferences of its constituents.

Local Accountability and Governance:

- a) The Napa-Berryessa Resort Improvement District makes reasonable efforts to maintain public dialogue with its constituents. This includes conducting regularly schedule meetings, attending local community meetings, and distributing newsletters to constituents. These efforts help to facilitate local accountability and contribute towards public involvement in local governance.

- b) The Napa-Berryessa Resort Improvement District is governed by the Napa County Board of Supervisors who are elected by and accountable to registered voters residing in their assigned ward. This governance system diminishes local accountability because constituents of the District are limited to voting for only one of five board members.
- c) The Napa County Board of Supervisors should consider delegating governance of the Napa-Berryessa Resort Improvement District to a five-member board of directors pursuant to Public Resources Code §13032. This action, which would establish a board comprising four elected residents and one supervisor representing the affected ward, would help to improve local accountability and strengthen community participation in District activities.

Public Resources Code §13034 also authorizes the directors of the Napa-Berryessa Resort Improvement District to unanimously vote to replace the supervisor on the board with a fifth elected director.

- d) It is important that the Napa-Berryessa Resort Improvement District make a concerted effort to remind constituents that it – and not the County of Napa – is the designated sewer and water authority for the community.
- e) The long-term effectiveness and solvency of the Napa-Berryessa Resort Improvement District is dependent on its constituents recognizing that they are accountable to fund the operations of the District.

NAPA RIVER RECLAMATION DISTRICT

Overview

The Napa River Reclamation District No. 2109 (NRRD) was formed in 1974 as an independent special district under California Water Code §50000 et seq. NRRD is approximately 70 acres in size and is located along the western shoreline of the Napa River northwest of the City of American Canyon. Its formation was petitioned by property owners to provide enhanced flood protection for the “Edgerly Island” subdivision. In 1984, NRRD began providing sewer service following a special amendment to its principal act. The special amendment was enacted by the California Legislature to allow NRRD to address a public health notice issued by the County of Napa Health Department. The health notice declared that a number of private septic systems were failing and posed a contamination threat to local groundwater supplies in the community. Notably, the establishment of sewer service coincided with NRRD’s annexation of the north neighboring “Ingersoll” subdivision.

NRRD is governed by an elected five-member board of trustees that serve staggered four-year terms. Elections are based on a landowner-voter system, which provides each landowner one vote for each dollar that his or her property is assessed. Staffing for NRRD is provided by one half-time general manager who is a licensed sewer operator. NRRD currently serves 138 residential sewer connections with an estimated resident service population of 362.⁷

Napa River Reclamation District No. 2109

Date Formed	1974
Enabling Legislation	California Water Code 50000 et. seq.
Services Provided	Sewer Limited Reclamation
Estimated Resident Service Population	362

Written Determinations

The following written determinations have been prepared by staff and are drawn from information collected as part of the Commission’s *Comprehensive Study of Sanitation/Wastewater Treatment Providers*. These determinations address the service factors prescribed for consideration for NRRD as part of Commission’s service review mandate under California Government Code §56430. When warranted, some determinations include supplemental information listed in italics to provide context to the underlying service factor.

General Policies:

- a) Determinations adopted by the Commission as part of the *Comprehensive Study of the Napa River Reclamation District No. 2109 – Service Review* remain valid and appropriate.

⁷ Projection is based on the 2005 California Department of Finance population per household estimate (2.62) assigned to Napa County and multiplied by the number of residential sewer connections served by NRRD (138).

Infrastructure Needs or Deficiencies:

- a) The Napa River Reclamation District No. 2109's sewer system collects and provides secondary treatment of wastewater before it is discharged into one of two storage ponds for evaporation. This is an elevated level of sewer service that is regulated by the California Regional Water Quality Control Board.
- b) The sewer system for the Napa River Reclamation District No. 2109 has adequate collection, treatment, and discharge capacities to meet existing service demands within its jurisdiction under normal conditions.

The Napa River Reclamation District No. 2109's sewer system has a daily design capacity of 40,000 gallons. In 2004, the District's average daily sewer flow amount was approximately 17,000 gallons.

- c) The Napa River Reclamation District reports that its actual daily sewer treatment capacity is 23,000 gallons, which is markedly less than its design capacity of 40,000 gallons. It appears that this discrepancy is due to the deficient sizing of the District's mound filtration system at the time of its construction.
- d) The Napa River Reclamation District No. 2109 requires an update to its sewer facilities plan. The update should evaluate the adequacy of existing facilities to meet present and future system demands, offer recommendations as part of a long-term capital improvement program, and evaluate funding requirements and opportunities.
- e) The ability of the Napa River Reclamation District No. 2109 to effectively quantify its capacity to serve additional development and new growth would be measurably strengthened by preparing an update to its sewer facilities plan.

Growth and Population Projections:

- a) The Napa River Reclamation District No. 2109 is under the land use authority of the County of Napa. Land located in the District is designated and zoned *Agriculture, Watershed and Open Space* and *Residential Single*, respectively. This zoning standard requires a minimum parcel size of 0.18 acres, which is consistent with existing lot sizes and limits additional subdivision and related growth from occurring in the District.
- b) Land located outside and adjacent to the Napa River Reclamation District No. 2109 is designated by the County of Napa as *Agriculture, Watershed and Open Space*. This designation discourages the Commission from approving annexations to the District based on its policy to direct the extension of municipal services away from land designated agriculture or open-space under the County General Plan.

- c) The population per household projection issued by the California Department of Finance for Napa County is an appropriate indicator to estimate the resident service population of the Napa River Reclamation District No. 2109. Making use of the current projection, the estimated resident service population of the District is 362.

The California Department of Finance currently projects a population per household estimate of 2.62 for Napa County. This estimate has been calculated with the 138 residential sewer connections currently served by the Napa River Reclamation District No. 2109 to project a resident service population.

Financing Constraints and Opportunities:

- a) The ability of the Napa River Reclamation District No. 2109 to generate revenues for its sewer system has been constrained by a confined customer base. This confined customer base diminishes the District's ability to establish economies of scale with respect to spreading out service costs for the benefit of its constituents.
- b) In the fiscal year evaluated (FY02-03), expenses for the Napa River Reclamation District No. 2109 for its sewer and limited reclamation services were in excess of its revenues. The District should make a concerted effort to examine its financial situation to rectify its cost-to-income relationship to avoid future shortfalls.

In FY02-03, the Napa River Reclamation District No. 2109 experienced total expenses (including depreciation) of \$295,407 compared to total revenues of \$205,262. This resulted in an income shortfall of 44%.

- c) The Napa River Reclamation District No. 2109 is subject to significant fluctuations in its annual sewer service costs, which have contributed to past operating shortfalls. These shortfalls are symptomatic of the District serving a confined number of customers while maintaining an infrastructure system prone to repairs, improvements, and increasing regulatory standards.

Cost Avoidance Opportunities:

- a) The Napa River Reclamation District No. 2109 benefits from cost-savings associated with its relationship with the Napa County Flood Control and Water Conservation District. This relationship provides the District with funding assistance and access to service equipment as needed.

- b) The Napa River Reclamation District No. 2109 has been successful in obtaining outside funding from state and local agencies to help recover repair costs to its sewer system associated with a 2000 earthquake. These efforts have established important funding relationships for the District and have helped to minimize its use of cash reserves.
- c) The Napa River Reclamation District No. 2109 has made a concerted effort to make preventative maintenance an emphasis as part of its sewer service operations. This includes cleaning all sewer lines every five years.

Opportunities for Rate Restructuring:

- a) Sewer services for the Napa River Reclamation District No. 2109 are primarily funded by a flat annual availability charge, which is assigned to all developed lots within its jurisdictional boundary. Revenue generated from this charge is currently limited to recovering operational costs.

The Napa River Reclamation District No. 2109's flat annual availability charge for sewer service is \$684.

- b) The Napa River Reclamation District No. 2109's dependency on its flat annual availability charge to fund its sewer system underscores the importance for the District to ensure that this charge adequately recovers all operational costs while sufficiently funding reserves.
- c) The Napa River Reclamation District No. 2109 does not have an adopted sewer connection fee. As part of an update to its sewer facilities plan, the District should consider establishing a reasonable connection fee to help recover capital improvement costs associated with serving new growth.

Opportunities for Shared Facilities:

- a) Infrastructure for the City of American Canyon's sewer system is in general proximity to the Napa River Reclamation District No. 2109. This proximity indicates that the District could contract for sewer services from American Canyon if connection under the Napa River could be established.
- b) Shared arrangements that result in the extension of municipal services outside a public agency's jurisdictional boundary requires Commission approval pursuant to California Government Code §56133.

- c) The Napa River Reclamation District No. 2109 should continue to consult with the Napa County Mosquito Abatement District regarding its sewer service operations. This will help to control vectors and vector-borne diseases within the Edgerly Island and Ingersoll communities.

Government Structure Options:

- a) The Napa River Reclamation District No. 2109 is the only public agency authorized to provide sewer service within its jurisdictional boundary.
- b) LAFCO recently completed a governance study on the Napa River Reclamation District No. 2109. This governance study concluded that reorganizing the District into a community service district is the preferred option with respect to meeting the present and future needs of its constituents. It is unknown at this time whether the District or its constituency will pursue this reorganization option.

Evaluation of Management Efficiencies:

- a) The Napa River Reclamation District No. 2109 provides a summary of past and projected revenues and expenditures relating to its sewer service operations as part of its annual budget. The District's budget process is conducted in an open and transparent manner and provides a clear directive towards staff with regard to prioritizing agency resources.
- b) The Napa River Reclamation District No. 2109 should evaluate and establish performance measures that are consistent with the service needs and preferences of its constituents.

Local Accountability and Governance:

- a) The Napa River Reclamation District No. 2109 makes reasonable efforts to maintain public dialogue with its constituents. This includes conducting regularly schedule meetings, posting special notices, and soliciting comments from constituents. These efforts help to facilitate local accountability and contribute towards public involvement in local governance.
- b) The Napa River Reclamation District No. 2109 is governed by a five-member board of trustees. Directors serve voluntarily and are elected by and accountable to the landowners in the District.

- c) The Napa River Reclamation District No. 2109 should make a concerted effort to consult both landowners and non-landowners that reside in the District to ensure that service information is being effectively communicated to all interested parties.

- d) The long-term effectiveness and solvency of the Napa River Reclamation District No. 2109 is dependent on its constituents recognizing that they are accountable to fund and govern the District.

SPANISH FLAT WATER DISTRICT

Overview

The Spanish Flat Water District (SFWD) was formed in 1963 as an independent special district under California Government Code §34000 et seq. SFWD is approximately 1,170 acres in size and is located along the western shoreline of Lake Berryessa. Its formation was petitioned by property owners to provide sewer and water service to the “Spanish Flat” community, which at the time had been developed to include a commercial center, public cemetery, and a small number of single-family residences. Formation was also sought by developers to serve a planned 53-unit subdivision to be known as “Spanish Flat Woodlands.” In 1977, at the request of affected property owners, SFWD annexed and assumed sewer and water service operations for a non-contiguous subdivision north of the Spanish Flat community known as “Berryessa Pines.”

SFWD is governed by an elected five-member board of directors that serve staggered four-year terms. Elections are based on a landowner-voter system, which provides each landowner one vote for each dollar that his or her property is assessed. Staffing for SFWD is provided by one full-time operator who manages both the sewer and water systems. SFWD currently serves 106 residential and 15 commercial sewer connections. One of the commercial connections is dedicated to the 48-space Spanish Flat Mobile Villa. It is estimated that SFWD serves a full-time resident service population of 403.⁸ In addition, although sewer service is not provided, the Spanish Flat Resort is located in SFWD and has an estimated part-time resident service population of 579.⁹

Date Formed	1963
Enabling Legislation	California Water Code 34000 et. seq.
Services Provided	Sewer Water
Estimated Resident Service Population	403 (full-time) 579 (part-time)

Written Determinations

The following written determinations have been prepared by staff and are drawn from information collected as part of the Commission’s *Comprehensive Study of Sanitation/Wastewater Treatment Providers*. These determinations address the service factors prescribed for consideration for SFWD as part of the Commission’s service review mandate under California Government Code §56430. When warranted, some determinations include supplemental information listed in italics to provide context to the underlying service factor.

⁸ Projection is based on the 2005 California Department of Finance population per household estimate (2.62) assigned to Napa County and multiplied by the number of equivalent dwelling units receiving sewer service from SFWD (154).

⁹ The Spanish Flat Resort was developed in the late 1950s and is one of seven concessionaries under contract with the United States Bureau of Reclamation to provide public recreational and commercial services at Lake Berryessa. The Spanish Flat Resort, which was annexed to SFWD in 1976 to establish water service, permits tenants to live in their private mobile homes for up to 180 days per year. The part-time population projection for the Spanish Flat Resort is based on its number of equivalent dwelling units (221) cited in the *Comprehensive Water Service Study* and multiplied by the population per household estimate (2.62) assigned to Napa County by the California Department of Finance for 2005.

General Policies:

- a) Determinations adopted by the Commission as part of the *Comprehensive Water Service Study* regarding the water service operations of the Spanish Flat Water District remain valid and appropriate.

Infrastructure Needs or Deficiencies:

- a) The Spanish Flat Water District operates two sewer systems that serve two distinct and non-contiguous communities, Spanish Flat and Berryessa Pines. Both sewer systems collect and provide secondary treatment of wastewater. Treated wastewater at Spanish Flat is discharged through spray irrigation on District-owned lands and at the Monticello Public Cemetery. Treated wastewater at Berryessa Pines is discharged into one of two storage ponds for evaporation. These are elevated levels of sewer service that are regulated by the California Regional Water Quality Control Board.
- b) Based on current operations, the Spanish Flat Water District's sewer systems have adequate collection, treatment, and discharge capacities to meet existing service demands within its jurisdiction under normal conditions. However, the District does not have any records identifying the design capacities for either sewer system. This prevents the District from accurately estimating its capacity to serve new growth for either of its two service communities.

In 2005, the Spanish Flat Water District reported that its average daily sewer flow amount for Spanish Flat and Berryessa Pines was 5,000 to 12,000 and 4,000 to 5,000 gallons, respectively.

- c) The Spanish Flat Water District should commit to monitoring and recording its daily sewer flow amounts in order to more effectively coordinate and plan system maintenance, repair, and improvement projects.
- d) The Spanish Flat Water District requires comprehensive facilities plans for its sewer service operations at Spanish Flat and Berryessa Pines. These plans should evaluate the adequacy of existing facilities to meet present and future system demands, offer recommendations as part of long-term capital improvement programs, and evaluate funding requirements and opportunities.
- e) The ability of the Spanish Flat Water District to effectively quantify its capacity to serve new growth would be measurably strengthened by preparing comprehensive facilities plans for both of its sewer systems.
- f) Central components of the Spanish Flat Water District's sewer systems have been in operation since the early 1960s. The age of these systems underscores the importance for the District to emphasize preventive maintenance to help ensure their continued safe and effective operation.

Growth and Population Projections:

- a) The Spanish Flat Water District is under the land use authority of the County of Napa. The District's primary service areas, Spanish Flat Woodlands, Spanish Flat Mobile Vila, and the Berryessa Pines, are designated *Rural Residential* with a mixture of agricultural, commercial, and residential zoning standards. These zoning standards provide minimum parcel densities that are generally consistent with existing lot sizes, which limits additional subdivision and related growth from occurring in the District.
- b) Land located outside and adjacent to the Spanish Flat Water District is designated by the County of Napa as *Agriculture, Watershed and Open Space*. This designation discourages the Commission from approving annexations to the District based on its policy to direct the extension of municipal services away from land designated agriculture or open-space under the County General Plan.
- c) The Spanish Flat Water District serves two distinct service populations. This includes full-time residents located within the Spanish Flat and Berryessa Pines communities and part-time residents located at the Spanish Flat Resort.
- d) The population per household projection issued by the California Department of Finance for Napa County is an appropriate indicator to estimate the resident service population of the Spanish Flat Water District. Making use of the current projection, the estimated year-round and part-time resident service populations of the District are 403 and 579, respectively.

The California Department of Finance currently projects a population per household estimate of 2.62 for Napa County. This estimate has been calculated with the 154 equivalent dwelling units served by the Spanish Flat Water District in the Spanish Flat and Berryessa Pines to project a full-time resident service population. The per household estimate has also been calculated with the 221 equivalent dwelling units at the Spanish Flat Resort to project a part-time resident service population.

Financing Constraints and Opportunities:

- a) The ability of the Spanish Flat Water District to generate revenues has been constrained by confined customer bases. These confined customer bases diminish the District's ability to establish economies of scale with respect to spreading out sewer service costs for the benefits of its constituents.

- b) In the fiscal year evaluated (FY03-04), expenses for the Spanish Flat Water District for its sewer and water service operations were in excess of its revenues. The District should make a concerted effort to examine its financial situation to rectify its cost-to-income relationship to avoid future shortfalls.

In FY03-04, the Spanish Flat Water District experienced total expenses (including depreciation) of \$292,511 compared to total revenues of \$242,292. This resulted in an income shortfall of 21%.

- c) The Spanish Flat Water District is subject to significant fluctuations in its annual sewer service costs, which have contributed to past operating shortfalls. These shortfalls are symptomatic of the District serving a confined number of customers while maintaining aging infrastructure systems prone to repairs, improvements, and increasing regulatory standards.

Cost Avoidance Opportunities:

- a) There are no obvious cost-avoidance opportunities for the Spanish Flat Water District under its present organizational structure.

Opportunities for Rate Restructuring:

- a) Sewer services for the Spanish Flat Water District are primarily funded by a flat monthly availability charge, which is assigned to all developed lots within its jurisdictional boundary. Revenue generated from this charge is currently limited to recovering operational costs.

The Spanish Flat Water District's flat monthly availability charge for sewer service is \$36.85 for residential customers.

- b) The Spanish Flat Water District's dependency on its flat monthly availability charge to fund its sewer systems underscores the importance for the District to ensure that this charge adequately recovers all operational costs while sufficiently funding reserves.

Opportunities for Shared Facilities:

- a) Based on proximity and similar service operations, the Spanish Flat Water District should explore shared arrangements with the Napa-Berryessa Resort Improvement District.

- b) The Spanish Flat Water District should consult with the Napa County Mosquito Abatement District regarding its sewer service operations. This will help to control vectors and vector-borne diseases within the Spanish Flat and Berryessa Pines communities and the Spanish Flat Resort.

Government Structure Options:

- a) The Spanish Flat District is the only public agency authorized to provide sewer service within its jurisdictional boundary.
- b) As part of the *Comprehensive Water Service Study*, the Commission determined the need for a governance study to evaluate the options and merits of reorganizing the Spanish Flat Water District. This includes examining the merits of consolidating the District with the Lake Berryessa Resort Improvement District and the Napa-Berryessa Resort Improvement District to establish economies of scale and formalize service provision in the Lake Berryessa area. It is expected that this governance study will be completed prior to the next scheduled service review of all three districts.

Evaluation of Management Efficiencies:

- a) The Spanish Flat Water District provides a summary of past and projected revenues and expenditures relating to its sewer service operations as part of its annual budget. The District's budget process is conducted in an open and transparent manner and provides a clear directive towards staff with regard to prioritizing agency resources.
- b) The Spanish Flat Water District should evaluate and establish performance measures that are consistent with the service needs and preferences of its constituents.

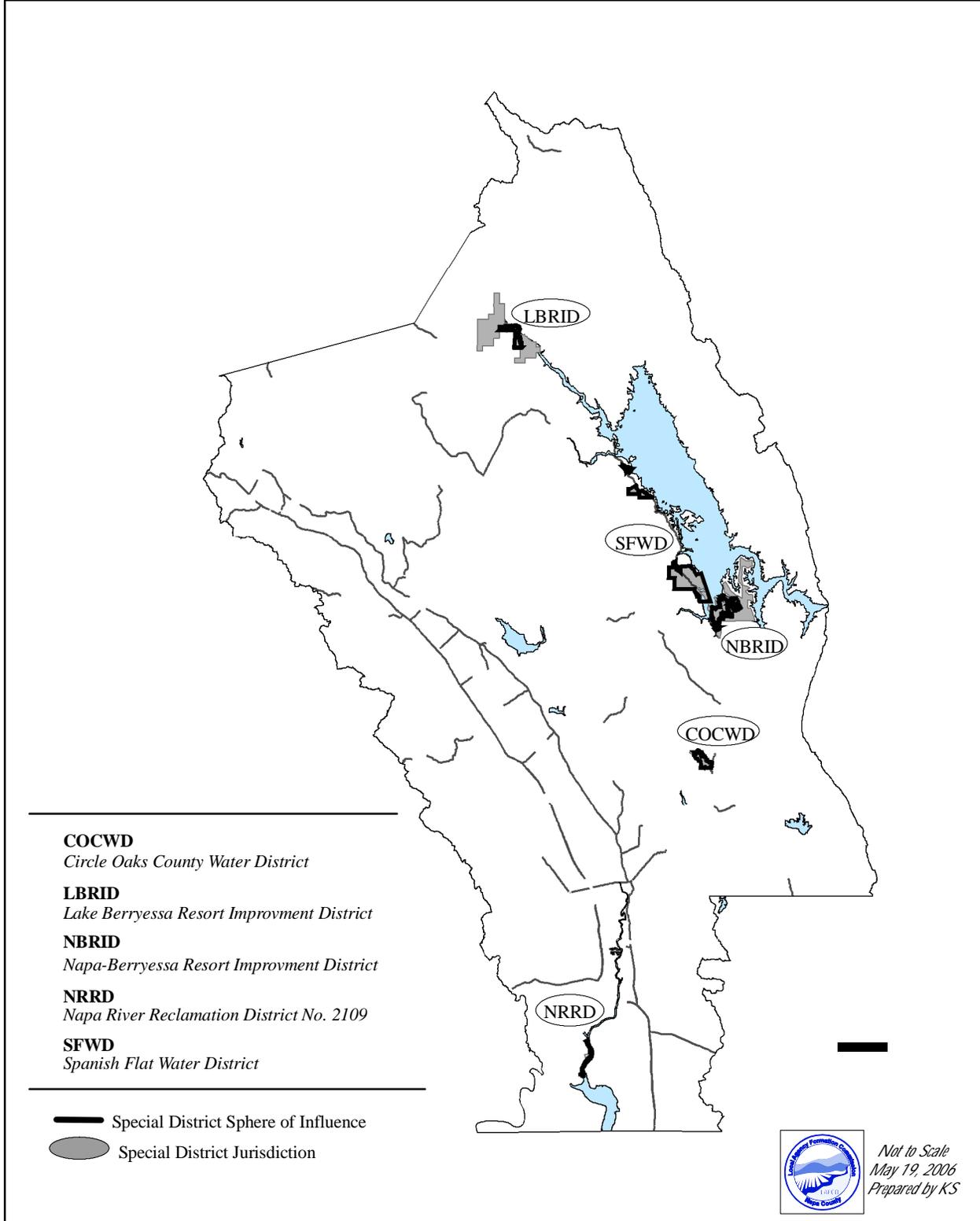
Local Accountability and Governance:

- a) The Spanish Flat Water District makes reasonable efforts to maintain public dialogue with its constituents. This includes conducting regularly scheduled meetings, posting notices, and soliciting comments from constituents. These efforts help to facilitate local accountability and contribute towards public involvement in local governance.
- b) The Spanish Flat Water District is governed by a five-member board of directors. Directors serve voluntarily and are elected by and accountable to the landowners in the District.

- c) The Spanish Flat Water District should make a concerted effort to consult both landowners and non-landowners that reside in the District to ensure that service information is being effectively communicated to all interested parties.
- d) The long-term effectiveness and solvency of the Spanish Flat Water District is dependent on its constituents recognizing that they are accountable to fund and govern the District.

Comprehensive Study of Sanitation/Wastewater Treatment Providers

June 5, 2006 Supplemental Report Map





**Local Agency
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LAFCO of Napa County

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JUNE 5, 2006
AGENDA ITEM NO. 8c

May 22, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Acting Executive Officer

SUBJECT: **Comprehensive Study of Landscaping and Lighting Districts**

The Commission will review draft determinations regarding the service operations of the County Service Area No. 3 and the Silverado Community Services District. The draft determinations are being presented for a first-reading and address the nine service factors required for adoption as part of the Commission's service review mandate.

On June 6, 2005, staff presented the Commission with the first phase of the *Comprehensive Study of Landscaping and Lighting Districts*. This initial phase included a service review report on the County Service Area No. 3 (CSA No. 3) and the Silverado Community Services District (SCSD). In addition, as part of this initial phase, staff presented the Commission with a supplemental report at its October 3, 2005 meeting regarding water service arrangements within SCSD. Copies of both reports are attached.

As part of the second phase of the study, staff has prepared draft determinations for both CSA No. 3 and SCSD. These draft determinations are being presented for a first-reading and address the nine service factors required for adoption as part of the Commission's service review mandate under California Government Code §56430. Following today's meeting, staff will circulate the draft determinations to interested parties for their review and comment. Staff anticipates presenting final determinations, with or without revisions, to the Commission for consideration at its August 2006 regular meeting.

Note: The third and final phase of the study will involve sphere of influence updates for CSA No. 3 and SCSD. Staff anticipates presenting draft sphere of influence update reports for both special districts to the Commission for a first-reading at its August 2006 regular meeting.

Dr. Andrew Alexander, Vice-Chair
Mayor, City of Calistoga

Bill Dodd, Chair
Supervisor, 4th District

Guy Kay, Commissioner
Representative of the General Public

Kevin Block, Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Brian Kelly, Alt. Commissioner
Representative of the General Public

Cindy Coffey, Alt. Commissioner
Councilmember, City of American Canyon

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Keene Simonds
Acting Executive Officer

WRITTEN DETERMINATIONS

County Service Area No. 3

1. General Policy Determinations:

- a) A key function of the County Service Area No. 3 is facilitating the provision of structural fire protection and fire prevention in Napa County's "Airport Industrial Area" through an assessment. Funds generated from this assessment are transferred to the County of Napa Fire Department. Determinations relating to the provision of fire protection in the Airport Industrial Area will be addressed as part of LAFCO's scheduled *Comprehensive Study of Fire Services*.

2. Infrastructure Needs of Deficiencies:

- a) The infrastructure system operated and maintained by the County Service Area No. 3 is limited to street lights and landscaping in public areas. The District contracts for these services and includes appropriate levels of monitoring and repair as part of these contracts.

3. Growth and Population Projections:

- a) There are approximately 10 non-conforming residential units located within the jurisdictional boundary of the County Service Area No. 3. It is unknown whether all of these units are currently inhabited.
- b) The population per household projection issued by the California Department of Finance for Napa County is an appropriate indicator to estimate the resident service population of the County Service Area No. 3. Making use of the current per household projection, the estimated resident service population of the District is 26.

The California Department of Finance currently projects a population per household estimate of 2.62 for Napa County. This estimate has been calculated with the 10 residential units located in the District to project a resident service population.

4. Financing Constraints and Opportunities:

- a) Because the County Service Area No. 3 is funded through assessments, the District must continue to engage its constituents to ensure that assessments cover the level of service desired by property owners.

5. Cost Avoidance Operations:

- a) Through careful monitoring of its contractual arrangements with service providers, the County Service Area No. 3 makes a concerted effort to avoid unnecessary expenditures.

6. Opportunities for Rate Restructuring:

- a) The County Service Area No. 3 reviews its assessments on an annual basis, ensuring that it charges an amount that is appropriate for the services provided.

7. Opportunities for Shared Resources:

- a) The County Service Area No. 3 should periodically evaluate whether it would be cost-effective to contract for service with other public agencies in the region rather than private providers.

8. Government Structure Options:

- a) The current government structure of the County Service Area No. 3, by definition a dependent entity governed by the Board of Supervisors, is appropriate.

9. Evaluation of Management Efficiencies:

- a) Oversight of the County Service Area No. 3's contracts is provided by the staff of the Napa County Airport, who are employees of the Napa County Public Works Department. While this arrangement appears to ensure that a sufficient level of expertise is employed in the management of the District, Public Works should evaluate whether it would be more efficient for the same individual managing the Silverado Community Services District to manage the County Service Area No. 3.

10. Local Governance and Accountability:

- a) The County Service Area No. 3 makes reasonable efforts to maintain public dialogue with its constituents. These efforts help to facilitate local accountability and contribute towards public involvement in local governance.

Silverado Community Services District

1. General Policy Determinations:

- a) The Silverado Community Service District has four active powers: street lighting, street sweeping, landscape maintenance, and weed abatement (as a form of fire prevention). All other powers enumerated in Community Services District Law are considered latent (inactive) pursuant to California Government Code §61002.

2. Infrastructure Needs or Deficiencies:

- a) The infrastructure system operated and maintained by the Silverado Community Services District is limited to street lights and landscaping in public areas. The District contracts for these services and includes appropriate levels of monitoring and repair as part of these contracts.

3. Growth and Population Projections:

- a) The population per household projection issued by the California Department of Finance for Napa County is an appropriate indicator to estimate the resident service population of the Silverado Community Services District. Making use of the current per household projection, the estimated resident service population of the District is 2,835.

The California Department of Finance currently projects a population per household estimate of 2.62 for Napa County. This estimate has been calculated with the 1,082 residential water service connections served by the City of Napa that are located in the District to project a resident service population.

4. Financing Constraints and Opportunities:

- a) Because the Silverado Community Services District is funded through assessments, the District must continue to engage its constituents to ensure that assessments cover the level of service desired by the community.

5. Cost Avoidance Operations:

- a) Through careful monitoring of its contractual arrangements with service providers, the Silverado Community Services District makes a concerted effort to avoid unnecessary expenditures.

6. Opportunities for Rate Restructuring:

- a) The Silverado Community Services District reviews its assessments on an annual basis, ensuring that it charges an amount that is appropriate for the services provided.

7. Opportunities for Shared Resources:

- a) The Silverado Community Services District should periodically evaluate whether it would be cost-effective to contract for service with other public agencies in the region rather than private providers.

8. Government Structure Options:

- a) Though there are few dependent community service districts in California, the limited powers of the Silverado Community Services District and its close relationship to other public and quasi-public organizations in the “Silverado Urban Area” suggest that existing as a dependent special district governed by the Board of Supervisors is the most cost-effective and efficient governance structure for the District.
- b) California Government Code §61106 was recently amended to require that an existing community services district obtain approval from LAFCO in order to activate any of its latent powers. This provision provides the Silverado Community Services District flexibility to seek future activation of additional services in the event they are needed within the community while providing for a LAFCO review and approval process.

9. Evaluation of Management Efficiencies:

- a) Oversight of the Silverado Community Services District’s contracts is provided by County of Napa Public Works Department. This arrangement ensures that a sufficient level of expertise is employed in the management of the District.

10. Local Governance and Accountability:

- a) The Silverado Community Services District makes reasonable efforts to maintain public dialogue with its constituents. These efforts help to facilitate local accountability and contribute towards public involvement in local governance.
- b) Representatives from the Silverado Community Service District regularly attend the quarterly meetings of the Silverado Community Services District Advisory Committee. This committee, which is part of the local homeowners association, enhances community participation in District activities and helps to ensure that service information is being effectively communicated to constituents.

Attachments:

- ~~1. Comprehensive Study of Landscaping and Lighting Districts – Draft Service Review Report (June 2005)~~
- ~~2. Comprehensive Study of Landscaping and Lighting Districts – Supplemental Report (October 2005)~~



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JUNE 5, 2006
AGENDA ITEM NO. 8d

May 25, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Acting Executive Officer

SUBJECT: Comprehensive Study of Fire Protection Services

The Commission will receive a draft copy of a municipal service review report on fire protection services in Napa County. The report represents the first phase of the Commission's review of public fire protection services and is being presented for preliminary discussion.

Staff will present a draft copy of a municipal service review report on fire protection services in Napa County. The draft report, which will be released at the meeting, has been prepared by P&D Consultants and represents the first phase of the Commission's *Comprehensive Study of Fire Protection Services*. This initial phase includes an in-depth profile of the five local public agencies providing fire protection services in Napa County: American Canyon Fire Protection District, City of Calistoga, City of Napa, City of St. Helena, and the County of Napa.

The draft report is being presented to the Commission for preliminary discussion. Following today's meeting, staff will circulate the draft report to the affected agencies for their review and comment in anticipation of initiating the second phase of the study – the preparation of written determinations pursuant to California Government Code §56430. Staff anticipates presenting written determinations for a first-reading at the Commission's August 2006 regular meeting.

Note: The last phase of the study will include a comprehensive sphere of influence review of the American Canyon Fire Protection District pursuant to California Government Code §56425. It is anticipated that a draft sphere review of the District will be presented to the Commission at its October 2006 regular meeting.

Dr. Andrew Alexander, Vice-Chair
Mayor, City of Calistoga

Kevin Block, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alt. Commissioner
Councilmember, City of American Canyon

Bill Dodd, Chair
Supervisor, 4th District

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Guy Kay, Commissioner
Representative of the General Public

Brian Kelly, Alt. Commissioner
Representative of the General Public

Keene Simonds
Acting Executive Officer



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JUNE 5, 2006
AGENDA ITEM NO. 8e

May 30, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Acting Executive Officer

SUBJECT: LAFCO Study Schedule: Status Report

The Commission will review a status report on its study schedule for municipal service reviews and sphere of influence updates. The status report is being presented for review and provides a summary of completed, active, and pending studies. The status report also provides an update on a pending governance study for the Lake Berryessa area.

At its October 11, 2001 meeting, the Commission adopted a study schedule to complete its new municipal service review and revised sphere of influence update requirements. The initial schedule outlined several multi-phased studies involving the 22 cities and special districts under the jurisdiction of LAFCO of Napa County. The schedule was organized for all of the studies, comprising both service reviews and sphere of influence updates, to be completed by the statutory deadline of January 1, 2006. At its March 11, 2004 meeting, the Commission modified the schedule to consolidate several of the studies and to adjust the projected starting dates to reflect the two year delay by the State of California Office of Planning and Research in issuing final service review guidelines. In 2005, California Government Code was amended to extend the statutory deadline for LAFCOs to complete all service reviews and sphere of influence updates to January 1, 2008.

Staff has prepared the attached status report on the Commission's study schedule. The status report is being presented for review and provides a summary of completed, active, and pending studies. The status report illustrates that LAFCO has completed or started two-thirds of its scheduled studies. LAFCO has also completed two governance studies on the Napa Sanitation District and the Napa River Reclamation District No. 2109, which were determined to be needed based on the service reviews of both agencies. A third governance study on the Lake Berryessa area is pending. The need for this governance study is drawn from the *Comprehensive Water Service Study* and will examine the merits of consolidating the Lake Berryessa Resort Improvement District, Napa-Berryessa Resort Improvement District, and the Spanish Flat Water District. Staff anticipates presenting a work plan on this governance study at the Commission's August 2006 meeting.

Dr. Andrew Alexander, Vice-Chair
Mayor, City of Calistoga

Kevin Block, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alt. Commissioner
Councilmember, City of American Canyon

Bill Dodd, Chair
Supervisor, 4th District

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Guy Kay, Commissioner
Representative of the General Public

Brian Kelly, Alt. Commissioner
Representative of the General Public

Keene Simonds
Acting Executive Officer

**LAFCO of Napa County
 Status Report on Service Review/Sphere of Influence Update Study Schedule, 2001-2008
 June 2006**

COMPLETED STUDIES

STUDY	START DATE	COMMENTS
Comprehensive Study of the City of American Canyon (agency study)	October 2002 (Oct. 2001)	Service review determinations were adopted in August 2003. A sphere of influence update was adopted in February 2004.
Comprehensive Study of the Napa County Mosquito Abatement District (agency study)	September 2003 (Nov. 2001)	Service review determinations were adopted in February 2005. A sphere of influence update was adopted in February 2005.
Comprehensive Study of the City of Napa (agency study)	June 2004 (April 2003)	Service review determinations were adopted in April 2005. A sphere of influence update was adopted in June 2005.

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ACTIVE STUDIES

STUDY	START DATE	COMMENTS
<p>Comprehensive Water Service Study (countywide service study: 13 agencies)</p>	<p>June 2002 (Jan. 2002)</p>	<p>Service review determinations were adopted for all 13 affected agencies between October 2003 and June 2004. The study will be completed once sphere of influence updates are adopted for the Congress Valley Water District (CVWD) and the Los Carneros Water District (LCWD). Staff is currently working with CVWD to resolve a suspected discrepancy involving its jurisdictional boundary line, which may impact LCWD. Staff anticipates resolving this issue and presenting sphere of influence updates for both special districts for consideration at the Commission's December 2006 meeting.</p> <p>Projected Completion Date: December 2006</p> <p>* Drawing from the information collected and analyzed as part of the <i>Comprehensive Water Service Study</i>, LAFCO prepared and completed a governance study on the Napa Sanitation District. The governance study concluded that reorganizing the District as a department or subsidiary district of the City of Napa would be difficult because it could create significant land use conflicts.</p> <p>* The <i>Comprehensive Water Service Study</i> identified the need for a governance study to evaluate the merits of consolidating the Lake Berryessa Resort Improvement District, Napa-Berryessa Resort Improvement District, and the Spanish Flat Water District. Staff has initiated discussions with County Public Works staff on the study and anticipates presenting a work plan to the Commission at its August 2006 meeting.</p>

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<p>Comprehensive Study of Sanitation/ Wastewater Treatment Providers (service study: 10 agencies)</p>	<p>November 2004 (April 2004)</p>	<p>Service review determinations for the Napa Sanitation District were adopted in April 2006. Determinations for the remaining 5 affected special districts (Circle Oaks County Water District, Lake Berryessa Resort Improvement District, Napa-Berryessa Resort Improvement District, Napa River Reclamation District, and the Spanish Flat Water District) are being presented for a first-reading as part of today’s meeting. It is anticipated that these service review determinations, with or without modifications, will be presented for consideration at the Commission’s August 2006 meeting. Service review determinations for the 4 affected cities (American Canyon, Calistoga, St. Helena, and Yountville) are scheduled to be presented for consideration at the Commission’s October 2006 meeting. The study will be completed once sphere of influence updates are adopted for the affected special districts. A sphere of influence update for the Napa Sanitation District is being presented for a first-reading as part of today’s meeting, and is expected to be presented for consideration at the Commission’s August 2006 meeting. Sphere of influence updates for the remaining five special districts are expected to be presented for consideration at the Commission’s October 2006 meeting.</p> <p>Projected Completion Date: October 2006</p>
<p>Comprehensive Study of the Napa River Reclamation District No. 2109 (agency study)</p>	<p>February 2005</p>	<p>Service review determinations were adopted in August 2005. This study will be completed once an updated sphere of influence is adopted. Staff anticipates presenting a sphere of influence update for consideration at the Commission’s October 2006 meeting.</p> <p>Projected Completion Date: October 2006</p> <p>* This study was not included in the original study schedule, but was prepared by staff at the direction of the Commission. Based on the service review, staff prepared and completed a governance study on the District that was presented to the Commission at its April 2006 meeting. The governance study concluded that reorganizing the District into a community services district was the best option with regard to meeting the present and future needs of the community.</p>

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<p>Comprehensive Study of Landscaping and Lighting Districts (service study: 2 agencies)</p>	<p>January 2005 (Dec 2003)</p>	<p>Service review determinations for the two affected agencies, County Service Area No. 3 and Silverado Community Services District, are being presented for a first-reading as part of today's meeting. It is anticipated that these service review determinations, with or without modifications, will be presented for consideration at the Commission's August 2006 meeting. The study will be completed once sphere of influence updates are adopted for both special districts. Staff anticipates presenting sphere of influence updates for both special districts for consideration at the Commission's October 2006 meeting.</p> <p>Projected Completion Date: October 2006</p>
<p>Comprehensive Study of Fire Protection Services (service study: 6 agencies)</p>	<p>August 2005 (August 2004)</p>	<p>A draft copy of the service review report prepared by the Commission's consultant (Cotton/Bridges/Associates) is being presented for preliminary discussion as part of today's meeting. It is anticipated that service review determinations for the 6 affected agencies (Calistoga, Napa, St. Helena, Yountville, American Canyon Fire Protection District, and County of Napa) will be presented for consideration at the Commission's December 2006 meeting. The study will be completed once a sphere of influence update for the American Canyon Fire Protection District is adopted. Staff anticipates that a sphere of influence update will be presented for consideration at the Commission's April 2007 meeting.</p> <p>Projected Completion Date: April 2007</p>
<p>Comprehensive Study of the Napa County Resource Conservation Dist. (agency study)</p>	<p>January 2006 (October 2004)</p>	<p>Staff anticipates presenting a draft copy of the service review report prepared by the Commission's consultant (Cotton/Bridges/Associates) at the August 2006 meeting. It is anticipated that service review determinations will be presented for consideration at the Commission's December 2006 meeting. The study will be completed once a sphere of influence is adopted by the Commission. It is anticipated that a sphere of influence update will be presented for consideration at the Commission's February 2007 meeting.</p> <p>Projected Completion Date: February 2007</p> <p>* This study has been separated from a joint-review of the Napa County Flood Control and Water Conservation District</p>

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PENDING STUDIES

STUDY	ANTICIPATED START DATE	COMMENTS
Comprehensive Study of the Napa County Flood Control Water Conservation District (agency study)	October 2006 (October 2003)	Study will draw on information collected as part of the water study. Projected Completion Date: April 2007 * This study has been separated from a joint-review of the Napa County Resource Conservation District.
Comprehensive Study of the City of Calistoga (agency study)	March 2007 (April 2005)	Study will commence with completion of sanitation and fire studies. Projected Completion Date: December 2007
Comprehensive Study of the City of St. Helena (agency study)	March 2007 (April 2005)	Study will commence with completion of sanitation and fire studies. Projected Completion Date: December 2007
Comprehensive Study of the Town of Yountville (agency study)	March 2007 (April 2005)	Study will commence with completion of sanitation and fire studies. Projected Completion Date: December 2007
Comprehensive Study of Cemetery Districts (service study across 2 agencies)	June 2007 (Sept. 2005)	Study will commence in Summer 2007. Projected Completion Date: December 2007



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

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JUNE 5, 2006
AGENDA ITEM NO. 11a

May 25, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Acting Executive Officer

SUBJECT: **CALAFCO Annual Conference**

CALAFCO is in the final stages of preparation for the 2006 Annual Conference. This year's conference will be held at the Westin Horton Plaza Hotel in San Diego. The conference begins at 2:00pm on Tuesday, September 5th, and ends at noon on Thursday, September 7th. Confirmed speakers for the conference include Senate Local Government Committee Chair, Senator Christine Kehoe and member of the Governor's Commission on Local Governance for the 21st Century, Michael Colantuono. In addition, as part of the conference, CALAFCO is organizing a reception and visit to PETCO Park to watch an evening baseball game between the San Diego Padres and the Colorado Rockies on September 5th.

Attached is a recent publication from CALAFCO identifying potential program topics for the conference. Commissioners are encouraged to consult their calendars and let staff know if they will attend this year's conference. Staff is happy to assist in making arrangements.

Attachments:

~~as stated~~

Dr. Andrew Alexander, Vice-Chair
Mayor, City of Calistoga

Kevin Block, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alt. Commissioner
Councilmember, City of American Canyon

Bill Dodd, Chair
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