



LAFCO MEETING AGENDA

Monday, August 4, 2008

4:00 P.M

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

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

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

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

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

Minutes of June 2, 2008

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 ITEMS

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

a) *Silver Trail No. 8 District Annexation to the Napa Sanitation District (Action)*

The Commission will consider an application to annex approximately 0.75 acres of unincorporated territory to the Napa Sanitation District. The annexation is intended to facilitate the extension of public sewer service to an existing single-family residence and guest house. The County of Napa Assessor's Office identifies the affected parcel as 060-341-010.

b) **Fourth Quarter Budget Report for Fiscal Year 2007-2008 (Action)**

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

c) **2008-2009 Budget Contributions by Funding Agencies (Action)**

The Commission will review a report identifying the budget contributions required of its six funding agencies for 2008-2009. The report is being presented to the Commission to receive and file.

d) **Authorization to Approve Audit Expenditure (Action)**

The Commission will consider authorizing the Executive Officer to enter into an agreement with a public accounting firm for the preparation of an independent audit for the 2007-2008 fiscal year.

e) **Amendment to Fiscal Year 2008-2009 Budget (Action)**

The Commission will consider amending its 2008-2009 budget to transfer funds into an extra help account to make payments to a new staff analyst.

6. PUBLIC HEARING ITEMS

a) **City of St. Helena: Sphere of Influence Review**

The Commission will receive a report representing its scheduled sphere of influence review of the City of St. Helena. The Commission will consider a draft resolution approving the recommendation of the report to modify St. Helena's existing sphere of influence and make related statements pursuant to California Government Code Section 56425. The Commission will also consider adopting a negative declaration confirming the findings of an initial study that the modifications contemplated in the report will not have a significant effect on the environment.

PUBLIC HEARING ITEMS CONTINUED...

b) City of Calistoga: Sphere of Influence Review

The Commission will receive a report representing its scheduled sphere of influence review of the City of Calistoga. The Commission will consider a draft resolution approving the recommendation of the report to affirm with no changes Calistoga's existing sphere of influence and make related statements pursuant to California Government Code Section 56425.

c) Monticello Public Cemetery District: Sphere of Influence Review (Canceled)

This public hearing has been canceled. Staff anticipates re-noticing this item for hearing as part of the Commission's October 6, 2008 meeting.

d) Pope Valley Cemetery District: Sphere of Influence Review (Canceled)

This public hearing has been canceled. Staff anticipates re-noticing this item for hearing as part of the Commission's October 6, 2008 meeting.

7. COMMISSION ACTION ITEMS

a) Comprehensive Study of Public Cemetery Districts

The Commission will receive a final written report representing its schedule municipal service review of public cemetery districts in Napa County. The Commission will consider separate draft resolutions adopting the report's determinations pursuant to California Government Code Section 56430.

b) California Association of Local Agency Formation Commissions

The Commission will consider (a) submitting nominations for vacancies to the CALAFCO Board of Directors and (b) appointing delegates for the CALAFCO Annual Conference scheduled for September 3-5, 2008 in Los Angeles.

8. COMMISSION DISCUSSION ITEMS

a) Proposed Formation of the Villa Berryessa Water District

The Commission will receive an update on a proposal to form a new special district to serve a planned 100-lot residential subdivision in the Lake Berryessa area known as Villa Berryessa. The update will include a presentation from the applicants and is being presented for discussion.

b) Legislative Report

The Commission will receive a report on the legislative activities of the California Association of Local Agency Formation Commissions. The report summarizes the bills under consideration in the current legislative session relevant to the Commission and is being presented for discussion.

9. EXECUTIVE OFFICER REPORT

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

- Introduction of new staff
- Report from the Napa County Transportation and Planning Agency's Growth Summit
- Letter to the Napa Valley Register, "What is LAFCO?"

10. INFORMATION ITEMS

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

a) Current and Future Proposals

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

11. CLOSED SESSION

None

12. COMMISSIONER COMMENTS; REQUEST FOR FUTURE AGENDA ITEMS

13. ADJOURNMENT TO NEXT REGULAR SCHEDULED MEETING:

Monday, October 6, 2008

Materials relating to an item on this agenda that have been submitted to the Commission after distribution of the agenda packet are available for public inspection at the LAFCO office during normal business hours.

Commissioners are disqualified from voting on any proposals involving entitlements of use if they have received campaign contributions from an interested party. The law prohibits a Commissioner from voting on any entitlement when he/she has received a campaign contribution(s) of more than \$250 within 12 months of the decision, or during the proceedings for the decision, from any interested party involved in the entitlement. An interested party includes an applicant and any person with a financial interest actively supporting or opposing a proposal. If you intend to speak on any hearing item, please indicate in your testimony if you have made campaign contributions totaling \$250 or more to any Commissioner during the past 12 months.

Any member of the public requiring special assistance with respect to attending or listening to the meeting should contact LAFCO staff 24 hours in advance at (707) 259-8645.



Local Agency Formation Commission
LAFCO of Napa County

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August 4, 2008
Agenda Item No. 5a

July 25, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Brendon Freeman, Analyst

SUBJECT: *Silver Trail No. 8 District Annexation to the Napa Sanitation District*
(Consent: Action)

The Commission will consider an application to annex approximately 0.75 acres of unincorporated territory to the Napa Sanitation District. The annexation is intended to facilitate the extension of public sewer service to an existing single-family residence and guest house.

The Commission is responsible under California Government Code (G.C.) Section 56375 to approve, modify, or disapprove boundary changes proposed by local governmental agencies, property owners, or registered voters. The Commission is also authorized to establish conditions in approving boundary changes as long as it does not directly regulate land uses. Underlying the Commission's determination in approving, modifying, or disapproving proposed boundary changes is to consider the logical and timely development of the affected agencies in context with local conditions and needs.

A. Discussion

The Commission has received an application from Chester and Marcella Herrod proposing the annexation of approximately 0.75 acres of unincorporated territory to the Napa Sanitation District (NSD). The subject territory is within NSD's sphere of influence and comprises one parcel developed with a single-family residence and guest house in the community of Silverado. The subject territory is located at 1551 Silver Trail and is identified by the County of Napa Assessor's Office as 060-341-010.

The applicants have petitioned for annexation to extend public sewer service to their residence and guest house, which are currently served by a septic system. Notably, the County of Napa's Department of Environmental Management recently performed an on-site inspection and has determined the septic system has failed. Environmental Management recommends the property be connected to NSD as soon as possible.

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Mayor, City of Calistoga

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Keene Simonds
Executive Officer

B. Analysis

Required Factors for Review

G.C. Sections 56668 and 56668.3 require the Commission to consider 16 specific factors anytime it reviews proposed boundary changes involving special districts. No single factor is determinative. The purpose in considering these factors is to help inform the Commission in its decision-making process. An evaluation of these factors as it relates to the proposed boundary change follows.

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

The subject territory comprises one unincorporated parcel located in an urbanized area northeast of the City of Napa and includes a single-family residence and guest house. It is approximately 0.75 acres in size and has a current resident population of two. The build-out population of the subject territory is 10 based on County of Napa land use policies.¹

Topography in the subject territory slopes modestly west to east with a peak elevation of 84 feet above sea level. Milliken Creek runs along the eastern boundary. The total current assessed value of the subject territory is \$143,974.

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

The annexation of the subject territory will facilitate the extension of public sewer service to an existing single-family residence and guest house. NSD has a current daily average sewer demand of 6.9 million gallons with a total daily system capacity of 15.4 million gallons. With an expected annual use rate of 76,650 gallons, the annexation and subsequent extension of sewer service to the subject territory can be adequately accommodated by NSD without impacting service levels of current ratepayers.

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

Adjacent areas to the subject territory are already in NSD.

¹ Build-out projection based on the County of Napa's zoning standard for the subject territory of *Residential Single*, which requires a minimum lot size of 0.18 acres. This projection assumes a per unit occupancy rate of 2.6.

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

The subject territory is located within NSD's sphere of influence. The Commission recently adopted a comprehensive update to the sphere of influence generally predicated on aligning NSD's service area with urban land use designations under the County of Napa and City of Napa General Plans. The annexation and subsequent extension of public sewer service to the subject territory will not conflict with G.C. Section 56377 with respect to inducing, facilitating, or converting existing open-space lands.

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

The subject territory does not qualify as agricultural land under G.C. Section 56016.

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

The subject territory includes one parcel with boundary lines that are certain and identifiable. The annexation of the subject territory to NSD would not create any islands or conflicts with lines of assessment or ownership.

- 7) Consistency with the city and county general plan and specific plans.**

The subject territory is under the land use authority of the County of Napa. The County General Plan designates the subject territory *Rural Residential*, which require a minimum parcel size of 0.18 acres. Accordingly, the subject territory could be divided into a total of four residential lots notwithstanding other restrictions, such as setback requirements. The annexation and subsequent extension of public sewer service to the subject territory is consistent with the County General Plan.

- 8) The sphere of influence of any local agency which may be applicable to the proposal.**

As mentioned, the subject territory is located entirely within NSD's sphere of influence, which was comprehensively updated in August 2006.

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

On June 26, 2008, LAFCO staff electronically circulated copies of the application materials for review and comment to local governmental agencies. NSD provided written comments advising the map and geographic description submitted with the application be modified to reflect the adjacent assessor parcels to the north and south of the subject territory are in the District. These affected assessor parcels are identified as 060-341-009 and 060-341-011. This request has been incorporated as a condition for approval in the attached draft resolution.

Additionally, as previously stated, County of Napa's Department of Environmental Management issued a letter dated April 30, 2008 advising they had performed an on-site inspection of the subject territory and have determined the septic system has failed. Environmental Management recommends the annexation and extension of public sewer service to the subject territory as soon as possible.

10) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

NSD attests through its resolution of consent that it is capable of extending public sewer service to the subject territory without impacting existing ratepayers.

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

The subject territory is currently connected to the City of Napa's potable water system through an outside service agreement between the City and the Silverado Community Services District.

12) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.

The subject territory is located in unincorporated Napa County. Annexation of the subject territory to NSD will not affect the County of Napa as it relates to achieving its regional housing needs allocation.

13) Any information or comments from the landowner or owners, voters, or residents of the affected territory.

The property owners of the subject territory are also residents and have consented to the annexation. If the annexation is approved, protest proceedings shall be waived pursuant to G.C. Section 56663.

14) Any information relating to existing land use designations.

As mentioned, the County of Napa designates the subject territory *Rural-Residential*. This land use designation is consistent with the provision of municipal services.

15) The extent to which the proposal will promote environmental justice. As used in this subdivision, “environmental justice” means the fair treatment of people of all races, cultures, and incomes with respect to the local of public facilities and the provision of public services.

The proposed annexation is not expected to promote or discourage the fair treatment of minority or economically disadvantaged groups.

16) Whether the proposed annexation will be for the interest of the landowners or present or future inhabitants within the district and within the territory proposed to be annexed to the district.

The proposed annexation is intended to benefit current and future inhabitants of the subject territory by providing access to public sewer service within a developed unincorporated community.

Property Tax Agreement

In accordance with provisions of California Revenue and Taxation Code Section 99, the County of Napa and NSD have previously agreed by resolution of their respective boards that no exchange of property taxes will occur as a result of this annexation.

Environmental Analysis

The Commission serves as lead agency for the annexation as it relates to complying with the provisions of the California Environmental Quality Act (CEQA). Staff has determined the annexation is a “project” subject to CEQA and has reviewed available exemptions for applicability. Staff believes the annexation is statutorily exempt from further environmental review under Public Resources Code §21080(b)(4). This code section exempts projects deemed necessary to prevent or mitigate an emergency, such as addressing a public health threat associated with a failed septic system.

C. Alternatives for Commission Action

After consideration of this report, the Commission should take one of the following actions:

Option One: Adopt the attached draft resolution approving the proposed *Silver Trail No. 8 District Annexation to the Napa Sanitation District*.

Option Two: If more information is required, continue this matter to a future meeting and provide appropriate direction to staff.

D. Recommendation

The Executive Officer recommends the Commission approve the proposal as submitted, which is identified in the preceding section as Option One.

Respectfully submitted,

Keene Simonds
Executive Officer

Brendon Freeman
Analyst

Attachments:

- ~~1) LAFCO Aerial Map~~
- ~~2) LAFCO Draft Resolution of Approval~~
- ~~3) LAFCO Application~~
- ~~4) NSD Resolution Waiving Protesting Hearings~~
- ~~5) Letter from County of Napa Department of Environmental Management, Dated April 30, 2008~~



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August 4, 2008
Agenda Item No. 5b

July 25, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

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

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

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

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

A. Discussion

The fourth and final quarter of the Commission's 2007-2008 fiscal year ended on June 30, 2008. Overall operating costs (expenditures and encumbrances) in the fiscal year totaled \$284,576. This amount represents 61% of the total adopted budget. An overview of total expenses in the fiscal year within the Commission's three budget units follows.

Salaries and Benefits

The Commission spent a total of \$171,829 on salaries and benefits. This amount represents 67% of the total amount budgeted, as amended, in the seven affected accounts for the fiscal year. Savings accumulated in several of the accounts due to the extended vacancy of the analyst position. All affected accounts finished the fourth quarter with zero or positive balances.

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Keene Simonds
Executive Officer

Services and Supplies

The Commission spent a total of \$112,747 on services and supplies. This amount represents 91% of the total amount budgeted, as amended, in the 14 affected accounts for the fiscal year. Three accounts – legal expense, publications and notices, and private vehicle miles – finished the fourth quarter with negative balances. A summary of expenses in these three accounts follows.

Legal Expenses

The legal expenses account covers the Commission's costs for services provided by County Counsel. The Commission's legal expenses at the end of the fourth quarter totaled \$24,153, which exceeded the amount budgeted by \$2,653. This shortfall is attributed to Commission Counsel Gong's assistance to the Executive Officer in developing and reviewing policy alternatives relating to outside service provision in south Napa County during the first two quarters. Savings in other services and supplies accounts were used to cover this shortfall.

Publications and Notices

The publications and notices account covers the Commission's legal noticing requirements for all public hearings. The Commission's expenses for publications and notices at the end of the fourth quarter totaled \$2,099, which exceeded the amount budgeted by \$599. This shortfall is attributed to publishing an above-normal number of notices for sphere of influence updates during the final two quarters. Savings in other services and supplies accounts were used to cover this shortfall.

Private Vehicle Miles

This account provides reimbursement to staff and Commissioners for automobile travel associated with official LAFCO business. The Commission's expenses for private vehicle miles at the end of the fourth quarter totaled \$1,184, which exceeded the amount budgeted by \$184. This shortfall is attributed to increased automobile travel by the Executive Officer associated with attending meetings of the CALAFCO Legislative Committee during the fiscal year. Savings in other services and supplies accounts were used to cover this shortfall.

Contingencies

The Commission did not access funds from its two budgeted contingency accounts, professional services (\$50,000) and operating reserve (\$37,879), during the fiscal year.

B. Summary

2007-2008 represents the third consecutive fiscal year in which the Commission experienced an overall decrease in actual operating costs. This trend is largely attributed to savings associated with departures and extended vacancies involving the Commission's two budgeted fulltime positions, Executive Officer and Analyst. A comparison of budgeted and actual operating costs over the last five fiscal years follows.

Fiscal Year	Budgeted Operating Costs	Actual Operating Costs	End of Year Operating Balance
2003-2004	\$417,215	\$346,558	\$69,657
2004-2005	\$444,924	\$370,858	\$74,066
2005-2006	\$436,914	\$302,260	\$134,654
2006-2007	\$456,758	\$292,637	\$164,121
2007-2008	\$466,672	\$284,576	\$182,096

Most of the end of year operating balance from 2007-2008 will be returned to the funding agencies along with other collected revenues, such as application fees, in the form of credits towards their calculated share of the Commission's operating costs in 2008-2009. In accordance with actions taken at the June 2, 2008 meeting, the Commission is carrying-forward \$55,000 in unexpended revenues from 2007-2008 to fund an electronic document management system and develop a new agency website. The calculation of actual agency credits for 2008-2009 is provided as part of Agenda Item No. 5c.

C. Recommendation

It is recommended the Commission take the following action:

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

Respectfully submitted,

Keene Simonds
Executive Officer

Attachment:

- 1) Fourth Quarter General Ledger Report



Report ID: GLC8020w

Fund: 2910 NAPA CO LOCAL AGENCY FORMATION

Dept: 02910 NAPA LAFCO

County of Napa
General Ledger Organization Budget Status
For Periods: 1 To: 12 FY: 2008

7/29/2008

<u>Account</u>	<u>Account Description</u>	<u>Final Budget</u>	<u>Adjustments</u>	<u>Encumbrances</u>	<u>Expenditures</u>	<u>Remaining Balance</u>	<u>Percent Available</u>
51100000	S/W:REGULAR SALARIES	185,527	-18,500.00	0.00	123,561.84	43,464.95	26.02
51200500	S/W:PER DIEM	9,600	0.00	0.00	5,500.00	4,100.00	42.71
51300100	E/B:RETIREMENT	31,583	0.00	0.00	21,093.46	10,489.98	33.21
51300300	E/B:MEDICARE	2,650	0.00	0.00	1,658.89	991.03	37.40
51300500	E/B:GROUP INSURANCE	43,168	0.00	0.00	18,982.88	24,185.44	56.03
51301200	E/B:INS:WORKERS COMP	185	0.00	0.00	185.00	0.00	0.00
51301800	E/B:CELL PHONE ALLOWANCE	840	0.00	0.00	846.88	-6.88	-0.82
Total Salaries & Employee Benefits		273,553	-18,500.00	0.00	171,828.95	83,224.52	32.63
52070000	COMMUNICATIONS	3,500	0.00	0.00	1,973.00	1,527.00	43.63
52100300	INSURANCE:LIABILITY	352	0.00	0.00	352.00	0.00	0.00
52150000	MEMBERSHIPS	2,000	0.00	0.00	2,000.00	0.00	0.00
52170000	OFFICE EXPENSE	15,000	0.00	0.00	7,287.95	7,712.05	51.41
52180200	PSS:MGMT INFO SVCS	16,387	0.00	0.00	16,386.96	0.04	0.00
52180500	PSS:LEGAL EXPENSE	21,500	0.00	0.00	24,152.89	-2,652.89	-12.34
52185000	PSS:OTHER	7,150	18,500.00	0.00	23,313.83	2,336.17	9.11
52190000	PSS:PUBLICATNS/LGL NOTICE	1,500	0.00	0.00	2,098.99	-598.99	-39.93
52235000	SDE:OTHER	1,000	0.00	0.00	396.67	603.33	60.33
52240500	SDE:PROPERTY LEASE	27,000	0.00	0.00	27,000.00	0.00	0.00
52243900	SDE:FILING FEE	850	0.00	0.00	550.00	300.00	35.29
52250000	TRANSPORTATION & TRAV	4,000	0.00	0.00	2,009.74	1,990.26	49.76
52250800	T/T:TRAINING	4,000	0.00	0.00	3,924.00	76.00	1.90
52251200	T/T:PRIVATE VEH MILE	1,000	0.00	0.00	1,183.89	-183.89	-18.39
Total Services & Supplies		105,239	18,500.00	0.00	112,629.92	11,109.08	8.98
54000900	OPERATING RESERVE	37,879	0.00	0.00	0.00	37,879.25	100.00
54001000	PROFESSIONAL SERVICES RESERVE	50,000	0.00	0.00	0.00	50,000.00	100.00
Total Contingencies & Reserves		87,879	0.00	0.00	0.00	87,879.25	100.00
02910	NAPA LAFCO	466,672	0.00	0.00	284,458.87	182,212.85	39.05
2910	NAPA CO LOCAL AGENCY FORMATION	466,672	0.00	0.00	284,458.87	182,212.85	39.05



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August 4, 2008
Agenda Item No. 5c

July 25, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: 2008-2009 Budget Contributions by Funding Agencies (Consent: Action)

The Commission will review a report identifying the budget contributions required of its six funding agencies for 2008-2009. The report is being presented to the Commission to receive and file.

The Commission's annual operating costs are funded by the County of Napa and the Cities of American Canyon, Calistoga, Napa, St. Helena, and the Town of Yountville. State law provides the County is responsible for 50% of the Commission's operating costs with the remaining amount proportionally shared by the cities. As allowed under law, the cities have agreed to an alternative formula to apportion their respective budget contributions based on a weighted calculation of population and general tax revenues. As part of the annual budget process, it is the practice of the Commission to return unexpended funds (agency contributions, application fees, and income earned on interest) to the six funding agencies in the form of credits towards their subsequent budget contribution.

A. Discussion

At its June 2, 2008 meeting, the Commission adopted a final budget for 2008-2009 in the amount of \$552,167. Staff has calculated each funding agency's proportional share of the final budget based on the formula outlined in the preceding section. Each funding agency's calculated share includes two distinct reductions involving unexpended funds from 2007-2008 totaling \$199,402. The first reduction reflects a carry-forward in the amount of \$55,000 to fund an electronic document management system and develop a new website. The second reduction reflects agency credits in the amount of \$144,402. The budget contributions required of each funding agency in 2008-2009 along with comparisons from previous fiscal years are summarized below.

Current and Recent Budget Contributions by Funding Agency
(Net Agency Invoice)

Agency	2008-2009	2007-2008	2006-2007	2005-2006
County of Napa	\$176,382.73	\$136,016.01	\$155,720.41	\$174,114.34
City of Napa	\$119,820.40	\$87,061.35	\$106,679.39	\$118,882.00
City of American Canyon	\$27,179.61	\$23,792.74	\$20,542.43	\$22,462.15
City of Calistoga	\$12,134.39	\$10,349.12	\$12,095.26	\$11,277.36
City of St. Helena	\$9,714.01	\$8,140.48	\$9,243.23	\$13,871.25
Town of Yountville	\$7,534.31	\$6,672.32	\$7,160.10	\$7,621.58

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Executive Officer

B. Summary

Budget contributions for each funding agency in 2008-2009 are increasing between 38% (City of Napa) and 13% (Town of Yountville) over 2007-2008. This increase is primarily attributed to the significant amount of unexpended funds remaining at the end of 2006-2007, which the Commission returned to the funding agencies in the form of credits against their budget contribution in 2007-2008. Overall, budget contributions in 2008-2009 are slightly above 2006-2007 and relatively similar to 2005-2006.

C. Recommendation

It is recommended the Commission take the following action:

- 1) Receive and file the report titled “2008-2009 Budget Contributions by Funding Agencies.”

Respectfully submitted,

Keene Simonds
Executive Officer

Attachment:

- 1) 2008-2009 Agency Allocation

FY2008-2009 Allocation for Annual LAFCO Costs to County and Cities (7/25/08)

(Alternative Allocation Formula Approved by Cities)

Step 1	LAFCO Budget	Final FY07-08	Final FY08-09	Difference Dollar	Difference Percentage			
	Total	\$ 466,671.72	\$ 552,167.80	\$ 85,496.08	18.3%			
Step 2	Annual Allocation							
	50% to County	\$ 233,335.86	\$ 276,083.90	\$ 42,748.04	18.3%			
	50% to Cities	\$ 233,335.86	\$ 276,083.90	\$ 42,748.04	18.3%			
Step 3a	Cities' Share Based on Total General Tax Revenues*							
	<u>General Tax Revenues</u>	<u>American Canyon</u>	<u>Calistoga</u>	<u>Napa</u>	<u>St. Helena</u>	<u>Yountville</u>	<u>All Cities</u>	
	Secured & Unsecured Property Tax	\$ 5,633,170	\$ 786,241	\$ 11,940,329	\$ 2,015,821	\$ 348,717	\$ 20,724,278	
	Voter Approved Indebtedness Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Other Property Tax	\$ 122,753	\$ 387,202	\$ 5,280,906	\$ 453,195	\$ 261,178	\$ 6,505,234	
	Sales and Use Taxes	\$ 1,826,414	\$ 510,171	\$ 8,837,030	\$ 1,694,055	\$ 427,467	\$ 13,295,137	
	Transportation Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Transient Lodging Tax	\$ 216,717	\$ 2,335,139	\$ 6,248,554	\$ 1,306,308	\$ 3,053,759	\$ 13,160,477	
	Franchises	\$ 372,172	\$ 145,257	\$ 1,439,415	\$ 141,561	\$ 53,984	\$ 2,152,389	
	Business License Taxes	\$ 145,110	\$ 140,939	\$ 2,650,159	\$ 145,308	\$ 6,138	\$ 3,087,654	
	Real Property Transfer Taxes	\$ 197,019	\$ 31,765	\$ 604,203	\$ 73,657	\$ 27,515	\$ 934,159	
	Utility Users Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Other Non-Property Taxes	\$ 1,922,727	\$ 142,947	\$ 2,528,199	\$ 486,173	\$ 94,471	\$ 5,174,517	
	Total	\$ 10,436,082	\$ 4,479,661	\$ 39,528,795	\$ 6,316,078	\$ 4,273,229	\$ 65,033,845	
	Percentage of Total Taxes to all Cities	16.0%	6.9%	60.8%	9.7%	6.6%	100%	
Step 3b	Cities' Share Based on Total Population**							
	Population	16,293	5,302	77,106	5,924	3,263	107,888	
	Population Percentage	15.10%	4.91%	71.47%	5.49%	3.02%	100%	
Step 4	Cities Allocation Formula							
	Cities' Share Based on Total General Taxes	16.0%	6.9%	60.8%	9.7%	6.6%	100%	
	Portion of LAFCO Budget	\$ 17,721.44	\$ 7,606.88	\$ 67,123.60	\$ 10,725.29	\$ 7,256.34	40%	
	Cities' Share Based on Total Population	15.10%	4.91%	71.47%	5.49%	3.02%	100%	
	Portion of LAFCO Budget	\$ 25,016.14	\$ 8,140.65	\$ 118,387.91	\$ 9,095.66	\$ 5,009.98	60%	
	Total Agency Allocation	\$ 42,737.58	\$ 15,747.53	\$ 185,511.51	\$ 19,820.95	\$ 12,266.33	\$ 276,083.90	
	Allocation Share	15.4799%	5.7039%	67.1939%	7.1793%	4.4430%	100%	
Step 5	FY08-09 Invoices							
	FY08-09 Agency Share	\$ 276,083.90	\$ 42,737.58	\$ 15,747.53	\$ 185,511.51	\$ 19,820.95	\$ 12,266.33	\$ 552,167.80
	Less Carry Forward Revenues***	\$ 27,500.00	\$ 4,291.27	\$ 1,664.19	\$ 18,119.20	\$ 2,120.14	\$ 1,305.21	\$ 55,000.00
	Less Agency Credits***	\$ 72,201.17	\$ 11,266.70	\$ 4,369.33	\$ 47,571.91	\$ 5,566.42	\$ 3,426.81	\$ 144,402.34
	Net Invoice	\$ 176,382.73	\$ 27,179.61	\$ 9,714.01	\$ 119,820.40	\$ 12,134.39	\$ 7,534.31	\$ 352,765.46

Notes:

* Revenue amounts are drawn from the 2005-2006 State Controller's Cities Annual Report.

** Population estimates calculated by the California Department of Finance, January 2008.

*** The Commission finished 2007-2008 with \$199,402 in unexpended funds, which includes unspent agency contributions (\$182,096), application fees (\$4,563), and income earned on interest (\$12,743). At its June 2, 2008 meeting, the Commission authorized staff to hold and carry-forward \$55,000 in unexpended funds from 2007-2008 into 2008-2009 to purchase an (a) electronic document management system and (b) develop a new website. The remaining unexpended funds total \$144,402 and are being returned to the agencies in the form of credits against their contribution in 2008-2009.



Local Agency Formation Commission
LAFCO of Napa County

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

August 4, 2008
Agenda Item No. 5d

July 25, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Authorization to Approve Audit Expenditure (Consent: Action)

The Commission will consider authorizing the Executive Officer to enter into an agreement with a public accounting firm for the preparation of an independent audit for the 2007-2008 fiscal year.

It is the practice of the Commission to authorize the Executive Officer to enter into an agreement with a public accounting firm to conduct an independent audit of the agency's financial statements for the prior fiscal year. Bartig, Basler and Ray (BBR) have provided auditing services for the Commission since 2002. BBR has provided the Executive Officer with an engagement letter for signature to prepare an independent audit for the 2006-2007 fiscal year. The cost of the audit will be \$4,500.

The Commission policies delegate the Executive Officer a not-to-exceed purchasing authority of \$3,000 per single transaction. The Executive Officer is seeking authorization from the Commission to sign the attached engagement letter with BBR committing \$4,500 to the preparation of an independent audit for the 2007-2008 fiscal year.

Recommendation

It is recommended the Commission take the following action:

- 1) Authorize the Executive Officer to sign the attached engagement letter with BBR for the preparation of an independent audit for the 2007-2008 fiscal year in the amount of \$4,500.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachment:

~~1) Engagement Letter~~

Jack Gingles, Commissioner
Mayor, City of Calistoga

Juliana Inman, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

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

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

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

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer



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August 4, 2008
Agenda Item No. 5e

July 28, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Amendment to Fiscal Year 2008-2009 Budget (Consent: Action)

The Commission will consider amending its 2008-2009 budget to transfer funds into an extra help account to make payments to a new staff analyst.

The Commission contracts with the County of Napa for staff support services. The contract includes terms and conditions for the County to provide one fulltime analyst to assist the Executive Officer in managing the day-to-day operations of the Commission. All employment costs associated with analyst position are the responsibility of the Commission.

A. Discussion

At the June 2, 2008 meeting, the Commission adopted a final budget for 2008-2009 that includes funding for a fulltime analyst position. In anticipation of the Commission adopting the final budget, the Executive Officer contacted the County Executive Office (CEO) to begin recruiting a fulltime analyst. CEO advised the recruitment process for a fulltime analyst cannot be initiated for up to six months due to the County's current hiring freeze, which has consequently reduced staff levels in the Human Resources Department. CEO advised an appropriate alternative in the short-term would be to fill the analyst position with an extra help employee, which involves a streamlined recruitment process that can be initiated immediately. An extra help employee receives the same pay rate as a regular employee but is not eligible for any benefits. An extra help employee is also limited to working no more than 1,000 hours in a single fiscal year.

In response to the above-described circumstances, and following an open recruitment processed by Human Resources, the Executive Officer has hired Brendon Freeman to fill the analyst position as an extra help employee. Mr. Freeman's hourly rate is \$26.01, which is consistent with the first pay step assigned to the "LAFCO Analyst I" position. It is anticipated Mr. Freeman will work 40 hours a week reaching a total of 1,000 hours by mid December. At the end of this period, the recruitment for the fulltime analyst will be opened and Mr. Freeman will be invited to apply.

In order to facilitate proper payments for Mr. Freeman, it is necessary for the Commission to amend its 2008-2009 budget to transfer \$26,010 from Regular Salaries to Extra Help.

Jack Gingles, Commissioner
Mayor, City of Calistoga

Juliana Inman, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

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

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

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

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

B. Summary

The proposed budget amendment to transfer \$26,010 from Regular Salaries to Extra Help will ensure the Commission has sufficient funds available to make proper payments to its new analyst, Brendon Freeman, to cover 1,000 hours of work through December 2008.

C. Recommendation

It is recommended the Commission take the following action:

- 1) Authorize the Executive Officer to amend the 2008-2009 budget to transfer \$26,010 from Regular Salaries (#51100000) to Extra Help (#51200100).

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments: none



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August 4, 2008
Agenda Item No. 6a

July 28, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: St. Helena: Sphere of Influence Review (Public Hearing)

The Commission will receive a report representing its scheduled sphere of influence review of the City of St. Helena. The Commission will consider a draft resolution approving the recommendation of the report to modify St. Helena's existing sphere of influence and make related statements pursuant to California Government Code Section 56425. The Commission will also consider adopting a negative declaration confirming the findings of an initial study that the modifications contemplated in the report will not have a significant effect on the environment.

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

As a prerequisite to sphere reviews, LAFCOs must prepare municipal service reviews to determine the adequacy and range of governmental services provided within the region. The collective purpose of these reviews is to inform and direct LAFCOs in their legislative mandate to coordinate the logical and timely development of local governmental agencies and services in a manner that meets the present and future needs of the community.

A. Discussion

The attached report represents LAFCO of Napa County's ("Commission") scheduled sphere review of the City of St. Helena. The report marks the first comprehensive review of St. Helena's sphere in 20 years and draws on information collected as part of the Commission's recent municipal service review on the City completed in May 2008. The report focuses on whether changes to the sphere are appropriate with respect to facilitating St. Helena's orderly growth and development consistent with Commission policies.

Jack Gingles, Commissioner
Mayor, City of Calistoga

Juliana Inman, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

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

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

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

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

B. Summary

The report uses four factors in identifying possible study areas to evaluate adding or removing from St. Helena's sphere: (a) relationship to incorporated boundary; (b) land use designations; (c) infrastructure capacities; and (d) agency comments. Based on a review of these factors, the report analyzes the merits of adding two distinct study areas to St. Helena's sphere. Study Area "A" has been chosen for analysis primarily because it comprises lands east of the intersection of Howell Mountain Road and Silverado Trail that are already in St. Helena and designated for an urban use under both the County and St. Helena General Plans. (This selection is also consistent with a request from St. Helena to add the affected lands to the sphere to correspond with its incorporated boundary.) Study Area "B" has been chosen for analysis in response to an additional request from St. Helena and comprises lands northwest of Zinfandel Lane's intersection with Silverado Trail that are owned and used by the City to discharge treated wastewater. St. Helena is seeking this addition to facilitate an annexation that will allow the City not to pay property taxes on the affected lands.

The report recommends modifying St. Helena's sphere to only include the lands comprising Study Area A. Notably, adding Study Area A is consistent with the St. Helena and County General Plans given both documents contemplate the development of the affected lands under the land use authority of the City. This addition also recognizes the affected lands' social and economic ties to St. Helena that have developed over the last 40 years and drawn from residents and landowners participating in local elections, paying special taxes, and receiving City services. In contrast, the report does not recommend adding Study Area B because the affected lands are generally designated for agricultural use under the County General Plan, which conflicts with the Commission's policy to use a city sphere to designate and direct urban development. The report does identify, however, an alternative approach involving Study Area B that appears to address the interests of both the Commission and St. Helena under California Government Code Section 56742. This code section allows the Commission to approve the annexation of non-contiguous land if the subject territory is less than 300 acres and owned and used by a city for municipal purposes. Markedly, this type of detached annexation does not require consistency with the affected city's sphere. This alternative would provide the Commission assurance the affected lands remain under municipal use consistent with its agricultural land use assignments while providing St. Helena costs-savings by not having to pay property taxes. The report suggests the Commission consider the merits of this alternative approach and provide direction to staff as appropriate as part of this review.

Two draft resolutions have been prepared as part of this sphere review and are being presented for Commission consideration. The first draft resolution adopts a negative declaration consistent with the findings of an initial study prepared by staff that the modifications contemplated in the report will not have a significant effect on the environment. The second draft resolution codifies the recommendation of the report to add the lands comprising Study Area A to St. Helena's sphere and makes statements addressing the four planning factors the Commission must consider anytime it makes a sphere determination. The adoption of both draft resolutions would fulfill the Commission's sphere review requirement for St. Helena through 2013.

C. Recommendation

It is recommended the Commission take the following actions:

- 1) Receive and file the attached report representing the sphere of influence review of the City of St. Helena; and
- 2) Approve the attached draft resolution with any desired changes adopting a negative declaration for the proposed sphere of influence review of the City of St. Helena; and
- 3) Approve the attached draft resolution with any desired changes making statements with respect to updating the sphere of influence for the City of St. Helena pursuant to California Government Code Section 56425.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- 1) Sphere of Influence Review: Final Report
- 2) Sphere of Influence Review: Initial Study
- 3) Draft Resolution: Negative Declaration
- 4) Draft Resolution: Sphere of Influence Review
- ~~5) Correspondence from the City of St. Helena, Dated July 24, 2008~~

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

CITY OF ST. HELENA SPHERE OF INFLUENCE REVIEW

**Final Report
August 2008**

Prepared by:

LAFCO of Napa County
1700 Second Street, Suite 268
Napa, California 94559

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

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

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



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I. INTRODUCTION

A. Local Agency Formation Commissions

Local Agency Formation Commissions (LAFCOs) were established in 1963 and are responsible for administering a section of California Government Code now known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. LAFCOs are delegated regulatory and planning responsibilities to coordinate the logical formation and development of local governmental agencies and services, preserve agricultural and open-space resources, and discourage urban sprawl. LAFCOs are located in all 58 counties in California and are generally governed by a five-member commission that includes two county supervisors, two city councilmembers, and one representative of the general public.¹

B. Sphere of Influence

A central planning responsibility for LAFCO is the determination of a sphere of influence (“sphere”) for each local agency under its jurisdiction.² LAFCO establishes, amends, and updates spheres to designate the territory it believes represents the appropriate and probable future service area and jurisdictional boundary of the affected agency. All jurisdictional changes, such as annexations and detachments, must be consistent with the spheres of the affected local agencies with limited exceptions. LAFCO is required to review each local agency’s sphere by January 1, 2008 and every five years thereafter as needed.

In making a sphere determination, LAFCO is required to prepare written statements addressing four specific planning factors listed under California Government Code §56425. These factors range from present and planned land uses to the existence of any social or economic communities of interest. The intent in preparing the written statements is to capture the legislative intent of the sphere determination with regard to coordinating the sensible and timely development of each local agency.

Beginning in 2001, to help inform the sphere review process, LAFCO is responsible for preparing municipal service reviews to determine the level and range of governmental services provided in the region. The municipal service review can focus on a particular agency or type of service and culminates with LAFCO making determinations on a number of governance-related factors and may lead it to take other actions under its authority.

C. City of St. Helena

This report represents LAFCO of Napa County’s (“Commission”) scheduled sphere review of the City of St. Helena. The report represents the first comprehensive review of St. Helena’s sphere in 20 years and draws on information collected as part of the Commission’s recent municipal service review on the City. The focus of the report is to consider whether changes to the sphere are warranted to facilitate the orderly development of St. Helena consistent with the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and the Commission’s adopted policies.

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

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

II. OVERVIEW

A. Background

The City of St. Helena was incorporated in 1876 and operates under a council-manager system of government. St. Helena is approximately 5.1 square miles in size and provides a full range of municipal services directly or through contracts with other public or private entities. Municipal services provided directly by St. Helena include fire, police, sewer, and water. St. Helena has experienced a slight annual growth rate of 0.8% over the last 10 years and has a current estimated resident population of 5,993, making it the third largest municipality in Napa County.³

St. Helena has experienced steady growth in property, sale, and transient-occupancy tax revenues over the last several years reflecting a relatively strong local economy. On a regional level, St. Helena collects almost more than double the amount of sale tax revenue than any other jurisdiction in Napa County as measured on a per capita basis. St. Helena also enjoys significant cost-savings associated with having an all-volunteer fire department, which permits the City to fund several community-oriented programs that are not available in neighboring communities, such as operating its own public library.

B. Sphere of Influence

St. Helena's sphere was established by the Commission in 1974. The Commission designated the sphere to be coterminous with St. Helena's incorporated boundary with the notable exception of excluding an approximate 245 acre hillside area located along Howell Mountain Road east of its intersection with Silverado Trail. The Commission's decision to exclude the incorporated hillside area from the sphere was consistent with its determination one year earlier to approve St. Helena's request to detach the affected lands after a planned 148-lot subdivision failed to materialize. Detachment proceedings, however, were subsequently abandoned due to sufficient protest from affected property owners. The Commission also excluded from the sphere an approximate 95 acre detached incorporated area comprising the lower portion of Bell Reservoir, which serves as the City's primary water supply.

The Commission has approved two amendments to St. Helena's sphere since its establishment in 1974. The first amendment was approved in 1994 and extended the sphere as part of concurrent annexation proposal to add an approximate 8.09 acre area located next to the City's Lower Reservoir and the site of a water storage tank. The second amendment was approved in 1997 and reduced the sphere as part of a concurrent detachment proposal to exclude an approximate 2.36 acre area located near the intersection of State Highway 29 and Deer Park Road.

In terms of proportions, St. Helena's sphere is approximately 2,891 acres or 4.5 square miles in size. The sphere includes a total of 2,229 assessor parcels with an average size of 1.28 acres. The sphere excludes nearly 10% of St. Helena's incorporated boundary, which is approximately 3,238 acres or 5.1 square miles in size. The incorporated boundary includes a total of 2,270 assessor parcels with an average size of 1.41 acres.

³ Population estimates calculated by the California Department of Finance.

City of St. Helena: Adopted Boundaries
 (Source: County of Napa Geographic Information System)

	Sphere of Influence	Incorporated Boundary
Total Acres:	2,891	3,238
Assessor Parcels:	2,229	2,270

C. Land Use Policies

St. Helena’s General Plan was comprehensively updated in 1993 and codifies land use policies for the City through 2010. The St. Helena General Plan is predicated on maintaining the City’s existing small-town character through a number of growth control measures. This includes establishing an urban limit line that comprises less than two-thirds of St. Helena’s incorporated boundary and designating the majority of properties within and along the perimeter of the City for agricultural use. The substantive effect of these two growth control measures is a municipal-controlled greenbelt. St. Helena recently initiated work on preparing a comprehensive update to its General Plan. It is anticipated the update will be completed by 2010.

Unincorporated lands adjacent to St. Helena are designated under the County of Napa General Plan as *Agricultural Resource* or *Agriculture, Watershed and Open Space*. These designations support the preservation of existing agricultural and open-space land uses characterizing most of the area by requiring minimum parcel sizes of 40 and 160 acres, respectively. The majority of these unincorporated lands are also zoned by the County as *Agricultural Watershed* or *Agricultural Preserve* and include a number of commercial vineyards and wineries. Exceptions involve the 40-lot Madrone Knoll subdivision and Meadowood Resort, which are immediately east of St. Helena and zoned for residential and planned development by the County. The County has also zoned several properties south of St. Helena along State Highway 29 for commercial use.

- * An aerial map depicting current land uses within and adjacent to St. Helena is provided in Attachment Two.
- * A map depicting the land use designations under the St. Helena General Plan is provided in Attachment Three.
- * A map depicting the land use designations under the County General Plan is provided in Attachment Four.

III. DISCUSSION

A. Objective

The objective of this report is to identify and evaluate areas that warrant consideration for inclusion or removal from St. Helena’s sphere as part of a comprehensive review. Underlying this effort is to designate the sphere to facilitate the sensible and timely development of St. Helena consistent with the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and the Commission’s adopted policies.

The Commission's "General Policy Determinations" provide direction with respect to establishing and amending an agency's sphere in relationship to local conditions and circumstances. The General Policy Determinations state that a city's sphere shall exclude lands designated as agricultural or open-space for the purpose of urban development unless it is demonstrated that infill opportunities are limited or non-existent. The General Policy Determinations also state that the Commission will use the County General Plan to determine agricultural and open-space land use designations.

B. Timeframe

State law requires all LAFCOs review and update each local agency's sphere by January 1, 2008 and every five years thereafter as needed. Accordingly, it has been the practice of the Commission to review and update each local agency's sphere in a manner that emphasizes a probable five-year service area.

IV. STUDY AREAS

A. Criteria and Selection

Four factors were used in selecting areas to evaluate adding or removing from St. Helena's sphere as part of this comprehensive review. These factors include (a) relationship to incorporated boundary, (b) land use designations, (c) infrastructure capacities, and (d) agency comments. Based on these factors, two study areas have been selected to consider the merit of their inclusion into the sphere. Study Area "A" has been chosen because it comprises lands that are already in St. Helena and designated for an urban use under both the County and St. Helena General Plans. This selection is also consistent with a request from St. Helena to add the affected lands to the sphere to correspond with its incorporated boundary. Study Area "B" has been chosen in response to an additional request from St. Helena and comprises lands owned and used by the City to discharge treated wastewater. St. Helena is seeking this inclusion to facilitate an annexation that will allow the City not to pay property taxes on the affected lands.

It is important to note consideration was given to establishing a third study area to reflect St. Helena's outside water service area, which extends along State Highway 29 north to Lodi Lane and south to Niebaum Lane. St. Helena also provides outside water service east to the Meadowood Resort. The merits in establishing this third study area relates to the role of the sphere in designating each agency's present and probable future service area. It also reflects recent changes in the law that now requires cities and special districts to request and receive written approval from LAFCO before providing new or extended services by contract or agreement outside their jurisdictions but within their spheres.⁴ However, because the affected lands are designated and primarily used for agricultural purposes, adding the outside water service area to the sphere would conflict with LAFCO's principal mandate to protect agricultural and open-space resources from

⁴ City and special district requests to provide new or extended services outside their sphere may only be approved by LAFCO under certain conditions. (California Government Code §56133)

premature annexation and development. Accordingly, expanding the sphere to include the outside water service area is not further considered as part of this review.⁵

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

V. ANALYSIS

A. Evaluation Factors

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

B. Study Areas

Study Area A

Study Area A comprises 36 incorporated parcels located along Howell Mountain Road generally east of its intersection with Silverado Trail. It is approximately 245 acres in size and was annexed to St. Helena in 1966 in anticipation of a 148-lot hillside residential subdivision referred to as “Stonebridge.” In 1973, after development plans failed to materialize, St. Helena requested and the Commission approved the detachment of the study area. Detachment proceedings, however, were abandoned after 60% of affected property owners protested. In 1974, the Commission excluded the study area from St. Helena’s sphere at the time of its establishment in support of its earlier determination that the affected lands should be detached. The Commission considered adding the study area to the sphere in 1988 as part of comprehensive review but concluded it was not appropriate due to the lack of adequate water and sewer services as well as its underlying rural character.

As part of this scheduled review, St. Helena has requested the Commission add the lands comprising the study area to its sphere to correspond with its incorporated boundary. As provided under LAFCO law, representatives with St. Helena and the County met to discuss the pending sphere review and offer an agreement on possible modifications for consideration by the Commission. Towards this end, the County has submitted a letter to the Commission supporting St. Helena’s request to add the affected lands to its sphere.

⁵ As discussed in the municipal service review, it is recommended St. Helena and the Commission work on a local policy to ensure new and extended services provided by the City outside its jurisdiction is consistent with State law.

Present and Planned Land Uses

The predominant land use in the study area is rural residential with 21 of the 36 affected parcels comprising single-family residences. Parcels range in size from 1.18 to 20.26 acres. The average parcel size is 6.6 acres. An aerial view also indicates a small number of parcels include vineyards, which may qualify as prime agricultural land under LAFCO law.⁶ As land use authority, St. Helena designates and zones the study area *Woodlands and Watershed*. These assignments require a minimum parcel size of five acres, and as a result, could accommodate the creation of an additional 10 lots. The County designates the entire study area as *Cities* with no zoning assignment. None of the parcels are under a Williamson Act contract.

Present and Probable Need for Public Facilities and Services

St. Helena provides a partial range of municipal services to the study area that includes street maintenance and fire and police protection. St. Helena also provides water service to three parcels that are all located along Howell Mountain Road south of Sarah's Way. Due to topography, pump stations are needed to extend water service to the remainder of the study area. St. Helena's sewer services do not extend east of the Napa River and therefore are not available to the study area. It appears this level and range of municipal services is consistent with the present and probable needs within the study area given its current and planned land uses under the St. Helena General Plan.

Present Capacity of Public Facilities and Adequacy of Public Services

The Commission's recent municipal service review of St. Helena indicates the City has adequate infrastructure capacities, administrative controls, and funding streams to continue providing the current level and range of municipal services to the study area. St. Helena would need to make significant infrastructure improvements to extend water service north of Sarah's Way as well as to establish sewer services in the study area. It is not expected St. Helena will pursue these improvements to its water and sewer systems in the foreseeable future.

Existence of Social or Economic Communities of Interest

The study area has established social and economic communities of interests with St. Helena that are distinct from adjacent unincorporated lands. These interests are drawn from social and economic ties associated with the study area having been part of St. Helena for the past 40 years. Residents have participated in local elections while landowners have contributed to St. Helena's development through taxes and assessments and in return have received an elevated level of municipal services with respect to street maintenance and fire and police protection.

⁶ Prime agricultural land is broadly defined under G.C. 56064(d) to include "land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production no less than \$400 per acre per acre."

Conclusion

Modifying St. Helena's sphere to include the study area appears appropriate at this time. Inclusion is consistent with the St. Helena and County General Plans and would support the planned development of the City by modifying the sphere to become congruent with its incorporated boundary. Inclusion would recognize and strengthen the social and economic communities of interest existing between St. Helena and the affected lands and reflect the City's current service obligations as it relates to street maintenance and fire and police protection. Finally, inclusion appears consistent with the preferences of the affected landowners and residents to remain part of St. Helena rather than seek detachment proceedings.

Study Area B

Study Area B comprises two unincorporated parcels located approximately 1,800 feet northwest of the intersection of Silverado Trail and Zinfandel Lane along the western side of the Napa River. The two affected parcels are collectively 101 acres in size and are owned and used by St. Helena to discharge treated wastewater.⁷ The Commission considered adding the study area to the sphere in 1988 as part of comprehensive review at the request of St. Helena.⁸ The Commission concluded adding the study area to the sphere was inappropriate because it would facilitate the annexation of agricultural zoned land and set a precedent for other cities and special districts to seek similar proposals. St. Helena resubmitted their request to add the study area to the sphere in 1989 as part of a concurrent annexation proposal. The Commission denied the request, and in response, St. Helena filed a lawsuit claiming an abuse of discretionary power.⁹ The lawsuit was eventually dismissed, and St. Helena resubmitted a modified proposal to the Commission in 1991. The modified proposal sought only the annexation of a portion of the study area under a special section of LAFCO law pertaining to non-contiguous city owned land. The Commission, however, denied the modified proposal in 1992 and restated its concerns of establishing a precedent of annexing agricultural zoned lands.

⁷ St. Helena purchased the two affected parcels from Mont LaSalle Vineyards in 1987.

⁸ As part of a planned reclamation project, St. Helena was initially interested in annexing and leasing the affected lands for development of a private golf course which would be irrigated using the City's treated wastewater. The reclamation project, however, was reduced in scope to involve its present-use of irrigating forage crops.

⁹ St. Helena asserted LAFCO's denial was unreasonable, arbitrary and a prejudicial abuse of discretion. LAFCO's position was that its boundary decisions were quasi-legislative in nature and exclusively within the discretion of LAFCO, and thus the court had no power to compel LAFCO to approve essentially a legislative action. The court agreed that it did not have the power to compel LAFCO to take a specific quasi-legislative action, but further allowed the City to file amended pleadings to seek an alternative form of relief (one other than to compel LAFCO to approve the boundary changes). On this basis, St. Helena amended its court pleadings, seeking to set aside LAFCO's denial of the request for detached annexation on grounds that the denial was not supported by substantial evidence. LAFCO asserted that the city's amended action should be dismissed for the following main reasons: 1) the city failed to show any right or beneficial interest affected by the boundary disapproval- e.g. the property tax payments by the City was not a protected beneficial interest; and 2) LAFCO's concerns formed an adequate basis for its quasi-legislative determinations to neither expand the sphere nor approve the detached annexation. Ultimately, in December 1995, the court issued an order denying St. Helena's petition. (Summary prepared by J. Gong)

As part of this scheduled review, St. Helena has again requested the Commission add the lands comprising the study area to its sphere to facilitate an annexation that would allow the City to no longer pay property taxes on the affected lands. As provided under LAFCO law, representatives with St. Helena and the County met to discuss this sphere review and offer an agreement on possible modifications for consideration by the Commission. The County has submitted a letter to the Commission supporting St. Helena's request to add the affected lands to its sphere provided that there are sufficient assurances that it would remain in use as a spray field or as agriculture.

Present and Planned Land Uses

The two parcels comprising the study area are undeveloped and used by St. Helena as spray fields to discharge treated wastewater from its adjacent sewer plant. The two parcels are 63.7 and 37.2 acres in size. As land use authority, the County designates the northern portion of the study area as *Cities* and the southern portion as *Agricultural Resource*. The County clarifies the intended land use for the study area by zoning both affected parcels as *Agricultural Preserve*. This zoning assignment requires a minimum parcel size of 40 acres, and as a result, prohibits the creation of additional lots within the study area. No land use designations exist for the study area under the St. Helena General Plan. Similar to the County, St. Helena has rezoned both affected parcels as *Agriculture Preserve*, which permits one dwelling unit per existing parcel. Both parcels qualify as prime agricultural land and are under the same Williamson Act contract. This contract restricts the land to agricultural or open-space uses for the next 10 years and is automatically renewed each year unless cancelled by St. Helena or the County. In return, the two parcels are assessed below market value to reduce annual property tax charges. In 2007, the two parcels have a combined property tax charge of \$1,120.

Present and Probable Need for Public Facilities and Services

St. Helena presently provides first-response fire protection services to the study area as part of a contract with the County. St. Helena provides no other municipal service to the study area. It does not appear that other municipal services provided by St. Helena are needed given the present and planned land uses for the study area under both the County and City General Plans.

Present Capacity of Public Facilities and Adequacy of Public Services

The Commission's recent municipal service review of St. Helena indicates the City has adequate infrastructure capacities, administrative controls, and funding streams to extend a full range of municipal services to the study area. The extension of additional municipal services, however, would be inconsistent with the present and planned uses for the study area under both the County and St. Helena General Plans.

Existence of Social or Economic Communities of Interest

There are no discernable social or economic communities of interest existing between the study area and St. Helena.

Conclusion

Modifying St. Helena's sphere to include the study area does not appear appropriate at this time. Inclusion would be inconsistent with the basic policy of the Commission to use a city sphere to direct the location of urban development given the affected lands are generally designated for agricultural use under the County General Plan. Inclusion also appears inconsistent with LAFCO law that states the Commission shall not approve a modification to a sphere to include lands under a Williamson Act contract unless it makes a special finding that the change will facilitate planned orderly growth.

Notwithstanding the aforementioned recommendation, St. Helena's present and planned uses for the study area to discharge treated wastewater appears compatible with the County and St. Helena's agricultural zoning assignments for the affected lands. St. Helena's interest in adding the study area to its sphere to facilitate an annexation in order not to pay property taxes also appears reasonable and would generate savings for the City that could be used for other municipal purposes. With these factors in mind, it seems an appropriate alternative in addressing the interests of both the Commission and St. Helena is provided under California Government Code §56742. This code section allows the Commission to approve the annexation of non-contiguous land if the subject territory is less than 300 acres and owned and used by a city for municipal purposes. The code section also specifies that the subject territory shall be immediately detached from a city upon its sale. Markedly, this type of detached annexation does not require consistency with the affected city's sphere. This alternative would provide the Commission assurance the affected lands remain under municipal use consistent with its agricultural zoning assignments while providing St. Helena costs-savings by not having to pay property taxes. Although it has previously denied this type of proposal involving the study area, the Commission should revisit its preferences regarding this alternative and provide direction to staff as appropriate as part of this comprehensive review.

VI. RECOMMENDATION

It is recommended the Commission modify St. Helena's sphere to include the lands comprising Study Area A as part of this comprehensive review. In accordance with California Government Code §56425(e), the following statements have been prepared in support of the recommendation:

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

The present and planned land uses in the sphere are adequately contemplated under the St. Helena General Plan. The St. Helena General Plan provides for the current and future agricultural and urban land uses within the sphere. Existing agricultural uses will not be affected by their retention in the sphere.

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

The City of St. Helena provides a full range of municipal services within the sphere either directly or through contracts with other public or private entities. These public services support the present and planned urban uses within the sphere as contemplated in the St. Helena General Plan.

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

The City of St. Helena has demonstrated its ability to provide an adequate level and range of public services within the sphere. These public services were comprehensively evaluated by LAFCO as part of a recent municipal service review completed in June 2008.

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

The City of St. Helena has established social and economic interdependencies within the sphere that are distinct from neighboring unincorporated areas.



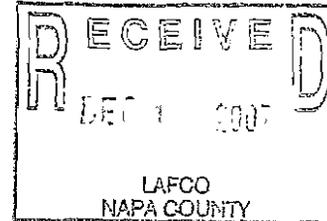
NANCY WATT
County Executive Officer

COUNTY of NAPA

BRITT FERGUSON
Assistant County Executive Officer

December 12, 2007

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



RE: Comprehensive Study of the City of St. Helena

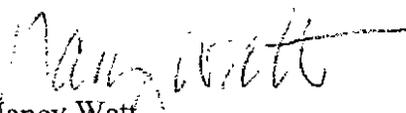
Dear Mr. Simonds:

I'm writing in response to your letter of September 27, 2007 regarding LAFCO's comprehensive study of the City of St. Helena. At your request, staff of the County and the City of St. Helena met on November 1, 2007 and agreed that the City's Sphere of Influence (SOI) should logically extend to include the parcels within the City's jurisdiction and east of Silverado Trail.

City staff also asked whether the County would support expansion of the SOI to include a 90 acre City-owned parcel (spray field) immediately adjacent to the City's sewer treatment plant. We see no reason why the County would object to this parcel being included in the SOI, provided there are sufficient assurances that it would remain in use as a spray field or as agriculture.

Please don't hesitate to contact me or Hillary Gitelman 253-4805 if you have any questions.

Sincerely,


Nancy Watt
County Executive Officer

cc. Board of Supervisors
Bert Johansson, City Manager
Carol Poole, Planning Director
Hillary Gitelman



City of St. Helena

*"We will conduct city affairs on behalf of our citizens
using an open and creative process."*

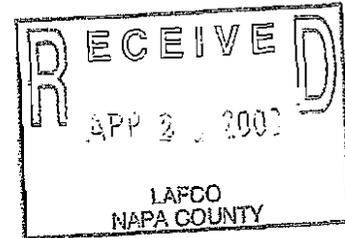
ATTACHMENT SEVEN

Phone: (707) 967-2792

Fax: (707) 963-7748

www.sthelenacity.com

April 23, 2008



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

RE: Comments on St. Helena Municipal Services Review draft document

Dear Mr. Simonds,

This letter is offered as the City of St. Helena's comments to the draft City of St. Helena Municipal Services Review. The City Council discussed the report at their April 22, 2008, scheduled Council meeting.

The City concurs with the determinations cited in the report. In preparation for the next phase, the City requests that LAFCO expand the City's Sphere of Influence (SOI) to include all lands within our City Limits, specifically the inclusion of the Howell Mountain Road acreage. In addition, the City requests that a City owned 100 ac parcel of land, contiguous to the Waste Water Treatment Plant and currently used by the Plant as spray fields, be included in the SOI (the parcel of land is currently located outside of our City limits). Nancy Watt, Napa County's Executive Officer, has previously submitted a letter of support for including the spray fields within the new SOI.

For your consideration, in the context of extended services, the City does provide water service to long time existing customers located outside our City limits. However, the City has a long standing policy prohibiting new connections which is memorialized in the following excerpts of our Municipal Code. Please note that the prohibition against new service is mandatory (shall not) whereas the allowance for fire service is discretionary (may).

Section 13.04.050 Water service connections

H. Service Outside City Limits. No water service connection or water main extension shall be made or given to premises located outside the city limits except (1) to provide private fire service in accordance with Section 13.04.200 and (2) to provide reclaimed water in accordance with city policies and procedures.

Section 13.04.200 Private fire service—Requirements

The department may install a private fire service; provided that the applicant complies with the general requirements governing water services set forth in this chapter or Chapters 13.08 and 13.12, together with the following special requirements:

- A. The applicant shall enter into a private fire service agreement with the department, the terms of which shall be satisfactory to the department.
- B. The services shall be satisfactory to the head of the public agency responsible for fire protection on the premises involved and to the Pacific Fire Rating Bureau. Each private fire service shall have installed therein a detector check valve of pattern and design approved by the superintendent. A "detector check valve" is defined as a spring-loaded or weight-loaded swing check valve equipped with a metered bypass.
- C. The private fire service shall be used only for fighting fires and testing the fire protection system. The charge for the service shall be on a flat basis as provided below. The charge shall include the cost of water used to fight fires and for authorized testing of the fire protection system. Any other use of water from the private fire service shall constitute a breach of the private fire service agreement.

The County of Napa works closely with the City of St. Helena when evaluating any plans proposing a change to the existing water use outside the city limits. The City is willing to have further discussions with LAFCO for the purposes of developing a guiding policy document.

The City appreciates the opportunity to offer comments. Please do not hesitate to contact me or Planning Director Carol Poole if you have any questions.

Sincerely,



Bert Johansson
City Manager

cc: St. Helena City Council
Jonathon Goldman, Director of Public Works
Carol Poole, Planning Director
Nancy Watt, County Executive Officer
Hilary Gitelman, County Planning Director



Local Agency Formation Commission of Napa County

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

July 8, 2008

INITIAL STUDY AND ENVIRONMENTAL CHECKLIST

- 1. Project Title:** *City of St. Helena: Sphere of Influence Review*
- 2. Lead Agency:** LAFCO of Napa County
1700 Second Street, Suite 268
Napa, California 94559
- 3. Contact Person:** Keene Simonds, Executive Officer
LAFCO of Napa County
ksimonds@napa.lafco.ca.gov
- 4. Project Location:** The project location consists of two distinct study areas. Study Area “A” is located generally east of the intersection of Silverado Trail and Howell Mountain Road in St. Helena. Study Area “B” is located northwest of the intersection of Silverado Trail and Zinfandel Lane in unincorporated Napa County. A map depicting both study areas is reflected in Exhibit One.
- 5. Project Sponsor:** LAFCO of Napa County
1700 Second Street, Suite 268
Napa, California 94559
- 6. General Plan Designations:** Study Area A is under the land use authority of St. Helena and designated under the City General Plan as *Woodlands and Watershed*. The County General Plan designates Study Area A as *Cities*. Study Area B is under the land use authority of the County and designated under the County General Plan as *Cities* or *Agricultural Resource*. The City General Plan does not have a land use designation for Study Area B.
- 7. Zoning Standards:** Study Area A is zoned by St. Helena as *Woodlands and Watershed*. The County does not zone Study Area A. Study Area B is zoned *Agricultural Preserve* by the County and *prezoned Agriculture Preserve* by St. Helena.

8. Description of Project:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCOs to review and update each city and special district's sphere of influence in their respective jurisdiction every five years as needed. A sphere of influence is defined as "a plan for the probable physical boundary and service area of a local agency as determined by the commission." Jurisdictional changes, such as annexations and detachments, must be consistent with the affected agencies' spheres of influence with limited exceptions.

As part of its legislative responsibilities, LAFCO of Napa County has prepared a sphere of influence review of St. Helena. The review considers the merits of adding Study Areas A and B to the existing sphere of influence. These study areas are collectively 196 acres in size and include 38 assessor parcels. This initial study considers the potential environmental impacts associated with adding both study areas to the existing sphere. Through this approach, this initial study considers the impact of all sphere configurations the Commission might adopt.

Study Area A is already located within St. Helena, and therefore no subsequent projects would be facilitated by its addition into the City's sphere of influence. Inclusion of Study Area B into St. Helena's sphere of influence would facilitate the annexation of the affected parcels to the City.

9. Surrounding Land Uses:

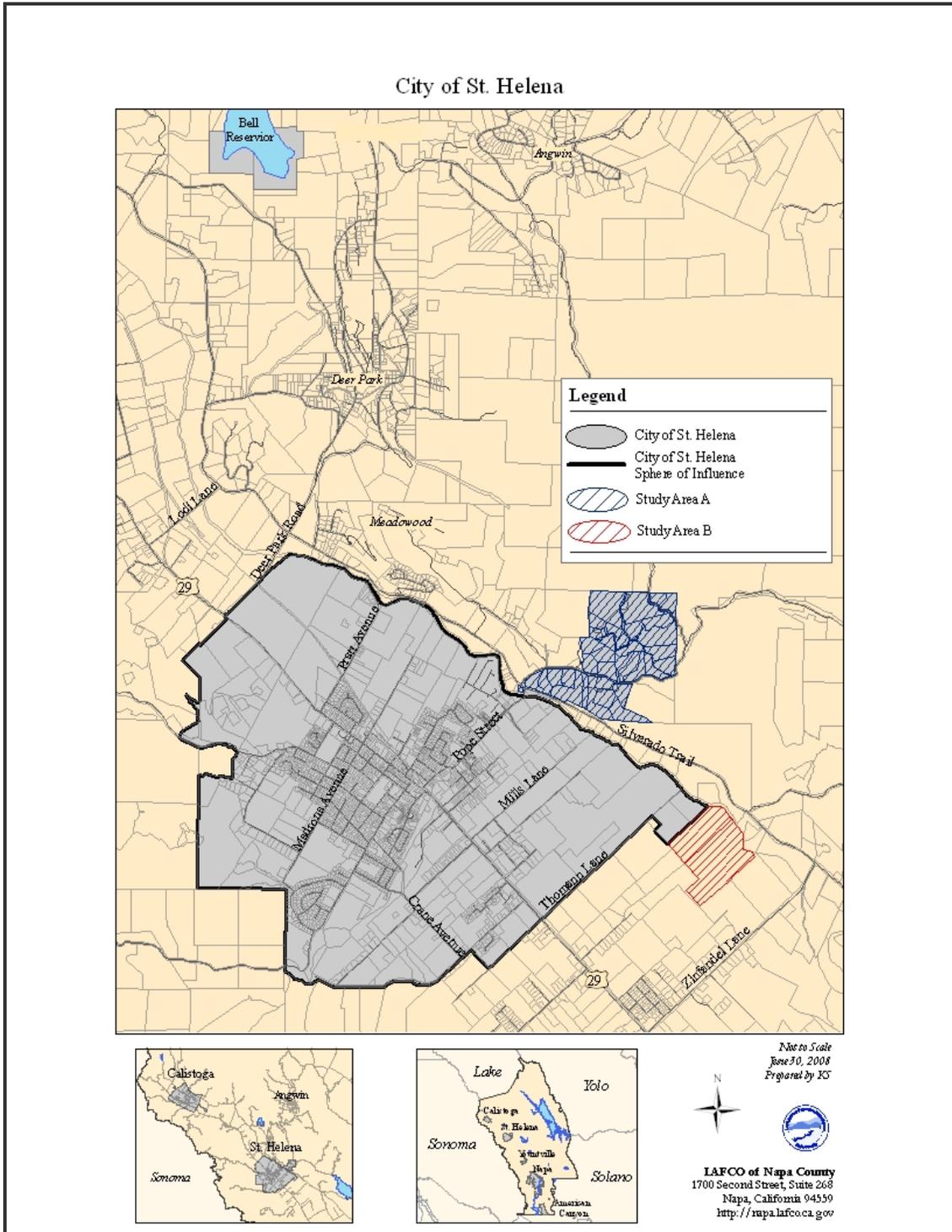
Study Area A is approximately 245 acres in size. The predominant land use in the study area is rural residential with 21 of the 36 affected parcels comprising single-family residences. All parcels are incorporated within St. Helena and range in size from 1.18 to 20.26 acres. The average parcel size is 6.6 acres. The study area is generally surrounded by undeveloped unincorporated territory.

Study Area B is approximately 95 acres in size. The study area comprises two unincorporated and undeveloped parcels owned and used by St. Helena to discharge treated wastewater from its adjacent sewer plant. Other surrounding land uses to the study area includes planted vineyards.

10. Other Agency Approval:

None

Exhibit One



ENVIRONMENTAL CHECKLIST

The following is the environmental checklist form presented in Appendix G of the CEQA Guidelines. The checklist form is used to describe the potential environmental impacts of the proposed project with respect to 17 factors prescribed for consideration. A brief discussion follows each environmental issue identified in the checklist.

For this checklist, the following four designations are used:

- **Potentially Significant Impact:** An impact that could be significant, and for which no mitigation has been identified. If any potentially significant impacts are identified, an EIR must be prepared.
- **Potentially Significant Unless Mitigation Incorporated:** An impact that requires mitigation to reduce the impact to a less-than-significant level.
- **Less-Than-Significant Impact:** Any impact that would not be considered significant under CEQA relative to existing standards.
- **No Impact:** The project would not have any impact.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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1. AESTHETICS

Would the project:

- a. Have a substantial adverse effect on a scenic vista? ■
- b. Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a State scenic highway? ■
- c. Substantially degrade the existing visual character or quality of the site and its surroundings? ■
- d. Create a new source of substantial light or glare, which would adversely affect day or nighttime views in the area? ■

Discussion:

The addition of Study Areas A and B to St. Helena’s existing sphere of influence will not result in any direct impacts on aesthetics. Adding Study Area B to St. Helena’s sphere could result in indirect impacts on aesthetics given it is a precursor to annexation and represents the first step in the possible development of the affected lands under St. Helena’s land use authority. The potential for indirect impacts is diminished, however, because the affected lands are owned and used by St. Helena to discharge treated wastewater through a spray irrigation system. The environmental effects on aesthetics associated with this current use were most recently evaluated by St. Helena as part of its Wastewater Treatment and Reclamation Plant Upgrade Project FEIR. The affected lands are also rezoned for agricultural use by St. Helena and located outside the City’s Urban Service Area, which helps to ensure no new develop will occur if annexed within the foreseeable future under St. Helena General Plan Policy 2.6.2. St. Helena General Plan Policies 4.5.1 through 4.5.3, 4.6.1 through 4.6.3, and 4.7.1 through 4.7.4 also contemplates and provides guidance to the City in managing aesthetic resources relating to open-space character, views, and visual entrances if development is proposed. Future discretionary approvals associated with the possible annexation and development of the affected lands will require the preparation of additional environmental documentation to address potential aesthetic impacts.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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2. AGRICULTURE RESOURCES

Would the project:

- a. Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland) as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use? ■
- b. Conflict with existing zoning for agricultural use, or a Williamson Act contract? ■
- c. Involve other changes in the existing environment which, due to their location or nature, could result in loss of Farmland, to non-agricultural use? ■

Discussion:

The addition of Study Areas A and B to St. Helena’s existing sphere of influence will not result in any direct impacts on agricultural resources. Adding Study Area B to St. Helena’s sphere could result in indirect impacts on agricultural resources given it is a precursor to annexation and represents the first step in the possible development of the affected lands under St. Helena’s land use authority. Markedly, the affected lands are under an active Williamson Act contract and are considered prime agricultural land by the California Resources Agency. These affected lands are also designated for agricultural use under the County General Plan. The potential for indirect impacts is diminished, however, because the affected lands are owned and used by St. Helena to discharge treated wastewater through a spray irrigation system. The environmental effects on agriculture resources associated with this current use were most recently evaluated by St. Helena as part of its Wastewater Treatment and Reclamation Plant Upgrade Project FEIR. The affected lands are also rezoned for agricultural use by St. Helena and located outside the City’s Urban Service Area, which helps to ensure no new develop will occur if annexed within the foreseeable future under St. Helena General Plan Policy 2.6.2. St. Helena General Plan Policies 2.6.58 through 2.6.61 also contemplates and provides guidance to the City in managing and protecting agriculture resources if development is proposed. Future discretionary approvals associated with the possible annexation and development of the affected lands will require the preparation of additional environmental documentation to address potential impacts on agricultural resources.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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3. AIR QUALITY

Would the project:

- a. Conflict with or obstruct implementation of the applicable air quality plan? ■
- b. Violate any air quality standard or contribute substantially to an existing or projected air quality violation? ■
- c. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)? ■
- d. Expose sensitive receptors to substantial pollutant concentrations? ■
- e. Create objectionable odors affecting a substantial number of people? ■

Discussion:

The addition of Study Areas A and B to St. Helena’s existing sphere of influence will not result in any direct impacts on air quality. Adding Study Area B to St. Helena’s sphere could result in indirect impacts on air quality given it is a precursor to annexation and represents the first step in the possible development of the affected lands under St. Helena’s land use authority. The potential for indirect impacts is diminished, however, because the affected lands are owned and used by St. Helena to discharge treated wastewater through a spray irrigation system. The environmental effects on air quality associated with this current use were most recently evaluated by St. Helena as part of its Wastewater Treatment and Reclamation Plant Upgrade Project FEIR. The affected lands are also rezoned for agricultural use by St. Helena and located outside the City’s Urban Service Area, which helps to ensure no new develop will occur if annexed within the foreseeable future under St. Helena General Plan Policy 2.6.2. St. Helena General Plan Policies 8.2.1 through 8.2.5 also contemplates and provides guidance for the City to protect air quality if development is proposed. Future discretionary approvals associated with the possible annexation and development of the affected lands will require the preparation of additional environmental documentation to address potential impacts on air quality.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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4. BIOLOGICAL RESOURCES

Would the project:

- a. Have a substantial adversely effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? ■
- b. Have a substantial adverse impact on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? ■
- c. Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means? ■
- d. Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established resident or migratory wildlife corridors, or impede the use of wildlife nursery sites? ■
- e. Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance? ■
- f. Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Conservation Community Plan, or other approved local, regional, or state habitat conservation plan? ■

Discussion:

The addition of Study Areas A and B to St. Helena’s existing sphere of influence will not result in any direct impacts on biological resources. Adding Study Area B to St. Helena’s sphere could result in indirect impacts on biological resources given it is a precursor to annexation and represents the first step in the possible development of the affected lands under St. Helena’s land use authority. The potential for indirect impacts is diminished, however, because the affected lands are owned and used by St. Helena to discharge treated wastewater through a spray irrigation system. The environmental effects on biological resources associated with this current use were most recently evaluated by St. Helena as part of its Wastewater Treatment and Reclamation Plant Upgrade Project FEIR. The affected lands are also prezoned for agricultural use by St. Helena and located outside the City’s Urban Service Area, which helps to ensure no

new develop will occur if annexed within the foreseeable future under St. Helena General Plan Policy 2.6.2. St. Helena General Plan Policies 6.2.1 through 6.2.5 and 6.2.10 through 6.2.12 also contemplates and provides guidance for the City in managing and protecting biological resources relating to wildlife, habitat, and riparian habitat if development is proposed. Future discretionary approvals associated with the possible annexation and development of the affected lands will require the preparation of additional environmental documentation to address potential impacts on biological resources.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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5. CULTURAL RESOURCES

Would the project:

- a. Cause a substantial adverse change in the significance of a historical resource as defined in Section 15064.5? ■
- b. Cause a substantial adverse change in the significance of an archaeological resource pursuant to Section 15064.5? ■
- c. Directly or indirectly destroy a unique paleontological resource or site, or unique geologic feature? ■
- d. Disturb any human remains, including those interred outside of formal cemeteries. ■

Discussion:

The addition of Study Areas A and B to St. Helena’s existing sphere of influence will not result in any direct impacts on cultural resources. Adding Study Area B to St. Helena’s sphere could result in indirect impacts on cultural resources given it is a precursor to annexation and represents the first step in the possible development of the affected lands under St. Helena’s land use authority. The potential for indirect impacts is diminished, however, because the affected lands are owned and used by St. Helena to discharge treated wastewater through a spray irrigation system. The environmental effects on cultural resources associated with this current use were most recently evaluated by St. Helena as part of its Wastewater Treatment and Reclamation Plant Upgrade Project FEIR. The affected lands are also rezoned for agricultural use by St. Helena and located outside the City’s Urban Service Area, which helps to ensure no new develop will occur if annexed within the foreseeable future under St. Helena General Plan Policy 2.6.2. St. Helena General Plan Policy 7.5.1 also contemplates and provides guidance for the City in managing and protecting cultural resources if development is proposed. Future discretionary approvals associated with the possible annexation and development of the affected lands will require the preparation of additional environmental documentation to address potential impacts on cultural resources.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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6. GEOLOGY AND SOILS

Would the project:

- a. Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:
 - i. Rupture of a known earthquake fault as delineated on the most recent Alquist - Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42. ■
 - ii. Strong seismic ground shaking? ■
 - iii. Seismic-related ground failure, including liquefaction? ■
 - iv. Landslides? ■
- c. Result in substantial soil erosion or the loss of topsoil? ■
- d. Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on-or off-site landslide, lateral spreading, subsidence, liquefaction or collapse? ■
- e. Be located on expansive soils, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property? ■
- e. Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater? ■

Discussion:

The addition of Study Areas A and B to St. Helena’s existing sphere of influence will not result in any direct impacts on geology and soils. Adding Study Area B to St. Helena’s sphere could result in indirect impacts on geology and soils given it is a precursor to annexation and represents the first step in the possible development of the affected lands under St. Helena’s land use authority. The potential for indirect impacts is diminished, however, because the affected lands are owned and used by St. Helena to discharge treated wastewater through a spray irrigation system. The environmental effects on geology and soils associated with this current use were most recently evaluated by St. Helena as part of its Wastewater Treatment and Reclamation Plant Upgrade Project FEIR. The affected lands are also prezoned for agricultural use by St. Helena and located outside the City’s Urban Service Area, which helps to ensure no new develop will occur if annexed within the foreseeable future under St. Helena General Plan Policy 2.6.2. St.

Helena General Plan Policy 8.4.2 also requires a soil and geological report to be prepared before issuing a grading or building permit if development is proposed. Future discretionary approvals associated with the possible annexation and development of the affected lands will require the preparation of additional environmental documentation to address potential impacts on geology and soils.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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7. HAZARDS & HAZARDOUS MATERIALS

Would the project:

- a. Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials? ■
- b. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment? ■
- c. Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school? ■
- d. Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment? ■
- e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area? ■
- f. For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area? ■
- g. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan? ■
- h. Expose people or structures to the risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands? ■

Discussion:

The addition of Study Areas A and B to St. Helena’s existing sphere of influence will not result in any direct impacts with respect to creating hazards or hazardous materials. Adding Study Area B to St. Helena’s sphere could indirectly create hazards or hazardous materials given it is a precursor to annexation and represents the first step in the possible development of the affected

lands under St. Helena's land use authority. The potential for indirect impacts is diminished, however, because the affected lands are owned and used by St. Helena to discharge treated wastewater through a spray irrigation system. The environmental effects involving hazards and hazardous materials associated with this current use were most recently evaluated by St. Helena as part of its Wastewater Treatment and Reclamation Plant Upgrade Project FEIR. The affected lands are also rezoned for agricultural use by St. Helena and located outside the City's Urban Service Area, which helps to ensure no new develop will occur if annexed within the foreseeable future under St. Helena General Plan Policy 2.6.2. St. Helena General Plan Policies 8.5.1 through 8.5.3 also contemplates and provides guidance to the City in protecting against hazards and hazardous materials if development is proposed. Future discretionary approvals associated with the possible annexation and development of the affected lands will require the preparation of additional environmental documentation to address impacts involving hazards or hazardous materials.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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8. HYDROLOGY & WATER QUALITY

Would the project:

- a. Violate any water quality standards or waste discharge requirements? ■
- b. Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)? ■
- c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site? ■
- d. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site? ■
- e. Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems to control? ■
- f. Otherwise substantially degrade water quality? ■
- h. Place housing within a 100-year floodplain, as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map? ■
- i. Place within a 100-year floodplain structures which would impede or redirect flood flows? ■
- j. Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam? ■
- j. Inundation by seiche, tsunami, or mudflow? ■

Discussion:

The addition of Study Areas A and B to St. Helena's existing sphere of influence will not result in any direct impacts on hydrology and water quality. Adding Study Area B to St. Helena's sphere could indirectly impact hydrology and water quality given it is a precursor to annexation and represents the first step in the possible development of the affected lands under St. Helena's land use authority. Markedly, the affected lands are located within the 100-year floodplain of the Napa River as determined by the Federal Emergency Management Agency. The potential for indirect impacts is diminished, however, because the affected lands are owned and used by St. Helena to discharge treated wastewater through a spray irrigation system. The environmental effects on hydrology and water quality associated with this current use were most recently evaluated by St. Helena as part of its Wastewater Treatment and Reclamation Plant Upgrade Project FEIR. The affected lands are also rezoned for agricultural use by St. Helena and located outside the City's Urban Service Area, which helps to ensure no new develop will occur if annexed within the foreseeable future under St. Helena General Plan Policy 2.6.2. St. Helena General Plan Policies 6.2.1 through 6.2.5 as well as 8.6.1 through 8.6.8 also contemplates and provides guidance for the City in preserving local water resources and protecting against flood-related damages if development is proposed. Future discretionary approvals associated with the possible annexation and development of the affected lands will require the preparation of additional environmental documentation to address potential impacts to hydrology and water quality.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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9. LAND USE PLANNING

Would the project:

- a. Physically divide an established community? ■
- b. Conflict with any applicable land use plans, policies, or regulations of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating on environmental effect? ■
- c. Conflict with any applicable habitat conservation plan or natural communities conservation plan? ■

Discussion:

The addition of Study Areas A and B to St. Helena’s existing sphere of influence will not result in any direct impacts on land use planning. Adding Study Area B to St. Helena’s sphere could result in indirect impacts on land use planning given it is a precursor to annexation and represents the first step in the possible development of the affected lands under St. Helena’s land use authority. The potential for indirect impacts is diminished, however, because the affected lands are owned and used by St. Helena to discharge treated wastewater through a spray irrigation system. The environmental effects on land use planning associated with this current use were most recently evaluated by St. Helena as part of its Wastewater Treatment and Reclamation Plant Upgrade Project FEIR. The affected lands are also prezoned for agricultural use by St. Helena and located outside the City’s Urban Service Area, which helps to ensure no new develop will occur if annexed within the foreseeable future under St. Helena General Plan Policy 2.6.2. St. Helena General Plan Policies 2.6.1 and 2.6.3 through 2.6.5 also contemplates and provides guidance for the City in managing land use planning if development is proposed. Future discretionary approvals associated with the possible annexation and development of the affected lands will require the preparation of additional environmental documentation to address potential impacts to land use planning.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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10. MINERAL RESOURCES

Would the project:

- a. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the State? ■
- b. Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan? ■

Discussion:

The addition of Study Areas A and B to St. Helena’s existing sphere of influence will not result in any direct impacts on mineral resources. Adding Study Area B to St. Helena’s sphere could result in indirect impacts on mineral resources given it is a precursor to annexation and represents the first step in the possible development of the affected lands under St. Helena’s land use authority. The potential for indirect impacts is diminished, however, because the affected lands are owned and used by St. Helena to discharge treated wastewater through a spray irrigation system. The environmental effects on mineral resources associated with this current use were most recently evaluated by St. Helena as part of its Wastewater Treatment and Reclamation Plant Upgrade Project FEIR. The affected lands are also rezoned for agricultural use by St. Helena and located outside the City’s Urban Service Area, which helps to ensure no new develop will occur if annexed within the foreseeable future under St. Helena General Plan Policy 2.6.2. Future discretionary approvals associated with the possible annexation and development of the affected lands will require the preparation of additional environmental documentation to address potential impacts on mineral resources.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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11. NOISE

Would the project result in:

- a. Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies? ■
- b. Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels? ■
- c. A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project? ■
- d. A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project? ■
- e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels? ■
- f. For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels? ■

Discussion:

The addition of Study Areas A and B to St. Helena’s existing sphere of influence will not result in any direct impacts on noise. Adding Study Area B to St. Helena’s sphere could result in indirect impacts on noise given it is a precursor to annexation and represents the first step in the possible development of the affected lands under St. Helena’s land use authority. The potential for indirect impacts is diminished however, because the affected lands are owned and used by St. Helena to discharge treated wastewater through a spray irrigation system. The environmental effects relating to noise associated with this current use were most recently evaluated by St. Helena as part of its Wastewater Treatment and Reclamation Plant Upgrade Project FEIR. The affected lands are also prezoned for agricultural use by St. Helena and located outside the City’s Urban Service Area, which helps to ensure no new develop will occur if annexed within the foreseeable future under St. Helena General Plan Policy 2.6.2. St. Helena General Plan Policies 8.3.1 through 8.3.4 also contemplates and provides guidance for the City in managing noise levels if development is proposed. Future discretionary approvals associated with the possible annexation and development of the affected lands will require the preparation of additional environmental documentation to address potential impacts on noise.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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12. POPULATION AND HOUSING

Would the project:

- a. Induce substantial growth in an area, either directly or indirectly? ■
- b. Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere? ■
- c. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere? ■

Discussion:

The addition of Study Areas A and B to St. Helena’s existing sphere of influence will not result in any direct impacts on population and housing. Adding Study Area B to St. Helena’s sphere could result in indirect impacts on population and housing given it is a precursor to annexation and represents the first step in the possible development of the affected lands under St. Helena’s land use authority. The potential for indirect impacts is diminished, however, because the affected lands are owned and used by St. Helena to discharge treated wastewater through a spray irrigation system. The environmental effects on population and housing associated with this current use were most recently evaluated by St. Helena as part of its Wastewater Treatment and Reclamation Plant Upgrade Project FEIR. The affected lands are also rezoned for agricultural use by St. Helena and located outside the City’s Urban Service Area, which helps to ensure no new develop will occur if annexed within the foreseeable future under St. Helena General Plan Policy 2.6.2. Future discretionary approvals associated with the possible annexation and development of the affected lands will require the preparation of additional environmental documentation to address potential impacts on population and housing.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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13. PUBLIC SERVICES

Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:

- a. Fire protection? ■
- b. Police protection? ■
- c. Schools? ■
- d. Parks? ■
- e. Other public facilities? ■

Discussion:

The addition of Study Areas A and B to St. Helena’s existing sphere of influence will not result in any direct impacts on public services. Adding Study Area B to St. Helena’s sphere could result in indirect impacts on public services given it is a precursor to annexation and represents the first step in the possible development of the affected lands under St. Helena’s land use authority. The potential for indirect impacts is diminished, however, because St. Helena already provides fire protection services to the affected lands based on support services agreement with the County. Potential indirect impacts are also diminished because the affected lands are owned and used by St. Helena to discharge treated wastewater through a spray irrigation system. The environmental effects on public services associated with this current use were most recently evaluated by St. Helena as part of its Wastewater Treatment and Reclamation Plant Upgrade Project FEIR. The affected lands are also rezoned for agricultural use by St. Helena and located outside the City’s Urban Service Area, which helps to ensure no new develop will occur if annexed within the foreseeable future under St. Helena General Plan Policy 2.6.2. St. Helena General Plan Policies 9.4.1 through 9.4.5, 9.5.1, and 9.6.1 through 9.6.5 also contemplates and provides guidance for the City in managing public service resources relating to storm, garbage, and schools if development is proposed. Future discretionary approvals associated with the possible annexation and development of the affected lands will require the preparation of additional environmental documentation to address potential impacts on public services.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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14. RECREATION

- a. Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated? ■
- b. Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment? ■

Discussion:

The addition of Study Areas A and B to St. Helena’s existing sphere of influence will not result in any direct impacts on recreation. Adding Study Area B to St. Helena’s sphere could result in indirect impacts on recreation given it is a precursor to annexation and represents the first step in the possible development of the affected lands under St. Helena’s land use authority. The potential for indirect impacts is diminished, however, because the affected lands are owned and used by St. Helena to discharge treated wastewater through a spray irrigation system. The environmental effects on recreation associated with this current use were most recently evaluated by St. Helena as part of its Wastewater Treatment and Reclamation Plant Upgrade Project FEIR. The affected lands are also rezoned for agricultural use by St. Helena and located outside the City’s Urban Service Area, which helps to ensure no new develop will occur if annexed within the foreseeable future under St. Helena General Plan Policy 2.6.2. St. Helena General Plan Policies 10.3.1 through 10.3.8 also contemplates and provides guidance for the City in managing and protecting recreation resources if development is proposed. Future discretionary approvals associated with the possible annexation and development of the affected lands will require the preparation of additional environmental documentation to address potential impacts on recreation.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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15. TRANSPORTATION AND TRAFFIC

Would the project:

- a. Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)? ■
- b. Exceed, either individually or cumulatively, a level of service standard established by the County Congestion Management Agency for designated roads or highways? ■
- c. Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks? ■
- d. Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)? ■
- e. Result in inadequate emergency access? ■
- f. Result in inadequate parking capacity? ■
- g. Conflict with adopted policies supporting alternative transportation (e.g., bus turnouts, bicycle racks)? ■

Discussion:

The addition of Study Areas A and B to St. Helena’s existing sphere of influence will not result in any direct impacts on transportation and traffic. Adding Study Area B to St. Helena’s sphere could result in indirect impacts on transportation and traffic given it is a precursor to annexation and represents the first step in the possible development of the affected lands under St. Helena’s land use authority. The potential for indirect impacts is diminished, however, because the affected lands are owned and used by St. Helena to discharge treated wastewater through a spray irrigation system. The environmental effects on transportation and traffic associated with this current use were most recently evaluated by St. Helena as part of its Wastewater Treatment and Reclamation Plant Upgrade Project FEIR. The affected lands are also rezoned for agricultural use by St. Helena and located outside the City’s Urban Service Area, which helps to ensure no new develop will occur if annexed within the foreseeable future under St. Helena General Plan Policy 2.6.2. St. Helena General Plan Policies 5.3.1, 5.4.1 through 5.5.4, and 5.7.1 through 5.9.1 also contemplates and provides guidance for the City in managing transportation and traffic

resources if development is proposed. Future discretionary approvals associated with the possible annexation and development of the affected lands will require the preparation of additional environmental documentation to address potential impacts on traffic and transportation.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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16. UTILITIES & SERVICE SYSTEMS

Would the project:

- a. Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board? ■
- b. Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? ■
- c. Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? ■
- d. Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed? ■
- e. Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project’s projected demand in addition to the provider’s existing commitments? ■
- f. Be served by a landfill with sufficient permitted capacity to accommodate the project’s solid waste disposal needs? ■
- g. Comply with federal, state, and local statutes and regulations related to solid waste? ■

Discussion:

The addition of Study Areas A and B to St. Helena’s existing sphere of influence will not result in any direct impacts on utilities and service systems. Adding Study Area B to St. Helena’s sphere could result in indirect impacts on utilities and service systems given it is a precursor to annexation and represents the first step in the possible development of the affected lands under St. Helena’s land use authority. The potential for indirect impacts is diminished, however, because the affected lands are owned and used by St. Helena to discharge treated wastewater through a spray irrigation system. The environmental effects on utilities and service systems associated with this current use were most recently evaluated by St. Helena as part of its Wastewater Treatment and Reclamation Plant Upgrade Project FEIR. The affected lands are also prezoned *Agriculture Preserve* by St. Helena and lie outside the City’s Urban Service Area, which helps to ensure no further develop will occur if annexed

within the foreseeable future under St. Helena General Plan FEIR Policy 2.6.2. St. Helena General Plan Policies 9.2.1 through 9.2.4, 9.3.1 through 9.3.4, 9.4.1 through 9.4.5, and 9.5.1 also contemplates and provides guidance for the City in managing utilities and service systems relating to water, sewer, storm drainage, and solid waste if development is proposed. Future discretionary approvals associated with the possible annexation and development of the affected lands will require the preparation of additional environmental documentation to address potential impacts on utilities and service systems.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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17. MANDATORY FINDINGS OF SIGNIFICANCE

- a. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory? ■

- b. Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)? ■

- c. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly? ■

Discussion:

The addition of Study Areas A and B to St. Helena’s existing sphere of influence will not result in any direct impacts on the environment. Adding Study Area B to St. Helena’s sphere could result in indirect impacts on the environment given it is a precursor to annexation and represents the first step in the possible development of the affected lands under St. Helena’s land use authority. The potential for indirect impacts is diminished, however, because the affected lands are owned and used by St. Helena to discharge treated wastewater through a spray irrigation system. The environmental effects associated with this current use were most recently evaluated by St. Helena as part of its Wastewater Treatment and Reclamation Plant Upgrade Project FEIR. The affected lands are also rezoned *Agriculture Preserve* by St. Helena and lie outside the City’s Urban Service Area, which helps to ensure no further develop will occur if annexed within the foreseeable future under St. Helena General Plan FEIR Policy 2.6.2. Future discretionary approvals associated with the possible annexation and development of the affected lands will require the preparation of additional environmental documentation to address potential impacts on the environment.

Sources of Information Used in the Preparation of this Initial Study

- *CEQA Deskbook*, Bass, Herson, and Bogdan, 2001
- County of Napa: *General Plan*, 2008
- County of Napa: *General Plan: Final Environmental Impact Report*, 2008
- City of St. Helena: *General Plan Update*, 1993
- City of St. Helena: *General Plan Update: Final Environmental Impact Report*, 1993
- City of St. Helena: *Environmental Impact Report Wastewater Treatment and Reclamation Plant Upgrade Project*, 2006
- California Department of Conservation, Division of Land Resources Protection, *Napa County Important Farmland Map*, 2006
- Local Agency Formation Commission of Napa County, *City of St. Helena: Municipal Service Review*, 2008

These documents are available for review at the LAFCO office, 1700 Second Street, Suite 268, Napa, California.

RESOLUTION NO. ____

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

**ADOPTING A NEGATIVE DECLARATION PURSUANT TO THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT**

**CITY OF ST. HELENA
SPHERE OF INFLUENCE REVIEW**

WHEREAS, the Local Agency Formation Commission of Napa County, hereinafter referred to as the “Commission,” is responsible for reviewing the spheres of influence for local governmental agencies in Napa County pursuant to California Government Code Section 56425; and

WHEREAS, the Executive Officer of the Commission, hereinafter referred to as the “Executive Officer,” has prepared a report reviewing the sphere of influence of the City of St. Helena; and

WHEREAS, the report evaluates the merits of adding two distinct areas to the existing sphere of influence identified as “Study Area A” and “Study Area B” as depicted in Attachment One; and

WHEREAS, sphere of influence reviews are projects and subject to the provisions of the California Environmental Quality Act (CEQA); and

WHEREAS, pursuant to CEQA, the Commission is the lead agency for the sphere of influence review and the possible addition of Study Areas A and B, hereinafter referred to as the “project”; and

WHEREAS, in accordance with the California Code of Regulations Section 15074, the Commission has been presented with and duly considered an initial study assessing the impact of the project on the environment; and

WHEREAS, the Commission held a duly noticed public hearing on August 4, 2008 to consider the initial study and has determined the project could not have a significant effect on the environment.

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

1. The Commission considered the initial study prepared for the project.

2. The Commission finds the initial study shows there is no substantial evidence in the record as a whole that the project shall have any significant environmental impact and that a negative declaration is appropriate.
3. The negative declaration is based on the independent judgment of the Commission.
4. The Executive Officer is the custodian of the records of the proceedings on which this decision is based. The records upon which these findings are made are located at the office of the Commission located at 1700 Second Street, Suite 268, Napa, California.
5. The Commission hereby adopts a negative declaration for the project.

The foregoing resolution was duly and regularly adopted by the Commission at a meeting held on August 4, 2008 by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

ABSENT: Commissioners _____

ATTEST: Keene Simonds
 Executive Officer

Recorded by: _____
 Kathy Mabry
 Commission Secretary

RESOLUTION NO. ____

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

**CITY OF ST. HELENA
SPHERE OF INFLUENCE REVIEW**

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

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

WHEREAS, the Executive Officer prepared a written report of the review, including his recommendation to update and add certain territory to the existing sphere of influence; and

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

WHEREAS, the Commission heard and fully considered all the evidence presented at a public meeting held on August 4, 2008; and

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

WHEREAS, in accordance with the provisions of the California Environmental Quality Act, the Commission confirmed the findings of an initial study showing the proposed update to the sphere of influence shall not have any significant environmental impact and adopted a negative declaration as part of separate resolution approved on August 4, 2008.

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

1. The proposed sphere of influence review for the City of St. Helena is APPROVED.

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

**CITY OF ST. HELENA
SPHERE OF INFLUENCE REVIEW**

3. The sphere of influence for the City of St. Helena is hereby updated and shown on the attached map identified as "Exhibit A."
4. Pursuant to California Government Code Section 56425, the Commission makes the statements of determinations in the attached "Exhibit B."
5. The effective date of this sphere of influence review shall be immediate.
6. The Executive Officer shall revise the official records of the Commission to reflect this review of the sphere of influence.

The foregoing resolution was duly and regularly adopted by the Commission at a meeting held on August 4, 2008 by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSENT: Commissioners _____

ABSTAIN: Commissioners _____

ATTEST: Keene Simonds
 Executive Officer

Recorded by: _____
 Kathy Mabry
 Commission Secretary

EXHIBIT B
STATEMENT OF DETERMINATIONS

CITY OF ST. HELENA
SPHERE OF INFLUENCE REVIEW

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

The present and planned land uses in the sphere are adequately contemplated under the St. Helena General Plan. The St. Helena General Plan provides for the current and future agricultural and urban land uses within the sphere. Existing agricultural uses will not be affected by their retention in the sphere.

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

The City of St. Helena provides a full range of municipal services within the sphere either directly or through contracts with other public or private entities. These public services support the present and planned urban uses within the sphere as contemplated in the St. Helena General Plan.

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

The City of St. Helena has demonstrated its ability to provide an adequate level and range of public services within the sphere. These public services were comprehensively evaluated by the Commission as part of a recent municipal service review completed in May 2008.

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

The City of St. Helena has established social and economic interdependencies within the sphere that are distinct from neighboring unincorporated areas.



Local Agency Formation Commission
LAFCO of Napa County

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

August 4, 2008
Agenda Item No. 6b

July 28, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: City of Calistoga: Sphere of Influence Review (Public Hearing)

The Commission will receive a report representing its scheduled sphere of influence review of the City of Calistoga. The Commission will consider a draft resolution approving the recommendation of the report to affirm with no changes Calistoga's existing sphere of influence and make related statements pursuant to California Government Code Section 56425.

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

As a prerequisite to sphere reviews, LAFCOs must prepare municipal service reviews to determine the adequacy and range of governmental services provided within the region. The collective purpose of these reviews is to inform and direct LAFCOs in their legislative mandate to coordinate the logical and timely development of local governmental agencies and services in a manner that meets the present and future needs of the community.

A. Discussion

The attached report represents LAFCO of Napa County's ("Commission") scheduled sphere review of the City of Calistoga. The report marks the first comprehensive review of Calistoga's sphere in 35 years and draws on information collected as part of the Commission's recent municipal service review on the City completed in May 2008. The report focuses on whether changes to the sphere are appropriate with respect to facilitating Calistoga's orderly growth and development consistent with Commission policies.

Jack Gingles, Commissioner
Mayor, City of Calistoga

Juliana Inman, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

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

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

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

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

B. Summary

The report uses four factors in identifying possible study areas to evaluate adding or removing from Calistoga's sphere: (a) relationship to incorporated boundary; (b) land use designations; (c) infrastructure capacities; and (d) agency comments. Based on a review of these factors, no study areas have been evaluated and the report recommends no changes to Calistoga's sphere are warranted at this time. Markedly, this recommendation is consistent with the Calistoga and County General Plans given neither document contemplates the City expanding its incorporated boundary beyond its current sphere. This determination is also consistent with written comments received from Calistoga in which the City states no changes to its sphere are needed.

The attached draft resolution codifies the recommendation of the report and is being presented for Commission consideration. The draft resolution includes statements addressing the four planning factors the Commission must consider anytime its makes a sphere determination. The adoption of the draft resolution would fulfill the Commission's sphere review requirement for Calistoga through 2013.

C. Recommendation

It is recommended the Commission take the following actions:

- 1) Receive and file the attached report representing the sphere of influence review of the City of Calistoga; and
- 2) Approve the attached draft resolution with any desired changes making statements with respect to updating the sphere of influence for the City of Calistoga pursuant to California Government Code Section 56425.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- 1) Sphere of Influence Review: Final Report
- 2) Draft Resolution: Sphere of Influence Review

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

CITY OF CALISTOGA SPHERE OF INFLUENCE REVIEW

**Final Report
August 2008**

Prepared by:

LAFCO of Napa County
1700 Second Street, Suite 268
Napa, California 94559

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

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

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



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I. INTRODUCTION

A. Local Agency Formation Commissions

Local Agency Formation Commissions (LAFCOs) were established in 1963 and are responsible for administering a section of California Government Code now known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. LAFCOs are delegated regulatory and planning responsibilities to coordinate the logical formation and development of local governmental agencies and services, preserve agricultural and open-space resources, and discourage urban sprawl. LAFCOs are located in all 58 counties in California and are generally governed by a five-member commission that includes two county supervisors, two city councilmembers, and one representative of the general public.¹

B. Sphere of Influence

A central planning responsibility for LAFCO is the determination of a sphere of influence (“sphere”) for each local agency under its jurisdiction.² LAFCO establishes, amends, and updates spheres to designate the territory it believes represents the appropriate and probable future service area and jurisdictional boundary of the affected agency. All jurisdictional changes, such as annexations and detachments, must be consistent with the spheres of the affected local agencies with limited exceptions. LAFCO is required to review each local agency’s sphere by January 1, 2008 and every five years thereafter as needed.

In making a sphere determination, LAFCO is required to prepare written statements addressing four specific planning factors listed under California Government Code §56425. These factors range from present and planned land uses to the existence of any social or economic communities of interest. The intent in preparing the written statements is to capture the legislative intent of the sphere determination with regard to coordinating the sensible and timely development of each local agency.

Beginning in 2001, to help inform the sphere review process, LAFCO is responsible for preparing municipal service reviews to determine the level and range of governmental services provided in the region. The municipal service review can focus on a particular agency or type of service and culminates with LAFCO making determinations on a number of governance-related factors and may lead it to take other actions under its authority.

C. City of Calistoga

This report represents LAFCO of Napa County’s (“Commission”) scheduled sphere review of the City of Calistoga. The report represents the first comprehensive review of Calistoga’s sphere in 35 years and draws on information collected as part of the Commission’s recent municipal service review on the City. The focus of the report is to consider whether changes to the sphere are warranted to facilitate the orderly development of Calistoga consistent with the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and the Commission’s adopted policies.

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

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

II. OVERVIEW

A. Background

The City of Calistoga was incorporated in 1886 and operates under a council-manager system of government. Calistoga is approximately 2.9 square miles in size and provides a full range of municipal services directly or through contracts with other public or private entities. Municipal services provided directly by Calistoga include fire, police, sewer, and water. Calistoga has experienced a slight annual growth rate of 0.6% over the last 10 years and has a current estimated resident population of 5,302, making it the fourth largest municipality in Napa County.³

Calistoga's primary revenue source is drawn from its transient-occupancy tax and currently funds nearly half of the City's operating budget. Although this revenue source has proven reliable, a decline is expected given the increasing supply of hotels in Napa County, and as a result, represents a long-term funding challenge. Calistoga's remaining discretionary revenues are primarily drawn from property and sale taxes with the former having increased by almost double over the last five years.

B. Sphere of Influence

Calistoga's sphere was established by the Commission in 1973. The Commission designated the sphere to reflect what it believed to be Calistoga's incorporated boundary. This included adding an approximate 5.2 acre parcel located along Calistoga's southeast "panhandle" section that was approved for annexation one year earlier. However, as part of the recent municipal service review, it was determined that the annexation was abandoned prior to recordation for unknown reasons. No amendments to the sphere have been approved by the Commission since its establishment.

In terms of proportions, Calistoga's sphere is approximately 1,657 acres or 2.9 square miles in size. The sphere includes a total of 1,660 assessor parcels with an average size of 0.9 acres. The sphere is coterminous with Calistoga's incorporated boundary with the aforementioned exception of including a 5.2 acre unincorporated parcel located along Calistoga's southeast panhandle section.

City of Calistoga: Adopted Boundaries
(Source: County of Napa Geographic Information System)

	Sphere of Influence	Incorporated Boundary
Total Acres:	1,657	1,651
Assessor Parcels:	1,660	1,659

- * A map depicting Calistoga's sphere and incorporated boundary is provided in Attachment One.

³ Population estimates for Calistoga calculated by the California Department of Finance.

C. Land Use Policies

Calistoga's General Plan was comprehensively updated in 2003 and codifies land use policies for the City through 2020. The General Plan is predicated on maintaining Calistoga's identity as a small-town and includes several growth control policies, such as discouraging the annexation of adjacent unincorporated lands. Calistoga does not designate or prezone any unincorporated lands outside its sphere. Calistoga recently established an allocation system to better control the annual rate of residential and non-residential growth in the City. Notably, this allocation system restricts the number of approved residential projects to ensure no more than a 1.35% annual increase in population. Allocations are subject to an application process and formally awarded by the City Council. In 2008, the City Council awarded allocations for 31 residential units that are expected to produce a population increase of 89.

The majority of unincorporated lands adjacent to Calistoga are designated under the County of Napa General Plan as *Agricultural Resource* or *Agriculture, Watershed and Open Space*. These designations support the preservation of existing agricultural and open-space land uses by requiring minimum parcel sizes of 40 and 160 acres, respectively. The majority of these unincorporated lands are also zoned by the County as *Agricultural Watershed* or *Agricultural Preserve* and presently include a number of commercial vineyards and wineries. A key exception involves an approximate 92 acre area located immediately south of Calistoga near the intersection of State Highway 29 and Diamond Mountain Road. The County designates and zones this area as *Rural Residential* and *Residential Country*, which requires a minimum parcel size of 10 acres.

- * An aerial map depicting current land uses within and adjacent to Calistoga is provided in Attachment Two.
- * A map depicting the land use designations under the Calistoga General Plan is provided in Attachment Three.
- * A map depicting the land use designations under the County General Plan is provided in Attachment Four.

III. DISCUSSION

A. Objective

The objective of this report is to identify and evaluate areas that warrant consideration for inclusion or removal from Calistoga's sphere as part of a comprehensive review. Underlying this effort is to designate the sphere to facilitate the sensible and timely development of Calistoga consistent with the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and the Commission's adopted policies.

The Commission's "General Policy Determinations" provide direction with respect to establishing and amending an agency's sphere in relationship to local conditions and circumstances. The General Policy Determinations state that a city's sphere shall exclude lands designated as agricultural or open-space for the purpose of urban development unless it is demonstrated that infill opportunities are limited or non-existent. The General Policy Determinations also state that the Commission will use the County General Plan to determine agricultural and open-space land use designations.

B. Timeframe

State law requires all LAFCOs to review and update each local agency's sphere by January 1, 2008 and every five years thereafter as needed. Accordingly, it has been the practice of the Commission to review and update each local agency's sphere in a manner that emphasizes a probable five-year service area.

IV. ANALYSIS

A. Consideration of Study Areas

Four factors were used in identifying possible study areas to evaluate adding or removing from Calistoga's sphere as part of this comprehensive review. These factors include (a) relationship to incorporated boundary, (b) land use designations, (c) infrastructure capacities, and (d) agency comments. Based on a review of these factors, no study areas are proposed for evaluation at this time. Markedly, this determination is consistent with the Calistoga and County General Plans given neither document contemplates the City expanding its incorporated boundary beyond its current sphere. This determination is also consistent with written comments received from Calistoga in which the City states that no changes to its sphere are needed.

Notwithstanding the aforementioned determination, consideration was given to establishing a study area to reflect Calistoga's outside water service area, which extends north of the City along State Highway 128, Petrified Forest Road, and Tubbs Lane. The merits in establishing this type of study area relates to the role of the sphere in designating each agency's present and probable future service area. It also reflects recent changes in the law that now requires cities and special districts to request and receive written approval from LAFCO before providing new or extended services by contract or agreement outside their jurisdictions but within their spheres.⁴ However, because the affected lands are designated and primarily used for agricultural purposes, adding the outside water service area to the sphere would conflict with LAFCO's principal mandate to protect agricultural and open-space resources from premature annexation and development. Accordingly, expanding the sphere to include the outside water service area is not further considered as part of this review.⁵

⁴ City and special district requests to provide new or extended services outside their sphere may only be approved by LAFCO under certain conditions. (California Government Code §56133)

⁵ As discussed in the municipal service review, it is recommended Calistoga and the Commission work on a local policy to ensure new and extended services provided by the City outside its jurisdiction is consistent with State law.

V. RECOMMENDATION

It is recommended the Commission affirm with no changes to Calistoga's existing sphere. In accordance with California Government Code §56425(e), the following statements have been prepared in support of the recommendation:

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

The present and planned land uses in the sphere are adequately contemplated under the Calistoga General Plan. The Calistoga General Plan provides for the current and future urban uses characterizing the majority of the sphere. A small amount of land located in the sphere is under agricultural use. These existing agricultural uses will not be affected by their retention in the sphere.

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

The City of Calistoga provides a full range of municipal services within the sphere either directly or through contracts with other public or private entities. These public services support the present and planned urban uses within the sphere as contemplated in the Calistoga General Plan.

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

The City of Calistoga has demonstrated its ability to provide an adequate level and range of public services within the sphere. These public services were comprehensively evaluated by LAFCO as part of a recent municipal service review completed in June 2008.

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

The City of Calistoga has established social and economic interdependencies within the sphere that are distinct from neighboring unincorporated areas.

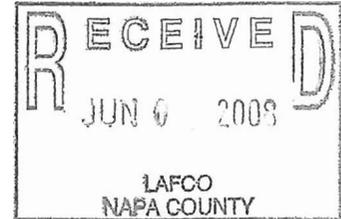
CITY OF CALISTOGA

1232 Washington Street • Calistoga, CA 94515
707.942.2800



June 4, 2008

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



Dear Keene:

This letter is in response to LAFCO's pending review of the City's Sphere of Influence. The City has evaluated its planned population and growth needs, public facility needs and other social/economic interests identified in our General Plan. After careful review of potential needs and interests and in consideration of input received from the community, the City Council, through adoption of a resolution on June 3, 2008, has determined that the current boundary of the City's Sphere of Influence is adequate and that there will be no need to alter or expand the Sphere.

Thank you for the opportunity to participate in LAFCO's review of the City's Sphere of Influence. We look forward to continuing to work with LAFCO towards orderly growth, efficient delivery of municipal services and the preservation of open space and agricultural lands in the County.

If you have any questions regarding this matter please do not hesitate to contact James C. McCann, City Manager, at 942-2805.

Sincerely,

Jack Gingles
Mayor

cc: Supervisor Diane Dillon
Nancy Watt, Napa County Executive Officer
Hillary Gitelman, Director of Planning and Conservation

RESOLUTION NO. ____

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

**CITY OF CALISTOGA
SPHERE OF INFLUENCE REVIEW**

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

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

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

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

WHEREAS, the Commission heard and fully considered all the evidence presented at a public meeting held on August 4, 2008; and

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

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

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

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

**CITY OF CALISTOGA
SPHERE OF INFLUENCE REVIEW**

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

The foregoing resolution was duly and regularly adopted by the Commission at a meeting held on August 4, 2008 by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSENT: Commissioners _____

ABSTAIN: Commissioners _____

ATTEST: Keene Simonds
 Executive Officer

Recorded by: _____
 Kathy Mabry
 Commission Secretary

EXHIBIT B
STATEMENT OF DETERMINATIONS

CITY OF CALISTOGA
SPHERE OF INFLUENCE REVIEW

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

The present and planned land uses in the sphere are adequately contemplated under the Calistoga General Plan. The Calistoga General Plan provides for the current and future urban uses characterizing the majority of the sphere. A small amount of land located in the sphere is under agricultural use. These existing agricultural uses will not be affected by their retention in the sphere.

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

The City of Calistoga provides a full range of municipal services within the sphere either directly or through contracts with other public or private entities. These public services support the present and planned urban uses within the sphere as contemplated in the Calistoga General Plan.

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

The City of Calistoga has demonstrated its ability to provide an adequate level and range of public services within the sphere. These public services were comprehensively evaluated by the Commission as part of a recent municipal service review completed in May 2008.

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

The City of Calistoga has established social and economic interdependencies within the sphere that are distinct from neighboring unincorporated areas.



Local Agency Formation Commission
LAFCO of Napa County

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August 4, 2008
Agenda Item No. 7a

July 28, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Comprehensive Study of Public Cemetery Districts (Action)

The Commission will receive a final written report representing its schedule municipal service review of public cemetery districts in Napa County. The Commission will consider separate draft resolutions adopting the report's determinations pursuant to California Government Code Section 56430.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 directs Local Agency Formation Commissions (LAFCOs) to review and update each local agency's sphere of influence every five years. As a prerequisite to sphere reviews, LAFCOs must prepare municipal service reviews to determine the sufficiency of governmental services provided within their jurisdictions. The intent of the municipal service review is to evaluate the adequacy, efficiency, and effectiveness of governmental services in relationship to local needs and circumstances. The municipal service review process culminates with LAFCO making determinations on several service related factors and may lead the agency to take other actions under its authority.

A. Discussion

In accordance with the inaugural study schedule adopted in October 2001, the attached report represents LAFCO of Napa County's ("Commission") municipal service review of public cemetery districts in Napa County. The municipal service review has been prepared by Baracco and Associates under the direction of the Executive Officer. The purpose of the municipal service review is to evaluate the growth and development as well as the level and range of services provided by the two public cemetery districts operating in Napa County: (a) Monticello Public Cemetery District and (b) Pope Valley Cemetery District.

The report on the municipal service review was initially presented to the Commission in draft-form as part of its June 2, 2008 meeting. Following the meeting, a notice of review on the municipal service review was circulated to both affected agencies and posted on the Commission website. Comments were received from the Monticello Public Cemetery District and include 1) requesting financial data evaluated in the report be consistently drawn from the same time period and 2) stating it expects operating costs to remain relatively stable with the recent completion of certain administrative projects. The final report has been modified to incorporate both of these comments along with addressing other technical edits identified by the District. No other comments were received.

Jack Gingles, Commissioner
Mayor, City of Calistoga

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

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

Juliana Inman, Commissioner
Councilmember, City of Napa

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

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

Keene Simonds
Executive Officer

In addition to the changes identified in the preceding paragraph, the final report includes two new and matching determinations for both agencies under their respective “Government Structure Options” sections. The first new determination states consolidating the agencies does not appear appropriate given the sharp discrepancies in their existing service levels and revenue sources. The second new determination states there may be merit in expanding the agencies’ jurisdictional boundaries or establishing new agencies to make public cemetery services available to a larger portion of the local population.

Last, the report includes corrected maps depicting both agencies’ spheres and jurisdictional boundaries. These corrections correspond with edits made by staff to the Commission’s geographic information system to accurately reflect the paper records on file at the LAFCO office. The corrections have produced revised calculations with regard to estimating the total acre size of each agency’s sphere and jurisdictional boundary.

B. Summary

The final report draws sharp distinctions between the service levels and financial capacities existing between the two affected agencies. The report notes the Monticello Public Cemetery District provides a basic level of cemetery services with a reliable source of revenue based on its proportional share of property taxes. In contrast, the report notes the Pope Valley Cemetery District provides a rural level of cemetery services with a limited and unreliable source of revenue entirely dependent on plot sales.

C. Recommendation

It is recommended the Commission take the following actions:

- 1) Receive and file the attached written report titled “Comprehensive Study of Public Cemetery Districts;” and
- 2) Approve the attached draft resolution with any desired changes making determinations regarding the municipal services provided by the Monticello Public Cemetery District pursuant to California Government Code Section 56430; and
- 3) Approve the attached draft resolution with any desired changes making determinations regarding the municipal services provided by the Pope Valley Cemetery District pursuant to California Government Code Section 56430.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- 1) Comprehensive Study of Public Cemetery Districts
- 2) Draft Resolution: Monticello Public Cemetery District
- 3) Draft Resolution: Pope Valley Cemetery District
- ~~4) Correspondence from the Monticello Public Cemetery District~~

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

COMPREHENSIVE STUDY OF PUBLIC CEMETERY DISTRICTS MUNICIPAL SERVICE REVIEW

**Final Report
August 2008**

Prepared by:

Baracco and Associates
40 Eureka Street
Sutter Creek, California 95685

LAFCO of Napa County
1700 Second Street, Suite 268
Napa, California 94559

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

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

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



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I. INTRODUCTION

A. Local Agency Formation Commissions

Local Agency Formation Commissions (LAFCOs) were established in 1963 and are responsible for administering a section of California Government Code now known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. LAFCOs are delegated regulatory and planning responsibilities to coordinate the logical formation and development of local governmental agencies and services, preserve agricultural and open-space resources, and discourage urban sprawl. LAFCOs are located in all 58 counties in California and are generally governed by a five-member commission that includes two county supervisors, two city councilmembers, and one representative of the general public.¹

B. Municipal Service Reviews

Beginning January 1, 2001, LAFCOs are responsible for reviewing and updating each local agency's sphere of influence ("sphere") by January 1, 2008 and every five years thereafter as needed.² As a prerequisite to sphere reviews, LAFCOs must prepare municipal service reviews to determine the adequacy and scope of governmental services provided in the region. The municipal service review, which can focus on a particular agency or type of service, evaluates services in relationship to local conditions and needs. The municipal service review culminates with LAFCO making determinations on a range of governance issues and may lead the agency to take other actions under its authority.

C. Comprehensive Study of Public Cemetery Districts

This report represents LAFCO of Napa County's ("Commission") scheduled municipal service review of public cemetery districts in Napa County. The report has been prepared by Baracco and Associates under the direction of the Executive Officer. The purpose of this report is to evaluate the growth and development as well as the level and range of services provided by the two public cemetery districts operating in Napa County: (a) Monticello Public Cemetery District and (b) Pope Valley Cemetery District.³

This report is divided into two distinct sections. The first section evaluates the Monticello Public Cemetery District while the second section evaluates the Pope Valley Cemetery District. Each section includes determinations addressing the factors the Commission must consider as part of its municipal service review mandate under California Government Code §56430(a). These determinations serve as executive summaries and make statements on the availability, capacity, and adequacy of services provided by each agency.

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

² California Government Code §56076 defines a sphere as "a plan for the probable physical boundary and service area of a local agency, as defined by the commission."

³ The geographic area of this municipal service review includes all incorporated and unincorporated lands in Napa County.

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II. MONTICELLO PUBLIC CEMETERY DISTRICT

A. Overview

The Monticello Public Cemetery District (MPCD) was formed as an independent special district in 1936. MPCD was restructured in 1988 into a dependent special district and is now governed by the County of Napa Board of Supervisors serving as the Board of Trustees. MPCD owns and operates the Monticello Public Cemetery and provides interment services for property owners and residents within the District as well as eligible non-residents.⁴ Staffing is provided by the County Public Works Department. MPCD has a current operating budget of \$50,419 with an estimated resident service population of 1,347.

B. Background

Setting

MPCD is located in northeast Napa County and serves the unincorporated communities of Berryessa Highlands, Berryessa Pines, and Spanish Flat. MPCD's jurisdictional boundary is divided by Lake Berryessa and extends north and east to Lake and Yolo Counties. Land uses within the jurisdictional boundary generally comprises agricultural, open-space, and rural residential. Limited commercial and recreational land uses are also present along the southern and western shoreline of Lake Berryessa.

History

MPCD was formed in 1936 to assume control of the privately operated Monticello Cemetery. The cemetery was developed in 1879 and originally located in the unincorporated community of Monticello in the Berryessa Valley. The cemetery came under the control and ownership of MPCD at the petitioning of local residents after the cemetery's private proprietors ceased operating in the early 1930s. In 1956, the United States Bureau of Reclamation relocated the cemetery to its present location in Spanish Flat as part of the "Solano Project." Notably, the Solano Project involved the construction of the Monticello Dam, which led to the inundation of the Berryessa Valley and the creation of Lake Berryessa.

C. Adopted Boundaries

Jurisdictional Boundary

MPCD's jurisdictional boundary comprises approximately 140,211 acres or 219 square miles and includes 1,677 assessor parcels. The United States is the largest single property owner in MPCD with 130 assessor parcels that have a combined acreage equal to more than half of the District's total jurisdictional boundary. The Commission has approved one jurisdictional change involving MPCD since 1963. The approved change of organization involved the annexation of an approximate 293 acre area portion of Berryessa Highlands in 1982.

⁴ California Health and Safety Code 9000 et seq. defines "eligible nonresident" as a person meeting all of the following criteria: (a) resident of the state at the time of death; (b) no public cemetery is within 15 miles of their residence; and (c) no non-public cemetery is closer to their residence than the district-owned cemetery. Additionally, a person may be considered an eligible nonresident if they died while (1) serving in the military or (2) in the line of duty as a peace officer or firefighter.

Sphere of Influence

MPCD’s sphere of influence comprises approximately 166,363 unincorporated acres or 260 square miles and includes 2,430 assessor parcels. The sphere was established by the Commission in March 1985 to include MPCD’s entire jurisdictional boundary along with nearly 23,000 acres of unincorporated land extending south into Wooden Valley, which includes the unincorporated community of Circle Oaks. The Commission also included in the sphere unincorporated lands to the west of MPCD that were already in the Pope Valley Cemetery District. In adding these lands to the sphere, the Commission determined MPCD is the more appropriate service provider based on social communities of interest.

In May 1985, the Commission modified MPCD’s sphere to exclude an approximate 1,400 acre area already in the District and located along its western border after adding the same territory to the Pope Valley Cemetery District’s sphere. In making this change, the Commission determined the affected area would be better served by the Pope Valley Cemetery District. No other changes to the sphere have been made.

D. Growth and Population Estimates

There are no specific population counts within MPCD’s jurisdictional boundary. However, a review of data collected by the United States Census identifies Tract 2018 generally correlates with MPCD’s jurisdictional boundary with the exception of including portions of Chiles and Pope Valleys.

For the purpose of this municipal service review, LAFCO assumes MPCD’s jurisdictional boundary includes 75% of the total resident population in Tract 2018.⁵ LAFCO also assumes recent and future population growth in MPCD has and will be consistent with the recent annual growth rate in unincorporated Napa County of 1.8%.⁶ Based on these assumptions, LAFCO estimates MPCD’s resident service population is 1,347. The table below estimates recent and future population counts within MPCD.

Resident Service Population Estimates for MPCD

(Estimates calculated by LAFCO)

2000	2008	2013	2018
1,226	1,347	1,428	1,514

It is anticipated the majority of new growth and development within MPCD’s jurisdictional boundary will occur in Berryessa Highlands. Berryessa Highlands is a small residential community located along the southern shoreline of Lake Berryessa that began developing in the late 1960s. A recent review of the community’s water and sewer service provider identified only 330 of the 560 lots in Berryessa Highlands have been developed. An additional 100 new residential lots are also being proposed for development as part of a new subdivision north of Berryessa Pines known as Villa Berryessa.

⁵ Total population estimates in 1990 and 2000 for Tract 2018 were 1,426 and 1,635.

⁶ The average annual growth rate is based on the United States Census’ population estimates for all unincorporated lands in Napa County between 2000 and 2006.

E. Governance

MPCD operates under California Health and Safety Code Sections 9000 et seq., which is known as the Public Cemetery District Law. This law was originally enacted in 1909 and comprehensively rewritten in 2004. The law empowers MPCD to own, operate, and maintain cemeteries within its jurisdictional boundary. MPCD is authorized to provide interment services to District residents and property owners as well as eligible non-residents. Elections are based on a registered resident-voter system.

At the time of its formation in 1936, MPCD was organized as an independent special district with its own three-member Board of Trustees appointed by the County Board of Supervisors. In 1988, at the request of local residents, MPCD became a dependent special district with the Board of Supervisors appointing itself as the Board of Trustees. Regular meetings are calendared at the beginning of each year and generally occur quarterly thereafter at the County Administration Building.

Advisory Committee

In 1989, MPCD's Board of Trustees appointed a five-member Advisory Committee to help inform District activities and services. The Advisory Committee is responsible for reviewing and making recommendations on the annual budget, fees and charges, and capital improvements. Appointees serve staggered four-year terms and must be residents or property owners within MPCD or plot owners in the cemetery. The Advisory Committee holds an annual regular meeting on the third Wednesday in January with additional meetings scheduled as needed.

F. Administration

Administration of MPCD is the principal responsibility of the County Public Works Department. The Public Works Director serves as MPCD Manager and assigns staff to manage the day-to-day activities of the District. This includes monitoring the annual budget, administering burials, managing maintenance schedules, responding to public inquiries, and providing staff resources to the Advisory Committee. Public Works also provides guidance on developing and implementing policies and procedures. Accounting and legal services are provided by the Auditor-Controller's Office and County Counsel, respectively.

G. Municipal Services

As mentioned, MPCD owns, operates, and maintains the Monticello Public Cemetery. The cemetery is approximately 3.7 acres in size and located along Spanish Flat Loop east of its intersection with Knoxville Berryessa Road. MPCD contracts with Kelley Excavators to provide in-ground burial services as needed. MPCD does not provide burials services involving columbariums or mausoleums. Burial plots are offered for sale through the purchase of an 'interment right' to residents and property owners within MPCD as well as eligible non-residents. MPCD's current interment right fee for residents and property owners is \$1,000 and \$1,150 for eligible non-residents.⁷

⁷ The interment right fee includes a \$150 contribution to MPCD's endowment care fund.

MPCD’s maintenance of the cemetery includes regular lawn mowing and operating an irrigation system that utilizes reclaimed water from the nearby Spanish Flat Water District. On-site cemetery facilities are limited and include a handicapped accessible portable toilet and one raised structure near the entrance gate used for burial services in the event of poor weather. A storage shed is also located in the northwest corner of the property and houses a ride-on mower. The cemetery is completely fenced and appears to provide adequate security. A rudimentary service road traverses the perimeter of the cemetery. Maintenance of the cemetery appears adequate, although problematic given gopher and mole activity.

MPCD reports there are a total of 978 plots in the cemetery. Of this amount, 264 plots remain available for purchase. Given the number of available plots, it appears MPCD has adequate capacity to meet future service demands within the timeframe of this review.

H. Financial

Budget Process

MPCD practices an annual budget process. The annual budget is prepared by the District Manager with input from the Advisory Committee and adopted by the Board of Trustees at a publicly noticed meeting.

2007-2008 Budget

MPCD’s adopted budget for 2007-2008 projected total revenues and expenditures at \$54,830 and \$50,419, respectively. Budget details are summarized below.

MPCD’s Adopted 2007-2008 Final Budget

Revenues	Amount	Percentage
Property Taxes	\$23,950	43.6
Charges for Services	\$5,000	9.1
Sales of Cemetery Plots	\$5,000	9.1
Miscellaneous Revenues	\$880	1.6
Transfers-In	\$20,000	36.6
Totals	\$54,830	100%

Expenditures	Amount	Percentage
Insurance	\$1,769	3.6
Equipment Maintenance	\$1,000	2.0
Ground Maintenance	\$15,000	29.7
Administration	\$20,000	39.7
Interment Services	\$5,000	9.9
Rents and Leases	\$2,200	4.3
Utilities	\$5,000	9.9
Miscellaneous	\$450	0.9
Totals	\$50,419	100%

Contingencies

MPCD began 2007-2008 with a reserve balance of \$17,457. MPCD also maintains an endowment fund to address future cemetery care issues as provided under its principal act. The endowment fund currently stands at \$128,434.

Expenditure and Revenue Trends

The California State Controller’s Office (SCO) publishes annual expenditure and revenue information for all counties, cities, and special districts in California. Information reported by SCO is drawn from reports submitted by the local agencies and generally published two years after the end of the affected fiscal year. Total expenditure and revenue information for MPCD over the last five reported fiscal years follows.

Total Expenditures and Revenues for the MPCD

(Source: SCO’s *Special Districts Annual Report 2001-2002 to 2005-2006*)

Fiscal Year	Expenditures	Revenues	Operating Net
2001-2002	\$14,148	\$21,029	\$6,881
2002-2003	\$13,080	\$21,334	\$8,254
2003-2004	\$15,966	\$20,081	\$4,115
2004-2005	\$32,030	\$21,432	(\$10,598)
2005-2006	\$21,563	\$26,237	\$4,674

The majority of MPCD’s revenues are drawn from property taxes and income earned on interest. Between 2001-2002 and 2005-2006, these sources represented on average 79% and 19% of MPCD’s total revenues. All of MPCD’s expenditures relate directly to services and supplies with administration costs emerging as its largest single expense. Markedly, administration costs for MPCD increased by 97% between 2001-2002 and 2005-2006.

I. Written Determinations

In anticipation of reviewing MPCD’s sphere, and based on the information included in this report, the following written determinations make statements involving the service factors the Commission must consider as part of a municipal service review.

Infrastructure Needs and Deficiencies

- 1) The Monticello Public Cemetery District’s infrastructure system is sufficient given the basic level of public interment services provided.
- 2) The Monticello Public Cemetery District has sufficient burial plot capacity to meet present and future service demands within the timeframe of this review.

MPCD has 264 available burial plots, which represents approximately 27% of its current number of occupied sites (978).

- 3) The Monticello Public Cemetery District has established an adequate maintenance schedule that includes regular lawn mowing and clean-up of the cemetery grounds.

Growth and Population Projections

- 1) The Monticello Public Cemetery District has an estimated resident service population of 1,347. It is expected the District will experience modest population growth over the next five years at an average annual rate of 1.8%.
- 2) It is expected the majority of new growth and population within the Monticello Public Cemetery District will occur in the unincorporated community of Berryessa Highlands. If developed to build-out, it is anticipated Berryessa Highlands will add another 598 residents to the District.

Financing Constraints and Opportunities

- 1) The Monticello Public Cemetery District is dependent on its annual share of property tax revenues to fund its cemetery services. This revenue source has proven reliable and has increased by nearly 40% over the last five reported fiscal years as a result of increasing property values within its jurisdictional boundary.

MPCD's annual share of property tax increased from \$15,010 to \$20,834 between 2001-2002 and 2005-2006.

- 2) Due to its limited revenue base, the Monticello Public Cemetery District would be significantly impacted if the State of California declares a fiscal emergency and borrows up to 8% of local property tax revenues as allowed under Proposition 1A.
- 3) Administrative services provided by the County of Napa represent Monticello Public Cemetery District's largest operating cost and have increased by nearly 100% over the last five reported fiscal years. It is expected administrative service costs will continue to increase as the County seeks to recover its own costs in managing the District.

MPCD's administrative costs have increased from \$4,804 to \$9,471 between 2001-2002 and 2005-2006. MPCD reports this increase is largely attributed to the completion of specific tasks undertaken over the last several years, which have included preparing a policy and procedural manual and mapping burial plots.

- 4) The recent growth rate between revenues and expenditures indicates the Monticello Public Cemetery District may begin experiencing ongoing operating shortfalls in the near future unless the District expands its revenue base or reduces service levels.

Between 2001-2002 and 2005-2006, MPCD's total actual revenues have increase by 24% while total actual expenditures have increased by 52%.

- 5) The Monticello Public Cemetery District has established an endowment fund consistent with its principal act to help ensure it has sufficient funds to address future service obligations. The interest earned on the endowment fund has also emerged as an important funding source for the District to help cover increasing maintenance costs.

Cost Avoidance Opportunities

- 1) The Monticello Public Cemetery District enjoys cost-savings by receiving reclaimed water from the Spanish Flat Water District.

Opportunities for Rate Restructuring

- 1) In the absence of preparing comprehensive reviews, the Monticello Public Cemetery District should consider amending its fee schedule to allow for annual adjustments based on the consumer price index to help ensure adequate cost-recovery.

Opportunities for Shared Resources

- 1) The Monticello Public Cemetery District benefits from its status as a dependent special district of the County of Napa with respect to having access to resources that would otherwise be unavailable.
- 2) The Monticello Public Cemetery District should continue to be active in regional associations, such as the California Association of Public Cemeteries, whose annual conferences are important venues for identifying best management practices.
- 3) The Monticello Public Cemetery District should evaluate whether there are any shared resource opportunities with private cemeteries within its jurisdictional boundary.

Government Structure Options

- 1) The restructuring of the Monticello Public Cemetery District into a dependent special district governed by the County of Napa Board of Supervisors has been positive and reflects the most cost-effective and efficient governance structure for the District.
- 2) Consolidating the Monticello Public Cemetery District with the adjacent Pope Valley Cemetery District does not appear appropriate given the sharp discrepancies in service levels and revenue sources existing between the two agencies.
- 3) The Monticello Public Cemetery District and Pope Valley Cemetery District are the only active public cemetery service providers in Napa County and have jurisdictional boundaries collectively representing less than two percent of the total population. This lack of coverage suggests there may be merit in expanding these agencies' jurisdictions or establishing new local agencies to make public cemetery services available to a larger portion of the population to meet the community's present and future needs.

Evaluation of Management Efficiencies

- 1) Administration of the Monticello Public Cemetery District is provided by the County of Napa Public Works Department and helps to ensure a sufficient level of expertise is employed in the management of the District.

Local Accountability and Governance

- 1) The Monticello Public Cemetery District serves an important role in providing for the respectful and cost-effective interment of human remains for property owners, residents, and eligible non-residents of the District.
- 2) The Monticello Public Cemetery District's Advisory Committee enhances community participation in District activities and helps to ensure service levels are consistent and accountable with the preferences of the constituents.

III. POPE VALLEY CEMETERY DISTRICT

A. Overview

The Pope Valley Cemetery District (PVCD) was formed in 1969. PVCD is an independent special district governed by local residents serving as the Board of Trustees. PVCD owns and operates the Pope Valley Cemetery and provides interment services for property owners and residents within the District. PVCD is staffed by volunteers and anticipated \$1,255 in total operating expenses in 2007-2008. It is estimated PVCD's current resident service population is 1,210.

B. Background

Setting

PVCD is located in north central Napa County and includes the unincorporated communities of Berryessa Estates and Pope Valley. PVCD's jurisdictional boundary is located between Lake Berryessa to the east and the Napa Valley to the west. Land uses within PVCD's jurisdictional boundary generally consists of agricultural, open-space, and rural residential. Limited commercial and recreational land uses are also present in Pope Valley and include a general store, post office, and a nine-hole public golf course.

History

PVCD was formed in 1969 to assume ownership and control of the privately operated Pope Valley Cemetery. The cemetery was created in 1897 and remains at its original location northeast of the intersection of Barnett and Chiles-Pope Valley Roads. PVCD's formation proceedings were petitioned by local residents after an approximate 30 year period in which the former private proprietors of the cemetery ceased operating.

C. Adopted Boundaries

Jurisdictional Boundary

PVCD's jurisdictional boundary comprises approximately 66,517 acres or 104 square miles and includes 1,041 assessor parcels. No changes have been made to the jurisdictional boundary since PVCD's formation.

Sphere of Influence

PVCD's sphere of influence comprises approximately 78,770 acres or 123 square miles and includes 1,111 assessor parcels. The sphere was established by the Commission in 1985 and includes the majority of PVCD's jurisdictional boundary along with unincorporated lands extending south into Chiles Valley as well as east towards Putah Creek. Notably, the eastern lands added to PVCD's sphere were already in MPCD. The Commission added these eastern lands to PVCD's sphere after determining the District was the more appropriate service provider for the affected area based on social communities of interest.

In establishing the sphere, the Commission excluded three areas already in PVCD. Two of the three areas are located along PVCD’s western border and were excluded from the sphere after the Commission determined the affected lands did not require public cemetery services. The third area is located on PVCD’s eastern border and was excluded from the sphere after the Commission determined the affected lands would be better served by MPCD. No changes to the sphere have been made since its establishment in 1985.

D. Growth and Population Estimates

There are no specific population counts within PVCD’s jurisdictional boundary. However, a review of data collected by the United States Census identifies portions of Tracts 2017, 2018, and 2019 collectively cover PVCD’s jurisdictional boundary.

For the purpose of this municipal service review, LAFCO assumes PVCD’s jurisdictional boundary represents 25% of the resident population in Tract 2018 as well as 10% of the resident populations in Tracts 2017 and 2019. LAFCO also assumes recent and future population growth in PVCD has and will be consistent with the average annual growth rate in the unincorporated area of Napa County of 1.8%.⁸ Based on these assumptions, LAFCO estimates PVCD’s current resident service population is 1,210. The table below estimates recent and future population counts within PVCD.

Resident Service Population Estimates for PVCD

(Estimates calculated by LAFCO)

2000	2008	2013	2018
1,102	1,210	1,284	1,361

It is anticipated the majority of new growth and development within PVCD’s jurisdictional boundary will occur in Berryessa Estates. Berryessa Estates is a small residential community located northwest of Lake Berryessa along Putah Creek that began developing in the late 1960s. A recent review of the community’s water and sewer provider identified that only 163 of the 351 lots in Berryessa Estates have been developed. Additional development may also occur within Pope Valley based on current County land use policies, but no projects are known at this time.

E. Governance

PVCD operates under California Health and Safety Code Sections 9000 et seq., which is known as the Public Cemetery District Law. This law was originally enacted in 1909 and comprehensively rewritten in 2004. The law empowers PVCD to own, operate, and maintain cemeteries within its jurisdictional boundary. PVCD is authorized to provide interment services to District residents and property owners. Elections are based on a registered resident-voter system.

⁸ The average annual growth rate is based on the United States Census’ population estimates for all unincorporated lands in Napa County between 2000 and 2006.

At the time of its formation, PVCD was organized as an independent special district with its own three-member board of trustees appointed by the County Board of Supervisors. While PVCD continues to operate as an independent special district, it appears that the three current trustees have simply inherited their positions as opposed to formal appointment by the Board of Supervisors. Meetings are calendared as needed.

F. Administration

PVCD's administration is the principal responsibility of a volunteer District Manager. Key duties of the District Manager include keeping records, responding to public inquiries, and providing general maintenance of the cemetery. The District Manager is also responsible for organizing an annual cemetery cleanup and barbeque.

G. Municipal Services

As mentioned, PVCD owns, operates, and maintains the Pope Valley Cemetery. The cemetery is approximately 1.54 acres in size and located along a private 0.6 mile section of Barnett Road northeast of its intersection with Chiles Pope Valley Road. The cemetery was recently expanded by nearly half following the donation of 0.74 acres of adjacent land by a former neighbor. PVCD offers burial plots for sale to only residents and property owners in the District. The current burial plot fee is \$1,250. PVCD coordinates with respective funeral homes in providing interment services.⁹ The most recent interment was in August 2007.

PVCD describes the cemetery as 'pioneer' with family plots surrounded by concrete curbs, and monolithic family headstones dating from 1897. Pathways between the family plots are somewhat graveled, but no lawn areas are present on the cemetery grounds. PVCD has received and utilized two improvement grants from the County totaling \$20,000 over the last 10 years to fence the cemetery as well as construct a water storage tank. A neighbor pumps water into the storage tank at no cost, which provides irrigation for local vegetation and flower groupings. PVCD does not own any other facilities or equipment. Maintenance for individual plots appears to be left to family or friends.

PVCD reports there are a total of 343 plots in the cemetery. Of this amount, 73 plots remain available for purchase. All but one of the available plots is located in the new portion of the cemetery, which was recently divided into rows by the District Manager. Sufficient ground remains within the fenced area for additional plots. The recent expansion of the cemetery helps to ensure that PVCD has adequate ground capacity to meet future service demands within the timeframe of this review

⁹ Each gravesite is excavated by PVCD's District Manager and a vault is installed to receive the casket.

H. Financial

Budget Process

Although it monitors revenues and expenditures, PVCD has not established a formal budget process. PVCD’ practiced budget process is generally limited to reconciling the District’s checking account as needed. Expected revenues and expenditures for 2007-2008 follows:

Revenues		
Cemetery Plot Sales		<u>\$1,250</u>
	Total Revenue	\$1,250
 Expenditures		
Insurance		\$ 255
Ground Maintenance		500
Plot Development		<u>500</u>
	Total Expenditures	\$1,255

Contingencies

PVCD began 2007-2008 with \$8,039 in its checking account. Additionally, the County maintains a special expense account for PVCD for improvement grants that has a current balance of \$276.

Expenditure and Revenue Trends

PVCD’s expenditures are limited and relate entirely to supplies and services. Given the stagnant level of services, it is not expected that PVCD will experience a measurable increase in operating costs in the foreseeable future. PVCD’s ability to cover its operating costs is dependent on plot sales. Property tax revenues are not available to PVCD because the District set its tax rate at zero in 1977-1978. This tax rate was frozen one year later as a result of Proposition 13.

I. Written Determinations

In anticipation of reviewing PVCD’s sphere, and based on the information included in this report, the following written determinations make statements involving the service factors the Commission must consider as part of a municipal service review.

Infrastructure Needs and Deficiencies

- 1) The Pope Valley Cemetery District’s infrastructure system is minimal and reflects the rural level of public interment services provided by the District.
- 2) The Pope Valley Cemetery District has sufficient burial plot capacity to meet present and future service demands within the timeframe of this review.

PVCD has 73 available burial plots, which represents approximately 21% of its current number of occupied sites (343).

- 3) The Pope Valley Cemetery District is dependent on volunteers to provide time and equipment in operating and maintaining the cemetery. This dependency on external resources reflects a considerable infrastructure deficiency and is expected to be exasperated by changing demographics that will increasingly challenge the District to recruit and retain a sufficient number of volunteers.

Growth and Population Projections

- 1) The Pope Valley Cemetery District has an estimated resident service population of 1,210. It is expected that the District will experience modest population growth over the next five years at an average annual rate of 1.8%.
- 2) It is expected the majority of new growth and population within the Pope Valley Cemetery District will occur in the unincorporated community of Berryessa Estates. If developed to build-out, it is anticipated Berryessa Estates will add another 489 residents to the District.

Financing Constraints and Opportunities

- 1) The Pope Valley Cemetery District's revenue base is limited to the sale of burial plots and does not provide sufficient operating funding to carryout the services of the District in a manner consistent with its principal act.
- 2) The decision by the Pope Valley Cemetery District to set its property tax rate to zero immediately prior to the enactment of Proposition 13 precludes the District from receiving any property tax revenues collected within its jurisdictional boundary. The lack of property tax revenues has created a significant financial constraint and has not been addressed by District in terms of developing new revenue streams, such as a special assessment.
- 3) The Pope Valley Cemetery District does not have sufficient reserves to provide long-term maintenance of the cemetery.

PVCD has a total reserve balance of \$8,039.

- 4) In accordance with its principal act, the Pope Valley Cemetery District should consider allowing eligible non-residents to purchase interment rights with the District to help generate needed revenues.

Cost Avoidance Opportunities

- 1) The Pope Valley Cemetery District enjoys measurable cost-savings as a result volunteers dedicating time and equipment to operate and maintain the cemetery.
- 2) The Pope Valley Cemetery District has avoided costs recently by receiving two grants from the County of Napa totaling \$20,000 to fence the cemetery as well as construct a water storage tank to irrigate local vegetation.

Opportunities for Rate Restructuring

- 1) The Pope Valley Cemetery District should perform a review of its fee schedule to consider whether changes are appropriate in order to improve its cost-recovery.

Opportunities for Shared Resources

- 1) The Pope Valley Cemetery District should evaluate whether there are any shared resource opportunities with private cemeteries within its jurisdictional boundary.
- 2) The Pope Valley Cemetery District interacts regularly with the local volunteer fire department along other various community organizations. These interactions help retain and direct volunteer community resources benefiting the District.

Government Structure Options

- 1) The Pope Valley Cemetery District's principal act authorizes the County of Napa Board of Supervisors to appoint itself as the District's Board of Trustees. This restructuring may help to formalize the District's services and improve its solvency. The District and County should explore this government structure option.
- 2) Consolidating the Pope Valley Cemetery District with the adjacent Monticello Public Cemetery District does not appear appropriate given the sharp discrepancies in service levels and revenue sources existing between the two agencies.
- 3) The Pope Valley Cemetery District and Monticello Public Cemetery District are the only active public cemetery service providers in Napa County and have jurisdictional boundaries collectively representing less than two percent of the total population. This lack of coverage suggests there may be merit in expanding these agencies' jurisdictions or establishing new local agencies to make public cemetery services available to a larger portion of the population to meet the community's present and future needs.

Evaluation of Management Efficiencies

- 1) The Pope Valley Cemetery District should establish adopted policies to help guide the efficient management and operation of the District.

Local Accountability and Governance

- 1) The current Board of Trustees for the Pope Valley Cemetery District inherited their positions as opposed to formal appointment by the County of Napa Board of Supervisors. The District should make contact with the County to request formal appointments as required under its principal act.

- 2) The Pope Valley Cemetery District should begin meeting at regularly scheduled times no less than once every three months as required under its principal act. This would enhance the District's accountability by providing an opportunity for its constituents to ask questions of their appointed representatives while helping to ensure information is being effectively communicated in a timely manner.

- 3) The Pope Valley Cemetery District serves an important role in providing for the respectful and cost-effective interment of human remains for property owners and residents of the District.

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IV. REFERENCES AND SOURCES

A. Monticello Public Cemetery District

Agency Contacts

Martha Burdick, Administrative Manager, County Public Works Department
Kimberly Payne, Staff Service Analyst, County Public Works Department

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B. Pope Valley Cemetery District

Agency Contacts

Bradley Kirkpatrick, Trustee, District Manager
Kaye Elkins, Trustee, District Treasurer

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2. Local Agency Formation Commission of Napa County, Pope Valley Cemetery District 1985 Baseline Report – Sphere of Influence Establishment, May 1985.
3. Local Agency Formation Commission of Napa County, Staff Report, Establishing the Pope Valley Cemetery District Sphere of Influence, May 22, 1985.
4. State of California. “Public Cemetery District Law,” Sections 9000 – 9093 of the Health and Safety Code (Senate Bill No. 341, Chaptered 2003).

* * * * *

All documents are available for viewing at the LAFCO office.

RESOLUTION NO. ____

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

**COMPREHENSIVE STUDY OF PUBLIC CEMETERY DISTRICTS
MUNICIPAL SERVICE REVIEW
MONTICELLO PUBLIC CEMETERY DISTRICT**

WHEREAS, the Local Agency Formation Commission of Napa County, hereinafter referred to as “the Commission”, adopted a schedule to conduct studies of the provision of municipal services in conjunction with studies of spheres of influence of the local governmental agencies whose jurisdictions are within Napa County on October 11, 2001; and

WHEREAS, the Executive Officer of the Commission, hereinafter referred to as “the Executive Officer”, prepared a countywide municipal service review on public cemetery districts pursuant to said schedule and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56000 of the Government Code; and

WHEREAS, the municipal service review included an evaluation of the level and range of services provided by the Monticello Public Cemetery District; and

WHEREAS, pursuant to its adopted schedule, the Executive Officer presented a written report on the municipal service review to the Commission at public meetings on June 2, 2008 and August 4, 2008; and

WHEREAS, the Commission heard and fully considered all the evidence presented at its public meeting on June 2, 2008 and August 4, 2008; and

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

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

1. In accordance with the adopted Local Agency Formation Commission Environmental Impact Report Guidelines, the Commission hereby determines that this municipal service review is exempt from the provisions of the California Environmental Quality Act under Title 14 of the California Code of Regulations Section 15306. The municipal service review is a data collection and research study. The information contained within the municipal service review may be used to consider future actions that will be subject to environmental review.
2. The Commission adopts the statement of determinations set forth in “Exhibit A,” which is attached and hereby incorporated by reference.

The foregoing resolution was duly and regularly adopted by the Commission at a regular meeting held on the 4th day of August, 2008, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSENT: Commissioners _____

ABSTAIN: Commissioners _____

ATTEST: Keene Simonds
Executive Officer

Recorded by: _____
Kathy Mabry
Commission Secretary

EXHIBIT A

COMPREHENSIVE STUDY OF PUBLIC CEMETERY DISTRICTS MUNICIPAL SERVICE REVIEW MONTICELLO PUBLIC CEMETERY DISTRICT

STATEMENT OF DETERMINATIONS

1. With respect to infrastructure needs or deficiencies, the Commission determines:
 - a) The Monticello Public Cemetery District's infrastructure system is sufficient given the basic level of public interment services provided.
 - b) The Monticello Public Cemetery District has sufficient burial plot capacity to meet present and future service demands within the timeframe of this review.
 - c) The Monticello Public Cemetery District has established an adequate maintenance schedule that includes regular lawn mowing and clean-up of the cemetery grounds.
2. With respect to growth and population projections for the affected area, the Commission determines:
 - a) The Monticello Public Cemetery District has an estimated resident service population of 1,347. It is expected the District will experience modest population growth over the next five years at an average annual rate of 1.8%.
 - b) It is expected the majority of new growth and population within the Monticello Public Cemetery District will occur in the unincorporated community of Berryessa Highlands. If developed to build-out, it is anticipated Berryessa Highlands will add another 598 residents to the District.
3. With respect to financing constraints and opportunities, the Commission determines:
 - a) The Monticello Public Cemetery District is dependent on its annual share of property tax revenues to fund its cemetery services. This revenue source has proven reliable and has increased by nearly 40% over the last five reported fiscal years as a result of increasing property values within its jurisdictional boundary.
 - b) Due to its limited revenue base, the Monticello Public Cemetery District would be significantly impacted if the State of California declares a fiscal emergency and borrows up to 8% of local property tax revenues as allowed under Proposition 1A.

Exhibit A

- c) Administrative services provided by the County of Napa represent Monticello Public Cemetery District's largest operating cost and have increased by nearly 100% over the last five reported fiscal years. It is expected administrative service costs will continue to increase as the County seeks to recover its own costs in managing the District.
 - d) The recent growth rate between revenues and expenditures indicates the Monticello Public Cemetery District may begin experiencing ongoing operating shortfalls in the near future unless the District expands its revenue base or reduces service levels.
 - e) The Monticello Public Cemetery District has established an endowment fund consistent with its principal act to help ensure it has sufficient funds to address future service obligations. The interest earned on the endowment fund has also emerged as an important funding source for the District to help cover increasing maintenance costs.
4. With respect to cost avoidance opportunities, the Commission determines:
- a) The Monticello Public Cemetery District enjoys cost-savings by receiving reclaimed water from the Spanish Flat Water District.
5. With respect to opportunities for rate restructuring, the Commission determines:
- a) In the absence of preparing comprehensive reviews, the Monticello Public Cemetery District should consider amending its fee schedule to allow for annual adjustments based on the consumer price index to help ensure adequate cost-recovery.
6. With respect to opportunities for shared facilities, the Commission determines:
- a) The Monticello Public Cemetery District benefits from its status as a dependent special district of the County of Napa with respect to having access to resources that would otherwise be unavailable.
 - b) The Monticello Public Cemetery District should continue to be active in regional associations, such as the California Association of Public Cemeteries, whose annual conferences are important venues for identifying best management practices.
 - c) The Monticello Public Cemetery District should evaluate whether there are any shared resource opportunities with private cemeteries within its jurisdictional boundary.

7. With respect to government structure options, including advantages and disadvantages of consolidation or reorganization of service providers, the Commission determines:
 - a) The restructuring of the Monticello Public Cemetery District into a dependent special district governed by the County of Napa Board of Supervisors has been positive and reflects the most cost-effective and efficient governance structure for the District.
 - b) Consolidating the Monticello Public Cemetery District with the adjacent Pope Valley Cemetery District does not appear appropriate given the sharp discrepancies in service levels and revenue sources existing between the two agencies.
 - c) The Monticello Public Cemetery District and Pope Valley Cemetery District are the only active public cemetery service providers in Napa County and have jurisdictional boundaries collectively representing less than two percent of the total population. This lack of coverage suggests there may be merit in expanding these agencies' jurisdictions or establishing new local agencies to make public cemetery services available to a larger portion of the population to meet the community's present and future needs.
8. With respect to evaluation of management efficiencies, the Commission determines:
 - a) Administration of the Monticello Public Cemetery District is provided by the County of Napa Public Works Department and helps to ensure a sufficient level of expertise is employed in the management of the District.
9. With respect to local accountability and governance, the Commission determines that:
 - a) The Monticello Public Cemetery District serves an important role in providing for the respectful and cost-effective interment of human remains for property owners, residents, and eligible non-residents of the District.
 - b) The Monticello Public Cemetery District's Advisory Committee enhances community participation in District activities and helps to ensure service levels are consistent and accountable with the preferences of the constituents.

RESOLUTION NO. ____

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

**COMPREHENSIVE STUDY OF PUBLIC CEMETERY DISTRICTS
MUNICIPAL SERVICE REVIEW
POPE VALLEY CEMETERY DISTRICT**

WHEREAS, the Local Agency Formation Commission of Napa County, hereinafter referred to as “the Commission”, adopted a schedule to conduct studies of the provision of municipal services in conjunction with studies of spheres of influence of the local governmental agencies whose jurisdictions are within Napa County on October 11, 2001; and

WHEREAS, the Executive Officer of the Commission, hereinafter referred to as “the Executive Officer”, prepared a countywide municipal service review on public cemetery districts pursuant to said schedule and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56000 of the Government Code; and

WHEREAS, the municipal service review included an evaluation of the level and range of services provided by the Pope Valley Cemetery District; and

WHEREAS, pursuant to its adopted schedule, the Executive Officer presented a written report on the municipal service review to the Commission at public meetings on June 2, 2008 and August 4, 2008; and

WHEREAS, the Commission heard and fully considered all the evidence presented at its public meetings on June 2, 2008 and August 4, 2008; and

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

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

1. In accordance with the adopted Local Agency Formation Commission Environmental Impact Report Guidelines, the Commission hereby determines that this municipal service review is exempt from the provisions of the California Environmental Quality Act under Title 14 of the California Code of Regulations Section 15306. The municipal service review is a data collection and research study. The information contained within the municipal service review may be used to consider future actions that will be subject to environmental review.
2. The Commission adopts the statement of determinations set forth in “Exhibit A,” which is attached and hereby incorporated by reference.

The foregoing resolution was duly and regularly adopted by the Commission at a regular meeting held on the 4th day of August, 2008, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSENT: Commissioners _____

ABSTAIN: Commissioners _____

ATTEST: Keene Simonds
Executive Officer

Recorded by: _____
Kathy Mabry
Commission Secretary

EXHIBIT A

COMPREHENSIVE STUDY OF PUBLIC CEMETERY DISTRICTS MUNICIPAL SERVICE REVIEW POPE VALLEY CEMETERY DISTRICT

STATEMENT OF DETERMINATIONS

1. With respect to infrastructure needs or deficiencies, the Commission determines:
 - a) The Pope Valley Cemetery District's infrastructure system is minimal and reflects the rural level of public interment services provided by the District.
 - b) The Pope Valley Cemetery District has sufficient burial plot capacity to meet present and future service demands within the timeframe of this review.
 - c) The Pope Valley Cemetery District is dependent on volunteers to provide time and equipment in operating and maintaining the cemetery. This dependency on external resources reflects a considerable infrastructure deficiency and is expected to be exasperated by changing demographics that will increasingly challenge the District to recruit and retain a sufficient number of volunteers.

2. With respect to growth and population projections for the affected area, the Commission determines:
 - a) The Pope Valley Cemetery District has an estimated resident service population of 1,210. It is expected that the District will experience modest population growth over the next five years at an average annual rate of 1.8%.
 - b) It is expected the majority of new growth and population within the Pope Valley Cemetery District will occur in the unincorporated community of Berryessa Estates. If developed to build-out, it is anticipated Berryessa Estates will add another 489 residents to the District.

3. With respect to financing constraints and opportunities, the Commission determines:
 - a) The Pope Valley Cemetery District's revenue base is limited to the sale of burial plots and does not provide sufficient operating funding to carryout the services of the District in a manner consistent with its principal act.
 - b) The decision by the Pope Valley Cemetery District to set its property tax rate to zero immediately prior to the enactment of Proposition 13 precludes the District from receiving any property tax revenues collected within its jurisdictional boundary. The lack of property tax revenues has created a significant financial constraint and has not been addressed by District in terms of developing new revenue streams, such as a special assessment.

Exhibit A

- c) The Pope Valley Cemetery District does not have sufficient reserves to provide long-term maintenance of the cemetery.
 - d) In accordance with its principal act, the Pope Valley Cemetery District should consider allowing eligible non-residents to purchase interment rights with the District to help generate needed revenues.
4. With respect to cost avoidance opportunities, the Commission determines:
- a) The Pope Valley Cemetery District enjoys measurable cost-savings as a result volunteers dedicating time and equipment to operate and maintain the cemetery.
 - b) The Pope Valley Cemetery District has avoided costs recently by receiving two grants from the County of Napa totaling \$20,000 to fence the cemetery as well as construct a water storage tank to irrigate local vegetation.
5. With respect to opportunities for rate restructuring, the Commission determines:
- a) The Pope Valley Cemetery District should perform a review of its fee schedule to consider whether changes are appropriate in order to improve its cost-recovery.
6. With respect to opportunities for shared facilities, the Commission determines:
- a) The Pope Valley Cemetery District should evaluate whether there are any shared resource opportunities with private cemeteries within its jurisdictional boundary.
 - b) The Pope Valley Cemetery District interacts regularly with the local volunteer fire department along other various community organizations. These interactions help retain and direct volunteer community resources benefiting the District.
7. With respect to government structure options, including advantages and disadvantages of consolidation or reorganization of service providers, the Commission determines:
- a) The Pope Valley Cemetery District's principal act authorizes the County of Napa Board of Supervisors to appoint itself as the District's Board of Trustees. This restructuring may help to formalize the District's services and improve its solvency. The District and County should explore this government structure option.
 - b) Consolidating the Pope Valley Cemetery District with the adjacent Monticello Public Cemetery District does not appear appropriate given the sharp discrepancies in service levels and revenue sources existing between the two agencies.

Exhibit A

- c) The Pope Valley Cemetery District and Monticello Public Cemetery District are the only active public cemetery service providers in Napa County and have jurisdictional boundaries collectively representing less than two percent of the total population. This lack of coverage suggests there may be merit in expanding these agencies' jurisdictions or establishing new local agencies to make public cemetery services available to a larger portion of the population to meet the community's present and future needs.
8. With respect to evaluation of management efficiencies, the Commission determines:
 - a) The Pope Valley Cemetery District should establish adopted policies to help guide the efficient management and operation of the District.
 9. With respect to local accountability and governance, the Commission determines that:
 - a) The current Board of Trustees for the Pope Valley Cemetery District inherited their positions as opposed to formal appointment by the County of Napa Board of Supervisors. The District should make contact with the County to request formal appointments as required under its principal act.
 - b) The Pope Valley Cemetery District should begin meeting at regularly scheduled times no less than once every three months as required under its principal act. This would enhance the District's accountability by providing an opportunity for its constituents to ask questions of their appointed representatives while helping to ensure information is being effectively communicated in a timely manner.
 - c) The Pope Valley Cemetery District serves an important role in providing for the respectful and cost-effective interment of human remains for property owners and residents of the District.



Local Agency Formation Commission
LAFCO of Napa County

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

August 4, 2008
Agenda Item No. 7b

July 28, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: California Association of Local Agency Formation Commissions (Action)
The Commission will consider (a) submitting nominations for vacancies to the CALAFCO Board of Directors and (b) appointing delegates for the CALAFCO Annual Conference scheduled for September 3-5, 2008 in Los Angeles.

The California Association of Local Agency Formation Commissions (CALAFCO) was founded in 1971. CALAFCO is governed by a 15-member board of directors that includes: four city members; four county members; four special district members; and three public members. The principal task of CALAFCO is to provide statewide coordination of LAFCO activities and serve as a resource to the Legislature.

A. Discussion

Each year, as part of its annual conference, CALAFCO conducts a business meeting where the Board presents issues and matters of interest to the membership. As part of its business meeting, CALAFCO also conducts an election to fill expiring two-year terms on the Board. This year, the following two-year terms are expiring:

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

The CALAFCO Recruitment Committee has circulated a memorandum to each LAFCO inviting nominations for the above-cited offices. Nominations must be signed by the respective LAFCO Chair and include a completed resume form for the candidate. The deadline for submitting nominations is Monday, August 4, 2008. Candidates may also be nominated from the floor prior to the election. The election on all nominations will be held during the CALAFCO Annual Conference on Thursday, September 4, 2008, at the Universal City Sheraton Hotel in Los Angeles. Alternate members are eligible for nomination.

On a related matter, in order to participate in the election, CALAFCO requests each LAFCO appoint a delegate and alternate delegate. Brian J. Kelly is the only Commissioner registered for the conference at this time. The Executive Officer and Commission Counsel will also be in attendance and may be appointed as delegates if necessary.

Jack Gingles, Commissioner
Mayor, City of Calistoga

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

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

Juliana Inman, Commissioner
Councilmember, City of Napa

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

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

Keene Simonds
Executive Officer

B. Recommendation

It is recommended the Commission take the following actions:

- 1) Determine if any of its members would like to be nominated for one of the vacant positions on the CALAFCO Board, and direct the Chair to sign the corresponding nomination form if necessary; and
- 2) Appoint one delegate and one alternate delegate to represent the Commission at the 2008 CALAFCO Annual Conference.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachment:

- 1) Letter from the CALAFCO Recruitment Committee



**2007-08
Board of Directors**

Chair

PETER HERZOG
Orange LAFCo

Vice Chair

ROGER ANDERSON
Santa Cruz LAFCo

Treasurer

SUSAN VICKLUND WILSON
Santa Clara LAFCo

Secretary

JERRY GLADBACH
Los Angeles LAFCo

JOCELYN COMBS
Alameda LAFCo

GAY JONES
Sacramento LAFCo

MATT GOURLEY
Monterey LAFCo

MARY JANE GRIEGO
Yuba LAFCo

KATHY LONG
Ventura LAFCo

THEODORE NOVELLI
Amador LAFCo

ED ROBEY
Lake LAFCo

SEPI RICHARDSON
San Mateo LAFCo

CATHY SCHLOTTMANN
Santa Barbara LAFCo

JOSH SUSMAN
Nevada LAFCo

CHRIS TOOKER
Sacramento LAFCo

Staff

WILLIAM S. CHIAT
Executive Director

PAUL HOOD
Executive Officer

CLARK ALSOP
Legal Counsel

JOYCE CROSTHWAITE
Deputy Executive Officer

DON LOCKHART
Deputy Executive Officer

28 May 2008

TO: Local Agency Formation Commissions
Members and Alternate Members

FROM: Jocelyn Combs, Chair (510-615-5583)
Nominations Committee
CALAFCO Board Nominations

RE: Nominations for CALAFCO Board of Directors

Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that affect us all. The Board meets four times each year, alternating between northern and southern California. The time commitment is small and the rewards great!

The following offices on the CALAFCO Board of Directors are now open for nominations. The election will be held at the Annual Conference, Thursday, September 4, 2008, in Los Angeles for:

3	County Members
2	City Members
2	Special District Members
2	Public Members

Please inform your Commission that the CALAFCO Recruitment Committee is accepting nominations for the above-cited offices until August 4, 2008. Incumbents are eligible to run for another 2-year term. Usually there are two County Member seats filled each year, however, this year one of our county members is not seeking re-election to the board of supervisors thus opening up a third county seat.

Nominations received by August 4 will be included in the Recruitment Committee's Report, copies of which will be available at the Annual Conference. Nominations after this date will be returned; however, at the Business Meeting, nominations will be permitted from the floor.

Should your Commission nominate a candidate, the Chair of your Commission must complete the attached "Candidate's Resume" form and may also provide a letter of recommendation, or resolution, from their Commission. The resume must be received no later than **August 4, 2008**.

This year we have asked Elliot Mulberg and Mona Palacios to assist us. Elliot, a veteran of the nomination and election process, now works with our associate member Michael Brandman Associates. Mona Palacios, new to the process, is an Analyst with Alameda LAFCO.

801 12th Street, Suite 611
Sacramento, CA 95814

Voice 916-442-6536
Fax 916-442-6535

www.calafco.org

Please forward applications to:

Elliot Mulberg
Recruitment Committee
Michael Brandman Associates
2000 'O' St., Suite 200
Sacramento, California 95811

Attached please find a copy of the CALAFCO Board of Directors Nomination and Election Procedures. The members of the CALAFCO Nominations Committee are:

Jocelyn Combs, Chair, Alameda LAFCo
Josh Susman, Nevada LAFCo
Ted Novelli, Amador LAFCo

If you have any questions, please contact Elliot Mulberg at (916)-447-1100.

Please consider joining us!

Enclosures

Board of Directors Nomination and Election Procedures and Forms

The procedures for nominations and election of the CALAFCO Board of Directors [Board] are designed to assure full, fair and open consideration of all candidates, provide confidential balloting for contested positions and avoid excessive demands on the time of those participating in the CALAFCO Annual Conference.

The Board nomination and election procedures shall be:

1. APPOINTMENT OF A NOMINATIONS COMMITTEE:

- a. The Board no later than four months prior to the Annual Conference shall appoint a Nominations Committee of four members of the Board. The Nominations Committee shall consist of one city member, one county member, one public member and one special district member whose terms of office on the Board are not ending.
- b. The Board shall appoint one of the members of the Nominations Committee to serve as Chairman. The Executive Officer of the Nominations Committee Chairman's LAFCo shall serve as staff for the Nominations Committee in cooperation with the CALAFCO Executive Director.

2. ANNOUNCEMENT TO ALL MEMBER LAFCOs:

- a. No later than three months prior to the Annual Conference, the Nominations Committee Chairman shall send an announcement to each LAFCo for distribution to each member and alternate. The announcement shall include the following:
 - i. A statement clearly indicating which offices are subject to the election.
 - ii. The date by which all nominations must be received by the Nominations Committee. The deadline shall be no later than 30 days prior to the opening of the Annual Conference. Nominations received after the closing date shall be returned to the proposing LAFCo marked "Received too late for Recruitment Committee action."
 - iii. The names of the Nominations Committee members with the Committee Chairman's LAFCo address and phone number.
 - iv. A form for each LAFCo to nominate a candidate and a candidate resume form of no more than one page each to be completed for each nominee.
- b. The Nominations Committee Chairman shall send an announcement to the newsletter editor for publication. The announcement shall include the following:
 - i. A statement clearly indicating which offices are subject to the election.
 - ii. The date by which all nominations must be received by the Nominations Committee. The deadline shall be no later than 30 days prior to the opening of the Annual Conference. Nominations received after the closing date shall be returned to the proposing LAFCo marked "Received too late for Nominations Committee action."
 - iii. The names of the Nominations Committee members with the Committee Chairman's

LAFCo address and phone number.

- c. The Nominations Committee Chairman shall send an announcement to the CALAFCO “webmaster” for publication on the CALAFCO web site. The announcement shall include the following:
 - i. A statement clearly indicating which offices are subject to the election.
 - ii. The date by which all nominations must be received by the Recruitment Committee. The deadline shall be no later than 30 days prior to the opening of the Annual Conference. Nominations received after the closing date shall be returned to the proposing LAFCo marked “Received too late for Nominations Committee action.”
 - iii. The names of the Nominations Committee members with the Committee Chairman’s LAFCo address and phone number.
- d. A copy of these procedures shall be posted on the web site.

3. THE NOMINATIONS COMMITTEE:

- a. No later than two weeks prior to the Annual Conference, the Nominations Committee Chair shall distribute to the members of the Nominations Committee copies of all nominations and resumes, which are received prior to the end of the nomination period.
- b. In the event that there are insufficient nominations for all offices subject to the election, the Nominations Committee Chairman shall call a meeting of the Nominations Committee (which may be held by phone) to:
 - i. Determine the number and category of nominations needed to fill all offices;
 - ii. Divide responsibilities among its member to seek candidates to fill those vacancies, giving consideration to geographical diversity as well as category diversity between urban, suburban and rural LAFCos.
- c. Once sufficient nominations are received to fill all offices subject to the election, the Recruitment Committee shall meet again, no later than 36 hours prior to the Business Session of the Annual Conference. The meeting may be held by telephone.
- d. At the conclusion of its meeting, the Recruitment Committee shall prepare a report to the membership, which includes:
 - i. The time and date of the Nominations Committee meeting.
 - ii. The number of nominations received in each category.
 - iii. The names and resumes of all individuals nominated in each category.
- e. Make available sufficient copies of the Nominations Committee Report for each Conference participant by beginning of the Conference Business Session.
- f. Make available, along with the Nominations Committee Report, blank copies of the nomination forms and resume forms to accommodate nominations from the floor.
- g. Advise the Annual Conference Planning Committee to provide “CANDIDATE” ribbons to all candidates attending the Annual Conference.
- h. Post the candidate statements/resumes on a bulletin board near the registration desk.
- i. At a time approved by the Board, the Nominations Committee shall hold a “Candidates Forum”. Each candidate shall be given time to make a brief statement for their candidacy.

4. AT THE TIME FOR ELECTIONS DURING THE ANNUAL BUSINESS MEETING:

- a. The Nominations Committee Chairman or another member of the Nominations Committee (hereafter called the Presiding Officer) shall:
 - i. Review the election procedure with the membership.
 - ii. Present Nominations Committee Report (previously distributed).
 - iii. Call for additional nominations from the floor by category:
 1. For city member.
 2. For county member.
 3. For public members.
 4. For special district member.
- b. To make a nomination from the floor, a LAFCo, which is in good standing, shall identify itself and then name the category of vacancy and individual being nominated. The nominator may make a presentation not to exceed two minutes in support of the nomination.
- c. When there are no further nominations for a category, the Presiding Officer shall close the nominations for that category.
- d. When nominations in all categories have been closed, the Presiding Officer shall conduct the election:
 - i. For categories where there are the same number of candidates as vacancies, the Presiding Officer shall:
 1. Name the nominees and offices for which they are nominated.
 2. Call for a voice vote on all nominees and thereafter declare those unopposed candidates duly elected.
 - ii. For each contested category, the Presiding Officer shall:
 1. Poll the LAFCos in good standing by written ballot.
 2. Each LAFCo in good standing may cast its vote for as many nominees as there are vacancies to be filled. The vote shall be recorded on a tally sheet.
 3. With assistance from CALAFCO staff, tally the votes and announce the results.
 - iii. Election to the Board shall occur as follows:
 1. For one vacancy, the nominee receiving the highest number of votes is elected.
 2. For two vacancies, the two nominees receiving the two highest numbers of votes are elected.
 3. In case of tie votes:
 - a. For one vacancy, drop all nominees except the two who tied with the highest number of votes and repeat the election process.
 - b. If there are two vacancies and there is a two-way tie for second place, the

person with the most votes is declared elected.

- c. Remove from consideration all nominees with fewer votes than those tied for second and repeat the election process between the two tied to fill the remaining vacancy.
- d. If three or more are tied, drop the nominees with fewer votes and conduct the runoff election among those tied.

5. ADDITIONAL PROCEDURES

- a. In all contested elections, names will be listed in the order nominated.
- b. As required by the Bylaws, the members of the Board shall meet as soon as possible after election of new board members for the purpose of electing officers, determining meeting places and times for the coming year, and conducting any other necessary business.
- c. Examples of process for determining who is elected:

Number of Vacancies	Candidate	Votes	Result
One vacancy	A	18	Runoff Election between A & B.
	B	18	
	C	14	
	D	10	
Two vacancies	A	18	A is elected. Runoff election between B & C.
	B	15	
	C	15	
	D	9	
Two vacancies	A	18	A & B are both elected.
	B	18	
	C	10	
	D	10	
Two vacancies	A	18	A is elected. Runoff election among B, C, and D for 2nd vacancy.
	B	10	
	C	10	
	D	10	
Two vacancies	A	15	Runoff election among A, B, & C for two vacancies. D is dropped from consideration
	B	15	
	C	15	
	D	10	

6. LOSS OF ELECTION IN HOME LAFCo

Board Members and candidates who lose elections in their home office shall notify the Executive Director **PRIOR** to the Annual Conference.

These policies and procedures were adopted by the CALAFCO Board of Directors on 12 January 2007. They supersede all previous versions of the policies.



Board of Directors Recommendation Form

Recommendation to the CALAFCO Nominations Committee

In accordance with the Election Procedures of CALAFCO, the _____ LAFCo
nominates _____ for the _____ position on the
CALAFCO Board of Directors to be filled by election at the next Annual Conference.

LAFCo Chair

Date: _____

NOTICE OF DEADLINE

Nominations must be received by August 4,
2008 to be considered by the Nominations
Committee. Send completed nominations to:

CALAFCO Nominations Committee
c/o Elliot Mulberg
Michael Brandman Associates
2000 'O' St., Suite 200
Sacramento, CA 95811

Board of Directors Candidate Resume Form

Recommended By: _____ LAFCo Date: _____

Category (please check one): City County Special District Public

Candidate Name _____

Address _____

Phone Voice _____ Fax _____

e-mail _____ @ _____

Personal Information:

LAFCo Experience:

CALAFCO or State-level Experience:

Availability:

Other Activities or Comments:

NOTICE OF DEADLINE

Nominations must be received by **August 4, 2008** to be considered by the Nominations Committee. Send completed nominations to:

CALAFCO Nominations Committee
c/o Elliot Mulberg
Michael Brandman Associates
2000 'O' St., Suite 200
Sacramento, CA 95811



Local Agency Formation Commission
LAFCO of Napa County

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

August 4, 2008
Agenda Item No. 8a

July 28, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Proposed Formation of the Villa Berryessa Water District (Discussion)

The Commission will receive an update on a proposal to form a new special district to serve a planned 100-lot residential subdivision in the Lake Berryessa area known as Villa Berryessa. The update will include a presentation from the applicant and is being presented for discussion.

The Commission is responsible under California Government Code (G.C.) Section 56375 to approve, modify, or disapprove boundary changes proposed by local governmental agencies, property owners, or registered voters. The Commission is also authorized to establish conditions in approving boundary changes as long as it does not directly regulate land uses. Underlying the Commission's determination in approving, modifying, or disapproving proposed boundary changes is to consider the logical and timely formation and development of governmental agencies and services in context with local conditions and needs.

A. Discussion

The Commission has received an application from Miller-Song Group, Inc. proposing the formation of a new special district under the California Water District Act. The applicant is seeking formation to provide public water and sewer services to a planned 100-lot residential subdivision located along the western shoreline of Lake Berryessa. The underlying development project is known as "Villa Berryessa" and has been tentatively approved by the County of Napa. The County has conditioned final approval on the applicants receiving written approval from the United States Bureau of Reclamation to construct an access road and intake across federal lands to receive water supplies from Lake Berryessa. Based on their own review of the project, the Bureau is requesting a governmental agency be responsible for accepting responsibility for the construction and perpetual operation of the water and sewer systems serving the subdivision.

Staff is currently analyzing the application with respect to the factors the Commission must consider anytime it receives a proposal for a change of organization under G.C. Section 56668. As part of this process, staff is identifying whether there are any appropriate terms and conditions the Commission could incorporate to mitigate any potential concerns or deficiencies identified in the analysis. For example, staff's preliminary analysis indicates there is merit for the Commission to impose as a condition of approval the establishment of a benefit assessment district to help ensure there is a sufficient revenue base.

Jack Gingles, Commissioner
Mayor, City of Calistoga

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

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Keene Simonds
Executive Officer

Staff expects to complete its analysis in time to present the proposal for Commission consideration as part of its October 6, 2008 meeting. In the interim, staff has invited the applicant to attend today's meeting and make a brief presentation outlining the associated development project and other germane issues underlying the justification of the proposal. The presentation offers an opportunity for the Commission to ask questions of the applicant as well as provide direction to staff with regards to processing the proposal.

Attachments:

- 1) G.C. 56668
- 2) LAFCO Letter to the Applicant, Dated July 17, 2008
- 3) Application Materials (to be sent under separate cover)

California Government Code Section 56668

Factors to be considered in the review of a proposal shall include, but not be limited to, all of the following:

- (a) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.
- (b) The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas. "Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.
- (c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.
- (d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.
- (e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.
- (f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.
- (g) Consistency with city or county general and specific plans.
- (h) The sphere of influence of any local agency which may be applicable to the proposal being reviewed.
- (i) The comments of any affected local agency or other public agency.
- (j) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.
- (k) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.
- (l) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.
- (m) Any information or comments from the landowner or owners, voters, or residents of the affected territory.
- (n) Any information relating to existing land use designations.
- (o) The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.



Local Agency Formation Commission
LAFCO of Napa County

ATTACHMENT TWO

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

July 17, 2008

DELIVERED BY E-MAIL

Mr. Mike Rice
Miller-Sorg Group, Inc.
710 Kellogg Street
Suisun City, California 94585
(millersorggroup@sbcglobal.net)

SUBJECT: *Proposed Formation of the Villa Berryessa Water District*

Mr. Rice

This letter confirms the Local Agency Formation Commission of Napa County will schedule a discussion item as part of its Monday, August 4, 2008 regular meeting regarding your proposal to form the Villa Berryessa Water District. Staff will prepare a brief report for presentation at the meeting outlining the scope of the proposal and the key factors the Commission must consider with respect to forming a new special district. This meeting offers you an opportunity to directly address the Commission and provide an overview of the associated development project as well as other germane issues underlying the justification for the proposal. I respectfully suggest part of your presentation address the ability of the proposed special district to remain solvent given the financial challenges of other special districts operating in the Lake Berryessa area. Please limit your presentation to 10 minutes, which will provide sufficient time for Commissioners to ask questions and provide direction to staff with regards to processing the proposal.

On a separate matter, as part of your application, you submitted a document titled "Technical, Managerial, and Financial Report." This document provides a detailed review of the proposed special district's water system, including anticipated operating and replacement costs. In order to complete your application, please submit a document to the LAFCO office providing a similar review of the wastewater system.

I look forward to seeing you at the Commission's August 4, 2008 meeting. In the interim, please contact me by phone at (707) 259-8645 or by e-mail at ksimonds@napa.lafco.ca.gov if you have any questions.

Sincerely,

Keene Simonds
Executive Officer

cc:

Commissioners
Jackie Gong, Commission Counsel (jgong@co.napa.ca.us)
William Abbott, Abbott & Kindermann (wabbott@aklandlaw.com)
Leslie Walker, Abbott & Kindermann (walker@aklandlaw.com)
Carl Butts, Reichers and Spence (cbutts@rsacivil.com)

Jack Gingles, Commissioner
Mayor, City of Calistoga

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August 4, 2008
Agenda Item No. 8b

July 28, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Legislative Report (Discussion)

The Commission will receive a report on the legislative activities of the California Association of Local Agency Formation Commissions. The report summarizes the bills in the current legislative session relevant to the Commission and is being presented for discussion.

The Executive Officer is a member of the California Association of Local Agency Formation Commissions (CALAFCO) Legislative Committee. The Legislative Committee meets on a regular basis to review, discuss, and offer recommendations to the CALAFCO Board of Directors as it relates to bills that have either a direct impact on LAFCO law or the laws LAFCO helps to administer. A summary of the key bills CALAFCO has been tracking as part of the current legislative session follows.

Bills Sponsored or Supported by CALAFCO

Assembly Bill 1263 (Anna Caballero)

Minor Amendments to LAFCO Law

AB 1263 has been co-sponsored by CALAFCO and makes several minor but important changes to LAFCO law that were not appropriate for this year's omnibus bill. Most notably, this includes changing the definition of landowner to specifically exclude private railroads. It also clarifies LAFCO's authority to establish a schedule of fees as well as charge against a deposit in processing an application. AB 1263 was signed by the Governor on July 3, 2008 and becomes effective January 1, 2009.

Assembly Bill 1998 (Jim Silva)

Transfers Administration of LAFCO Disclosure Requirements to the FPPC

Existing law requires all affected parties to disclose their political expenditures and contributions made in support of or in opposition to change of organization or reorganization proposals that may come before LAFCO. Political expenditures and contributions made during protest proceedings are also subject to disclosure requirements. These disclosure requirements were made mandatory beginning this year as a result of AB 745 (Silva). AB 1998 has been co-sponsored by CALAFCO and changes the responsibility for administering the disclosure requirements from LAFCO to the Fair Political Practices Commission. AB 1998 was signed by Governor on July 22, 2008 and becomes effective January 1, 2009.

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Assembly Bill 2484 (Anna Caballero)

Expands the Definition of Change of Organization to Include Special Districts Providing New Services and Divesting Service Powers

Existing law designates LAFCO as the sole authority in approving or disapproving change of organizations. Change of organizations are currently defined under law to include 1) city incorporations, 2) district formations, 3) annexations or detachments involving cities or districts, 4) city disincorporations, 5) district dissolutions, 6) consolidations involving cities or districts, and 7) merger or establishment of subsidiary districts. AB 2484 has been co-sponsored by CALAFCO and expands the definition for change of organizations to include proposals involving districts providing new or different functions or classes of services as well as divesting service powers. The intent of these changes is to clarify that proposals in which districts shall provide new or expanded services authorized under their principal acts represents substantive change of organizations, and eliminating services warrants LAFCO review and approval. AB 2484 was signed by the Governor on July 22, 2008 and becomes effective January 1, 2009.

Assembly Bill 3047 (Anna Caballero)

Annual CALAFCO Omnibus Bill

Existing law establishes a LAFCO in every county in California with regulatory and planning responsibilities. AB 3047 has been co-sponsored by CALAFCO and includes several non-substantive changes to LAFCO law aimed at clarifying and improving existing procedures and processes. AB 3074 was signed by the Governor on July 3, 2008 and becomes effective January 1, 2009.

Senate Bill 301 (Gloria Romero)

Eliminates Sunset on Vehicle License Fee Subventions for New Incorporations and City Annexations of Inhabited Areas

Existing law establishes formulas to provide additional vehicle-license fee (VLF) subventions to cities upon their incorporation or annexation of inhabited areas through July 1, 2009. This additional funding was established under AB 1602 to backfill the loss in VLF for newly created cities or cities that annex inhabited areas created as part of the 2004-2005 budget agreement that was codified as part of Proposition 1A. SB 301 is sponsored by the California League of Cities and as amended would eliminate the sunset date for additional VLF subventions for inhabited annexations and new incorporations. CALAFCO recognizes the importance of VLF subventions in making incorporations and inhabited annexations financially feasible and supports the bill. This bill is awaiting a third reading in the Senate.

Senate Bill 1191 (Elaine Alquist)

Authorizes Community Service Districts to Provide Broadband Services

Existing law establishes procedures for the formation and operation of Community Service Districts (CSD), which are generally governed by resident voters and empowered to provide a range of municipal services. SB 1191 expands CSDs' service powers to include operating and providing broadband services. The intent of this bill is to facilitate the development of broadband services in unincorporated areas before transferring ownership to private entities. SB 1191 was signed by the Governor on July 8, 2008 and becomes effective January 1, 2009.

Senate Bill 1458 (Senate Local Government Committee)

Comprehensive Rewrite of County Service Area Law

Existing law establishes procedures for the formation and operation of County Service Areas (CSA), which are governed by county board of supervisors and empowered to provide a range of municipal services. SB 1458 represents a comprehensive rewrite of CSA law to make it more consistent with the provisions of LAFCO law. SB 1458 was signed by the Governor on July 21, 2008 and becomes effective January 1, 2009.

Bills Under CALAFCO Review

Senate Bill 375 (Darrell Steinberg)

Establishes Sustainable Communities Strategies

Existing law authorizes the California Transportation Commission to prescribe study areas for analysis and evaluation in regional transportation plans (RTP) prepared by designated regional transportation agencies. SB 375 is co-sponsored by the League of Conservation Voters and would require RTPs to include a sustainable communities strategy (SCS) to guide smart growth practices in the region with the goal of reducing greenhouse gas emissions. Projects consistent with the regional SCS would be eligible for additional transportation funding and qualify for an abbreviated review under the California Environmental Quality Act. This bill has been amended from its original text to require regional transportation agencies to consider the most recently issued municipal service reviews in preparing their SCS. In the event this bill becomes law, CALAFCO is concerned it may create planning conflicts if and when differences emerge between SCS and local LAFCO policies. The bill has passed through the Senate and has been assigned to the Assembly Committee on Appropriations. No hearings have been scheduled at this time.

Senate Bill 303 (Denise Ducheny)

Establishes Initial and Alternative Planning Scenarios

SB 303 was comprehensively rewritten on June 9, 2008 and includes many of the provisions and concepts outlined in SB 375 with respect to adding new requirements for regional transportation agencies in preparing regional transportation plans. However, unlike SB 375, SB 303 is directed only to regional transportation agencies with populations exceeding 200,000 and includes less mitigation measures protecting agricultural and open-space resources. The bill has passed through the Senate and assigned to the Assembly Committee on Appropriations. No hearings have been scheduled at this time.

Attachments: none



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LAFCO of Napa County

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August 4, 2008
Agenda Item No. 10a

July 29, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Current and Future Proposals (Information)

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

Current Proposals

There are currently four active proposals on file with the Commission. A summary of these proposals follows.

Linda Vista Avenue/Trojan Road No. 4 District Annexation to the Napa Sanitation District

This application has been submitted by the O'Doul Group, LLC. The applicant proposes the annexation of two incorporated parcels totaling 1.64 acres located at 3660 and 3724 Linda Vista Avenue to the Napa Sanitation District. Each parcel currently includes a single-family residence. The purpose of the proposal is to facilitate a 12-lot subdivision that has been tentatively approved by the City of Napa.

Status: Staff is awaiting the submittal of an application fee to begin evaluating the proposal for future consideration by the Commission.

Wilkins Avenue Reorganization (City of Napa/CSA No. 4)

This application has been submitted by the City of Napa. The City proposes the annexation of an approximate 0.77 acre unincorporated parcel located at 2138 Wilkins Avenue near the Napa State Hospital. Staff has reorganized the application to account for automatic detachment proceedings involving County Service Area (CSA) No. 4. The affected parcel includes a single-family residence and is part of an existing island. The purpose of the annexation is to facilitate the future division and development of the subject territory under the land use authority of the City. A map of the proposed annexation is attached.

Status: The application fee was recently submitted and staff is reviewing the proposal for future consideration by the Commission.

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Silverado Trail Reorganization (City of Napa/CSA No. 4)

This application has been submitted by the City of Napa. The City proposes the annexation of three non-contiguous unincorporated areas that comprise and/or are part of existing islands in the vicinity of Silverado Trail's intersection with Soscol Avenue. Staff has reorganized the application to account for automatic detachment proceedings involving CSA No. 4. The eight affected parcels include single-family residences and a mobile home park. The purpose of the annexation is to facilitate the future division and development of the subject territory under the land use authority of the City. A map of the proposed annexation is attached.

Status: Staff is awaiting the submittal of an application fee to begin evaluating the proposal for future consideration by the Commission.

Formation of the Villa Berryessa Water District

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

Status: Application fee has been submitted and staff is reviewing the proposal for future consideration by the Commission.

Future Proposals

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

Trancas Crossing Park (City of Napa)

The City of Napa has initiated a planning process to develop a 33-acre undeveloped parcel north of the intersection of Trancas Street and Old Soscol Avenue for a public park. Current planning activities completed to date include the preparation of an initial study and adopted mitigated negative declaration. As part of the proposed project, LAFCO approval is required to concurrently annex and potentially add the subject territory to the City's sphere of influence. Detachment proceedings would also be required for CSA No. 4.

Status: The City Council approved a resolution of application proposing the annexation of the affected parcel on March 18, 2008. LAFCO is currently awaiting the submittal of an application fee.

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

The Napa Valley Unified School District (NVUSD) has initiated a multi-phased planning process to construct a 2,200-student high school and 530-student middle school to serve the City of American Canyon. The project site is located at the northeast intersection of American Canyon Road and Newell Drive. NVUSD recently approved a final environmental impact report for the project. It is anticipated that the construction on the high school and middle school sites will begin in 2008 and 2010, respectively. As part of the proposed project, LAFCO approval is required to annex the proposed high school site (45 acres) to American Canyon and the American Canyon Fire Protection District. LAFCO approval is also required to concurrently annex and add the proposed middle school site (17 acres) to both the City and District's sphere of influence. Detachment proceedings will be required for CSA No. 4.

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

**Oat Hill Planned Development
(City of American Canyon and American Canyon Fire Protection District)**

The City of American Canyon has initiated a planning process to develop approximately 364 acres of land comprising 72 parcels located north of Eucalyptus Drive west of its intersection with Highway 29. The proposed project includes the development of 1,300 to 1,600 new residential units along with a mixture of commercial and public uses. Current planning activities completed to date include the preparation of an initial study and notice to prepare a draft environmental impact report. As part of the proposed project, LAFCO approval is required to annex one of the affected parcels totaling 107 acres into American Canyon and the American Canyon Fire Protection District. Detachment proceedings will be required for CSA No. 4.

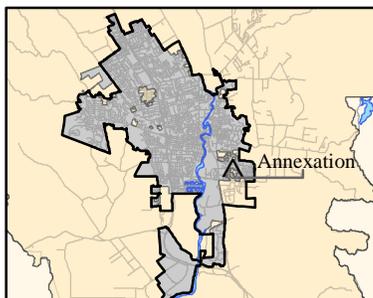
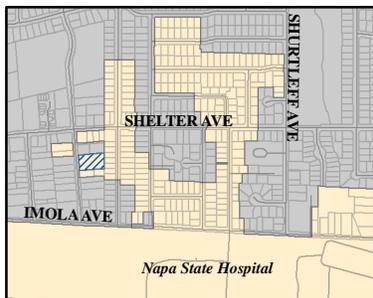
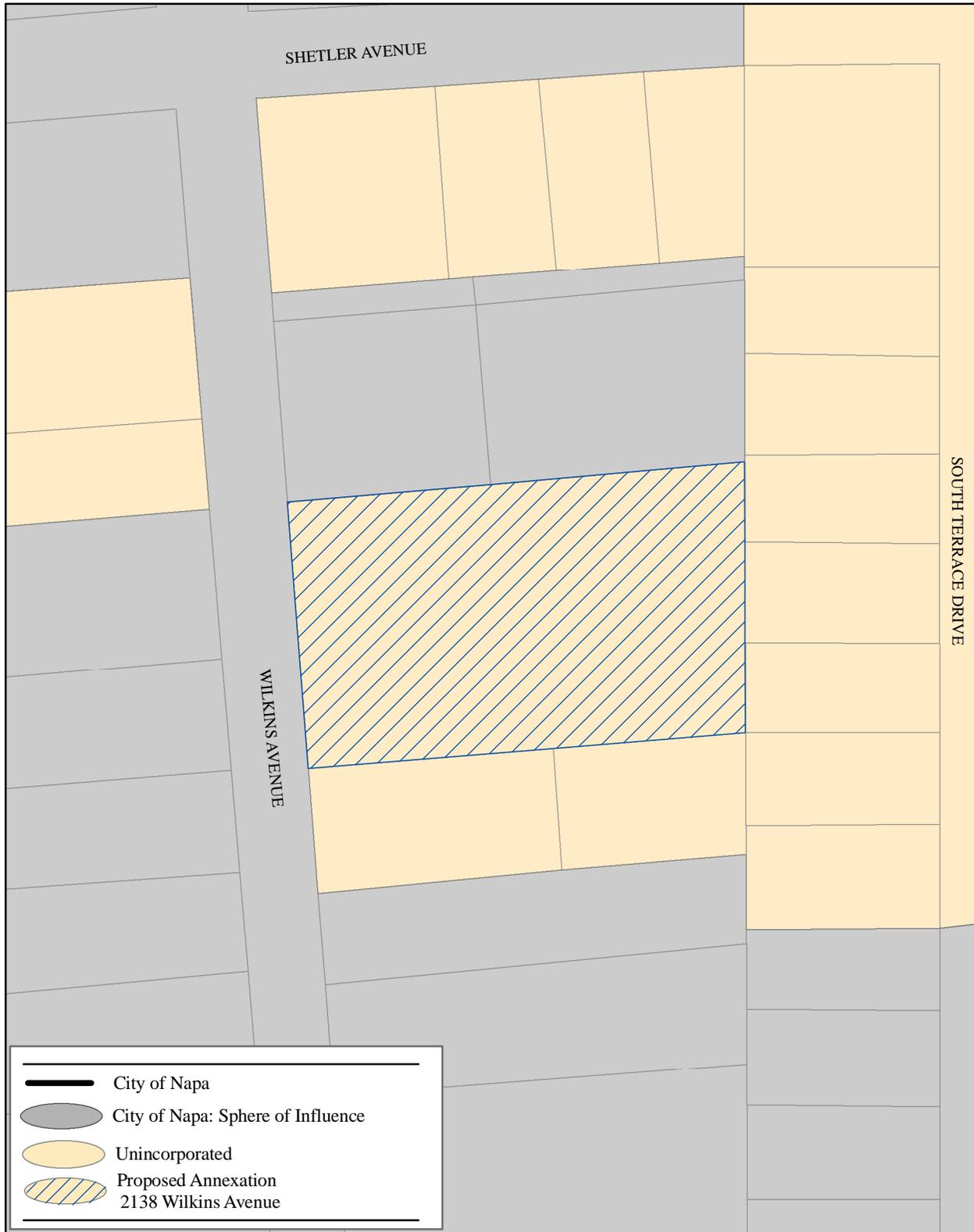
Status: The project has been placed on administrative hold since August 2006.

**American Canyon Town Center
(City of American Canyon and American Canyon Fire Protection District)**

The City of American Canyon has initiated a planning process to develop approximately 100 acres of land comprising three parcels located southeast of the intersection of Highway 29 and South Napa Junction Road. The proposed project includes the development of 600 to 650 new residential units along with a mixture of commercial, retail, and public uses. Current planning activities completed to date include the preparation of a notice of preparation for a draft environmental impact report. As part of the proposed project, LAFCO approval is required to annex two of the three affected parcels totaling 70 acres into American Canyon. LAFCO approval is also required to annex one of the three affected parcels totaling 37 acres to the American Canyon Fire Protection District. Detachment proceedings will be required for CSA No. 4.

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

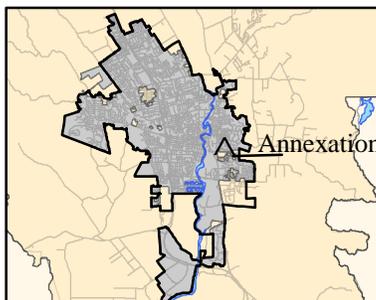
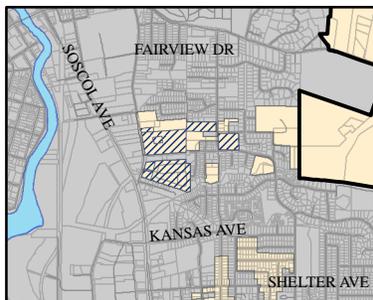
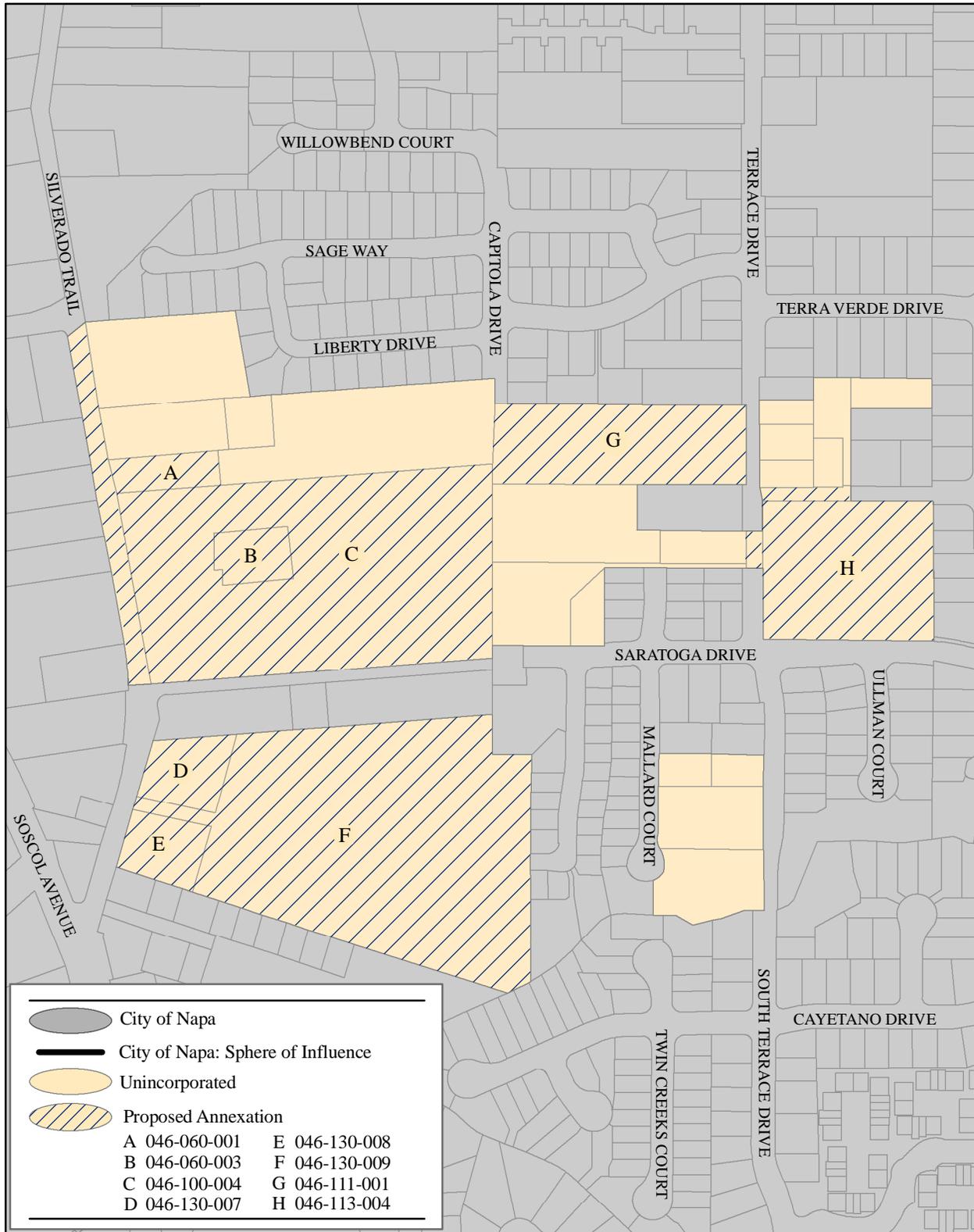
Proposed Wilkins Avenue Annexation



*Not to Scale
June 25, 2008
Prepared by KS*


 LAFCO of Napa County
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Proposed Silverado Trail Annexation



Not to Scale
June 25, 2008
Prepared by KS



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