



LAFCO MEETING AGENDA

Monday, August 3, 2009

4:00 P.M.

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

Brian J. Kelly, Chair
Juliana Inman, Vice Chair
Bill Dodd, Commissioner
Lewis Chilton, Commissioner
Brad Wagenknecht, Commissioner
Joan Bennett, 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 1, 2009

4. PUBLIC COMMENT

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

5. CONSENT ITEMS

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

a) Fourth Quarter Budget Report for 2008-2009

The Commission will receive a fourth quarter budget report for the 2008-2009 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.

b) 2009-2010 Budget Contributions

The Commission will review a report calculating the budget contributions for the six funding agencies in 2009-2010. The report is being presented to the Commission for purposes of providing direction to the Executive Officer in requesting the Auditor-Controller issue agency invoices.

c) Amendment to Support Services Agreement with County of Napa

The Commission will consider approving an amendment to its support services agreement with the County of Napa. The proposed amendment establishes the Commission's 2009-2010 annual charge for information technology services from the County in the amount of \$18,705.

6. PUBLIC HEARING ITEMS

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

a) Silverado Community Services District: Activation of Latent Powers

The Commission will consider a proposal from the Silverado Community Services District to activate latent powers to improve and maintain sidewalks, walking paths, and any incidental works within its jurisdictional boundary. Staff recommends approval of the proposal as submitted.

7. ACTION ITEMS

a) Villa Lane/Trancas Street No. 2 Annexation to Napa Sanitation District

The Commission will consider a proposal from a property owner to annex approximately 6.6 acres of incorporated territory to Napa Sanitation District. Staff is recommending the Commission approve the proposal as modified to include an adjacent 0.3 acre incorporated parcel for the purpose of providing a more logical boundary for the District. The affected territory is identified by the County of Napa Assessor's Office as 038-250-064 and 038-400-005.

ACTION ITEMS CONTINUED...

b) California Association of Local Agency Formation Commissions: Annual Conference Items

The Commission will consider appointing a delegate and alternate delegate for the California Association of Local Agency Formation Commission's Annual Conference scheduled for October 28-30, 2009 in Yosemite. The Commission will also consider submitting nominations for CALAFCO's board vacancies and achievement awards.

8. DISCUSSION ITEMS

a) Legislative Report

The Commission will receive a report on the first year of the 2009-2010 session of the California Legislature as it relates to bills directly or indirectly effecting Local Agency Formation Commissions.

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:

- Update on 2011 CALAFCO Annual Conference
- Update on Study Schedule

10. INFORMATION ITEMS

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

a) Current and Future Proposals

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

11. CLOSED SESSION

None

12. COMMISSIONER COMMENTS; REQUEST FOR FUTURE AGENDA ITEMS

13. ADJOURNMENT TO NEXT REGULAR SCHEDULED MEETING:

October 5, 2009

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



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

DRAFT MEETING MINUTES OF JUNE 1, 2009

1. CALL TO ORDER; ROLL CALL

Vice-Chair Inman called the meeting to order at 4:03 p.m.

Roll was called with Regular Commissioners Chilton, Dodd, Wagenknecht, Rodeno (*voting for Kelly*) and Vice-Chair Inman present. Alternate Commissioners Bennett and Luce were also present.

Excused: Chair Kelly.

Staff present: Keene Simonds, Executive Officer; Jackie Gong, Commission Counsel; Brendon Freeman, Analyst; and Kathy Mabry, Commission Secretary.

2. PLEDGE OF ALLEGIANCE

Vice-Chair Inman led the Pledge of Allegiance.

3. APPROVAL OF MINUTES: Minutes of May 4, 2009 Meeting

The Commission was presented with minutes from the May 4, 2009 meeting for approval. Upon motion by Commissioner Dodd and second by Commissioner Chilton, the minutes were approved.

4. PUBLIC COMMENT

Vice-Chair Inman invited members of the audience to provide public comment. No comments were received.

5. CONSENT ITEMS

a) Authorization to Approve Audit Expenditure

The Commission considered authorizing the Chair to enter into an agreement with Gallina LLP for the preparation of an independent audit for the 2008-2009 fiscal year at a cost of \$4,725.

Upon motion by Commissioner Wagenknecht and second by Commissioner Chilton, the consent calendar item was approved.

6. PUBLIC HEARING ITEMS

a) Southeast Napa County: Municipal Service Review

Staff provided a verbal summary of the final report concerning the Commission's scheduled municipal service review on the southeast county region.

Vice-Chair Inman opened the public hearing. Brent Cooper, American Canyon Community Development Director and Glen Weeks, American Canyon Fire District Chief both spoke to the Commission, providing compliments to the staff on the municipal service review.

Vice-Chair Inman closed the public hearing.

Upon motion by Commissioner Dodd and second by Commissioner Rodeno, the Commission approved the report and the resolution adopting the determinations. (**Resolution No. 09-05**).

b) Final Budget for 2009-2010

The Commission received a final budget from the Budget Committee for 2009-2010. Staff provided a verbal summary of the report, which included an amendment to LAFCO Agreement No. 03-01 to extend the office lease at 1700 Second Street in Napa.

Upon motion by Commissioner Wagenknecht and second by Commissioner Dodd, the final budget for 2009-2010 was adopted (**Resolution No. 09-06**), and the Commission authorized the Chair to sign the amendment to LAFCO Agreement No. 03-01 to extend the office lease through June 2012.

7. ACTION ITEMS

a) Approval of Meeting Calendar for Second Half of 2009

The Commission considered approving a meeting calendar for the second six months of 2009. Regular meetings were proposed for August 3rd, October 5th, and December 7th. A special meeting was also proposed for November 2nd to hold the Commission's Biennial Workshop.

Upon motion by Commissioner Wagenknecht and second by Commissioner Rodeno, the meeting calendar for the second six months of 2009 was approved.

8. DISCUSSION ITEMS

a) Legislative Report

Staff provided the Commission with a report on the legislative activities of the California Association of Local Agency Formation Commissions. No action was taken.

b) Website Presentation

Brendon Freeman, Staff Analyst, provided the Commission with a brief presentation on its new website prepared by Planeteria, Inc. Various comments were received from the Commission, including designing a banner logo and those changes will be implemented to the website.

9. EXECUTIVE OFFICER REPORT

The Commission was provided with a verbal report from the Executive Officer regarding the following items:

- o CALAFCO Items
- o Secretary Mabry has recently formed the Bay Area LAFCO Clerks Network Group.

10. INFORMATION ITEMS

a) Current and Future Proposals

Staff provided an overview regarding the status of five active proposals on file with LAFCO and three expected to be submitted to the Commission in the near future.

b) Correspondence from CALAFCO

Staff provided the Commission with correspondence from the California Association of Local Agency Formation Commissions' regarding the organizations current and planned activities, as well as the opportunity to serve on the CALAFCO Board of Directors.

11. CLOSED SESSION

There was no closed session.

12. COMMISSIONER COMMENTS; REQUEST FOR FUTURE AGENDA ITEMS

There were no comments.

13. ADJOURNMENT

The meeting was adjourned at 4:42 p.m. The next regular LAFCO meeting is scheduled for Monday, August 3, 2009 at 4:00 p.m.

Juliana Inman, Vice-Chair

ATTEST: Keene Simonds
Executive Officer
Prepared by:

Kathy Mabry
Commission Secretary



Local Agency Formation Commission
LAFCO of Napa County

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

August 3, 2009
Agenda Item No. 5a (Consent)

July 23, 2009

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Fourth Quarter Budget Report for 2008-2009

The Commission will receive a fourth quarter budget report for the 2008-2009 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 Local Agency Formation Commission of Napa County's ("Commission") annual budget is entirely funded by the County of Napa and the Cities of American Canyon, Calistoga, Napa, St. Helena, and Yountville. State law specifies the County is responsible for one-half of the Commission's annual budget with the remaining amount proportionally shared by the five cities based on a weighted calculation of population and general revenues. It is the practice of the Commission to only budget expenses given its prescribed funding sources.

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

A. Discussion

On June 6, 2008, the Commission adopted a final budget for 2008-2009 totaling \$552,110. At the end of the fourth quarter, the Commission's actual expenses – including encumbrances – totaled \$389,812, which represents 71% of the total budgeted amount. A review of adopted and actual expenses for the fiscal year within the Commission's three budget units follows.

Salaries/Benefits

The Commission budgeted \$294,325 in salaries and benefits in 2008-2009. At the end of the fourth quarter, the Commission spent \$246,054 within the nine affected accounts. Savings accumulated in several of the accounts due to the delay in filling the fulltime analyst position. One account, extra help, finished the fiscal year with a negative balance. A summary of expenses in this account follows.

Juliana Inman, Vice Chair
Councilmember, City of Napa

Lewis Chilton, Commissioner
Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Extra Help

The extra help account covers the Commission's costs in funding temporary employees. This account was budgeted with \$26,010 to fund an extra help employee to fill the duties of the analyst position between July 2008 and January 2009. This budgeted amount was calculated to cover an extra help employee for a total of 1,000 hours at the entry analyst hourly rate of \$26.01. The extra help employee, however, ended up working 1,010 hours during the fiscal year. Savings in other salaries/benefits accounts were used to cover the resulting \$273 shortfall.

Services/Supplies

The Commission budgeted \$167,191 in services and supplies in 2008-2009. At the end of the fourth quarter, the Commission spent \$143,759 within the 14 affected accounts. Two accounts, publications and notices and private vehicle mileage, finished the fiscal year with negative balances. A summary of expenses in these two accounts follows.

Publications and Notices

The publications and notices account covers the Commission's costs for legal notices and agency announcements. This account was budgeted at \$1,500 while actual expenses totaled \$2,490. The \$990 shortfall is primarily attributed to publishing announcements in the local newspaper inviting public comments on the southeast county municipal service review. Savings in other services/supplies accounts were used to cover the shortfall.

Private Vehicle Mileage

The private vehicle mileage account covers the Commission's costs to reimburse staff for automobile travel incurred while conducting agency business. This account was budgeted at \$1,000 while actual expenses totaled \$1,051. The \$51 shortfall is attributed to increased automobile travel by staff during the fiscal year, including repeated trips to Sacramento to attend CALAFCO meetings. Savings in other services/supplies accounts were used to cover the shortfall.

Contingencies/Reserves

The Commission did not draw funds from its contingencies/reserves unit, which had a total budget of \$90,594.

B. Analysis

The Commission experienced an approximate one-third increase in actual operating costs in 2008-2009 compared to 2007-2008. The increase was expected and primarily due to filling the analyst position after an 18 month vacancy. The increase was also due to funding two office improvements: 1) designing a new website and 2) implementing an electronic document management system. A comparison of budgeted and actual operating costs over the last five fiscal years follows.

Fiscal Year	Budgeted Operating Costs	Actual Operating Costs	Remaining Operating Balance	Remaining Operating Balance %
2004-2005	\$444,924	\$370,858	\$74,066	16.6
2005-2006	\$436,914	\$302,260	\$134,654	30.8
2006-2007	\$456,758	\$292,637	\$164,121	35.9
2007-2008	\$466,672	\$284,576	\$182,096	39.0
2008-2009	\$552,110	\$389,812	\$162,296	29.3

The remaining operating balance of \$162,296 will be returned to the six funding agencies along with other collected revenues, such as application fees, in the form of credits towards their calculated share of the Commission's adopted budget for 2009-2010. The calculation of actual agency credits for 2009-2010 is provided as part of Agenda Item No. 5b.

C. Alternatives for Commission Action

Staff has identified two alternative actions for Commission consideration with respect to this budget report. These alternatives are:

Option One: Receive and file the budget report.

Option Two: If more information is needed, continue consideration of the budget report to a future meeting and provide direction to staff as appropriate.

D. Recommendation

Staff recommends the Commission receive and file the budget report as outlined in the preceding section as Option One.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachment

- 1) 2008-2009 General Ledger



Local Agency Formation Commission
LAFCO of Napa County

General Ledger for 2008-2009: Expenses Through 6/30/09

		<u>Final Budget</u>	<u>Encumbrances</u>	<u>Expenditures</u>	<u>Balance</u>	
Salaries/Benefits						<i>Percent Available</i>
<u>Account</u>	<u>Description</u>					
51100000	Regular Salaries	168,905.43	-	152,952.55	15,952.88	9%
51200100	Extra Help	26,010.00	-	26,283.11	(273.11)	-1%
51200500	Commissioner Per Diems	9,600.00	-	4,400.00	5,200.00	54%
51300100	Retirement: Pension	34,550.93	-	26,283.61	8,267.32	24%
51300120	Retirement: Non-Pension	11,295.00	-	11,295.00	-	0%
51300300	Medicare	2,826.27	-	2,440.46	385.81	14%
51300500	Group Insurance	40,148.04	-	21,410.71	18,737.33	47%
51301200	Workers Compensation	149.00	-	149.00	-	0%
51301800	Cell Phone Allowance	840.00	-	840.00	-	0%
	SUB TOTALS	<u>294,324.67</u>	<u>-</u>	<u>246,054.44</u>	<u>48,270.23</u>	<u>16%</u>
Services/Supplies						
<u>Account</u>	<u>Description</u>					
52243900	Filing Fees	850.00	-	300.00	550.00	65%
52235000	Office Improvements	56,000.00	-	50,081.73	5,918.27	11%
52185000	Professional Service Supplies	7,507.00	-	6,182.37	1,324.63	18%
52070000	Communications	3,500.00	-	1,720.96	1,779.04	51%
52100300	Insurance: Liability	546.00	-	545.00	1.00	0%
52150000	Memberships	2,200.00	-	2,200.00	-	0%
52170000	Office Expenses	15,000.00	136.21	10,906.71	3,957.08	26%
52180200	Information Services	17,768.00	-	17,768.00	-	0%
52180500	Legal Services	26,320.00	-	19,129.61	7,190.39	27%
52190000	Publications and Notices	1,500.00	-	2,490.22	(990.22)	-66%
52240500	Property Lease	27,000.00	-	27,000.00	-	0%
52250000	Transportation and Travel	4,000.00	-	1,716.91	2,283.09	57%
52250800	Training	4,000.00	-	2,530.53	1,469.47	37%
52251200	Private Mileage	1,000.00	-	1,051.07	(51.07)	-5%
	SUB TOTALS	<u>167,191.00</u>	<u>136.21</u>	<u>143,623.11</u>	<u>23,431.68</u>	<u>14%</u>
Contingencies/Reserves						
<u>Account</u>	<u>Description</u>					
54000900	Operating Reserve	40,594.00	-	-	40,594.00	100%
54001000	Consultant Contingency	50,000.00	-	-	50,000.00	100%
		<u>90,594.00</u>	<u>-</u>	<u>-</u>	<u>90,594.00</u>	<u>100%</u>
	GRAND TOTALS	<u>\$ 552,109.67</u>	<u>\$ 136.21</u>	<u>\$ 389,677.55</u>	<u>\$ 162,295.91</u>	<u>29%</u>



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August 3, 2009
Agenda Item No. 5b (Consent)

July 23, 2009

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: 2009-2010 Budget Contributions

The Commission will review a report calculating the budget contributions for the six funding agencies in 2009-2010. The report is being presented to the Commission for purposes of providing direction to the Executive Officer in requesting the Auditor-Controller issue agency invoices.

The Local Agency Formation Commission of Napa County's ("Commission") annual operating costs are entirely funded by the County of Napa and the Cities of American Canyon, Calistoga, Napa, St. Helena, and Yountville. State law specifies the County is responsible for one-half of the Commission's adopted operating costs with the remaining amount proportionally shared by the cities. As allowed under the law, the cities have agreed to an alternative formula in apportioning their respective budget contributions based on a weighted calculation of population (60%) and general revenues (40%).

At the direction of the Commission, the County of Napa Auditor-Controller is responsible for issuing invoices to all six funding agencies. In calculating apportionment amounts, it is the practice of the Commission to return all unexpended funds to the six funding agencies in the form of credits towards their subsequent year budget contribution. Unexpended funds include agency contributions, application fees, and interest earned on the fund balance.

A. Discussion

At its June 1, 2009 meeting, the Commission adopted a final budget for 2009-2010 in the amount of \$496,961. Staff has calculated each funding agency's proportional share of the final budget based on the formula outlined in the preceding section. This includes returning \$189,029 in unexpended funds from the previous fiscal year in the form of credits. Total budget contributions required of the funding agencies in 2009-2010 along with comparisons from previous fiscal years are summarized below.

Juliana Inman, Vice Chair
Councilmember, City of Napa

Lewis Chilton, Commissioner
Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Agency	2005-06	2006-07	2007-08	2008-09	2009-10
County	174,114.34	155,720.41	136,016.01	176,382.73	153,965.70
Napa	118,882.00	106,679.39	87,061.35	119,820.40	105,428.75
American Canyon	22,462.15	20,542.43	23,792.74	27,179.61	22,010.54
St. Helena	13,871.25	9,243.23	8,140.48	9,714.01	11,135.35
Calistoga	11,277.36	12,095.26	10,349.12	12,134.39	8,742.73
Yountville	7,621.58	7,160.10	6,672.32	7,534.31	6,648.33
	\$348,228.68	\$311,440.82	\$272,032.02	\$352,765.45	\$307,931.39

B. Analysis

Budget contributions for the funding agencies in 2009-2010 are decreasing a total of 12.7% over the previous fiscal year. This decrease is primarily attributed to the reduction in adopted operating costs coupled with the aforementioned \$189,029 in unexpended funds that are being returned as credits. Notably, contributing to the unexpended fund total, the Commission collected \$16,275 in application fees. This represents one of the highest application fee totals in recent years and is four times the amount collected in 2007-2008.

C. Alternatives for Commission Action

Staff has identified two alternative actions for Commission consideration with respect to this report on budget contributions in 2009-2010. These alternatives are:

- Option One:** Receive and file the report on budget contributions and direct the Executive Officer to request the Auditor-Controller to invoice the six fund agencies as provided in the Attachment One.
- Option Two:** If more information is needed, continue consideration of the report on budget contributions to a future meeting and provide direction to staff as appropriate.

D. Recommendation

Staff recommends the Commission receive and file the report on budget contributions and provide direction to the Executive Officer as outlined in the preceding section as Option One.

Respectfully submitted,

Keene Simonds
 Executive Officer

Attachment

- 1) 2009-2010 Allocation for Annual LAFCO Costs to County and Cities

FY2009-2010 Allocation for Annual LAFCO Costs to County and Cities (7-23-2009)
(Alternative Allocation Formula Approved by Cities)

Step 1	LAFCO Budget	Adopted Final FY08-09	Final FY09-10	Difference Dollar	Difference Percentage			
	Total	\$ 552,167.80	\$ 496,961.00	\$ (55,206.80)	-10.0%			
Step 2	Annual Allocation							
	50% to County	\$ 276,083.90	\$ 248,480.50	\$ (27,603.40)	-10.0%			
	50% to Cities	\$ 276,083.90	\$ 248,480.50	\$ (27,603.40)	-10.0%			
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	\$ 6,265,858	\$ 953,770	\$ 13,751,776	\$ 2,267,306	\$ 425,896	\$ 23,664,606	
	Voter Approved Indebtedness Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Other Property Tax	\$ 1,203,862	\$ 375,059	\$ 5,623,677	\$ 394,550	\$ 273,316	\$ 7,870,464	
	Sales and Use Taxes	\$ 1,230,269	\$ 556,366	\$ 9,452,398	\$ 1,895,072	\$ 474,868	\$ 13,608,973	
	Transportation Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Transient Lodging Tax	\$ 230,321	\$ 2,521,951	\$ 7,779,417	\$ 1,492,781	\$ 3,231,799	\$ 15,256,269	
	Franchises	\$ 368,922	\$ 163,947	\$ 1,376,621	\$ 152,442	\$ 68,212	\$ 2,130,144	
	Business License Taxes	\$ 176,800	\$ 139,846	\$ 3,037,618	\$ 155,162	\$ 6,320	\$ 3,515,746	
	Real Property Transfer Taxes	\$ 132,635	\$ 34,265	\$ 455,298	\$ 85,761	\$ 24,770	\$ 732,729	
	Utility Users Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Other Non-Property Taxes	\$ 517,555	\$ 182,231	\$ 3,490,163	\$ 593,776	\$ 94,471	\$ 4,878,196	
	Total	\$ 10,126,222	\$ 4,927,435	\$ 44,966,968	\$ 7,036,850	\$ 4,599,652	\$ 71,657,127	
	Percentage of Total Taxes to all Cities	14.1%	6.9%	62.8%	9.8%	6.4%	100%	
Step 3b	Cities' Share Based on Total Population**							
	Population	16,503	5,331	77,831	5,960	3,263	108,888	
	Population Percentage	15.16%	4.90%	71.48%	5.47%	3.00%	100%	
Step 4	Cities Allocation Formula							
	Cities' Share Based on Total General Taxes	14.1%	6.9%	62.8%	9.8%	6.4%	100%	
	Portion of LAFCO Budget	\$ 14,045.60	\$ 6,834.61	\$ 62,371.55	\$ 9,760.48	\$ 6,379.96	40%	
	Cities' Share Based on Total Population	15.16%	4.90%	71.48%	5.47%	3.00%	100%	
	Portion of LAFCO Budget	\$ 22,595.73	\$ 7,299.15	\$ 106,565.38	\$ 8,160.37	\$ 4,467.67	60%	
	Total Agency Allocation	\$ 36,641.34	\$ 14,133.76	\$ 168,936.93	\$ 17,920.85	\$ 10,847.62	\$ 248,480.50	
	Allocation Share	14.7462%	5.6881%	67.9880%	7.2122%	4.3656%	100%	
Step 5	FY09-10 Invoices							
	FY09-10 Agency Share	\$ 248,480.50	\$ 36,641.34	\$ 14,133.76	\$ 168,936.93	\$ 10,847.62	\$ 496,961.00	
	Less Agency Credits***	\$ 94,514.81	\$ 14,630.80	\$ 5,391.03	\$ 63,508.18	\$ 4,199.29	\$ 189,029.61	
	Net Invoice	\$ 153,965.70	\$ 22,010.54	\$ 8,742.73	\$ 105,428.75	\$ 6,648.33	\$ 307,931.39	

Notes:

* Revenue amounts are drawn from the 2006-2007 State Controller's Cities Annual Report.

** Population estimates calculated by the California Department of Finance, January 2009.

*** The Commission finished 2008-2009 with a total of \$189,029 in unexpended funds. This amount includes unspent agency contributions (\$162,295), application fees (\$16,275), and earned interest (\$10,458). It is the practice of the Commission to return all unexpended funds to the agencies in the forms of credits against their subsequent fiscal year contributions.



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August 3, 2009
Agenda Item No. 5c (Consent)

July 24, 2009

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Amendment to Support Services Agreement with County of Napa
The Commission will consider approving an amendment to its support services agreement with the County of Napa. The proposed amendment establishes the Commission's 2009-2010 annual charge for information technology services from the County in the amount of \$18,705.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 directs Local Agency Formation Commissions (LAFCOs) to plan and coordinate the orderly formation and development of local governmental agencies and services within their jurisdictions. Each LAFCO is responsible for making its own provisions for personnel and facilities. In making its own provisions, LAFCOs may choose to contract with a public or private entity.

In July 2003, LAFCO of Napa County ("Commission") entered into a support services agreement (SSA) with the County of Napa. The SSA establishes terms and conditions for the County to provide personnel and related services necessary for the Commission to fulfill its responsibilities. The SSA was amended in September 2007 to incorporate a new billing calculation involving the provision of information technology services (ITS), which is applied to County departments. Key calculation factors include the number of personnel and computers within each department or agency. The County and the Commission used this calculation method in approving a second amendment to the SSA in August 2008 to increase the annual ITS charge to \$17,768

A. Discussion

The County proposes a third amendment to the SSA to increase the Commission's ITS charge in 2009-2009 to \$18,705. The proposed rate has been calculated based on the aforementioned billing method and represents an approximate 5.3% increase in costs.

B. Analysis

The Commission's annual fee for ITS covers all network administration and monitoring costs. This includes providing e-mail, technical support services, database maintenance for accounting and payroll, and access to the County's geographic information system. The level and range of these services are exceptional, and the proposed increase was incorporated into the final budget adopted by the Commission in June 2008.

Juliana Inman, Vice Chair
Councilmember, City of Napa

Lewis Chilton, Commissioner
Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

C. Alternatives for Commission Action

Staff has identified two alternative actions for Commission consideration with respect to the proposed third amendment to its SSA with the County. These alternatives are:

Option One: Approve the Chair to sign the attached third amendment to the SSA.

Option Two: If more information is needed, continue consideration of the proposed amendment to the SSA to a future meeting and provide direction to staff as appropriate.

D. Recommendation

Staff recommends the Commission approve and direct the Chair to sign the proposed third amendment to the SSA as outlined in the preceding section as Option One.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachment:

- 1) Proposed Amendment No. 3 to LAFCO Agreement No. 03-02
- 2) Amendment No. 2 to LAFCO Agreement No. 03-02
- 3) Amendment No. 1 to LAFCO Agreement No. 03-02
- 4) LAFCO Agreement No. 03-02

AMENDMENT NO. 3 OF

DRAFT

**NAPA COUNTY AGREEMENT NO. 4433
LOCAL AGENCY FORMATION COMMISSION OF
NAPA COUNTY AGREEMENT NO. 03-02**

**SUPPORT SERVICES BY THE COUNTY OF NAPA TO THE LOCAL AGENCY
FORMATION COMMISSION OF NAPA COUNTY**

THIS AMENDMENT NO. 3 OF NAPA COUNTY AGREEMENT NO. 4433 is made and entered into as of this 1st day of July, 2009 by and between the COUNTY OF NAPA, a political subdivision of the State of California, hereinafter referred to as "County", and the LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY (hereinafter "LAFCO"), a local public agency formed pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et. seq.);

RECITALS

WHEREAS, on or about July 1, 2003, County and LAFCO entered into Napa County Agreement No. 4433 (hereinafter referred to as "MA"), amended on or about September 1, 2007, and amended on June 17, 2008, for the provision by County of support services needed for LAFCO's performance of its functions and responsibilities, including information technology services; and

WHEREAS, the parties now desire to amend the MA to modify the annual rates of compensation to County for services provided by its Information Technology Services Department ("ITS") to reflect changes in the costs to County to provide such services;

TERMS

NOW, THEREFORE, County and LAFCO hereby amend the Agreement as follows:

1. The portion entitled "Services of Information Technology (annual rate)" of Attachment AA of the Agreement is hereby amended to read in full as follows:

1. **Services of Information Technology (annual rate):**

- a. **Calculation of Annual Fee and Method of Payment.** The parties acknowledge that reimbursement of County by LAFCO for the costs of providing the information technology services required of County under Section 4 of Attachment D of this Agreement are calculated utilizing the ITS Cost Allocation Method for County's own departments and agencies which was approved by the Napa County Board of Supervisors on June 19, 2001, a copy of which is attached to Amendment No. 1 of the Agreement as Attachment "BB". At the option of LAFCO, the Annual Fee shall be payable either in advance in a single payment due on or before July 1 of

the applicable fiscal year or in monthly payments in arrears, each payment due on or before the first of the month succeeding the month of service, with the payable monthly rate being 1/12 of the Annual Fee then in effect.

- b. Amount of Annual Fee. The Annual Fee shall be as follows:

<u>Fiscal Year</u>	<u>Annual Rate</u>
2003-2004	\$12,900.00
2004-2005	\$12,999.96
2005-2006	\$13,377.96
2006-2007	\$17,799.00
2007-2008	\$16,387.00
2008-2009	\$17,768.00
Beginning 2009-2010*	\$18,705.00

* Future Modifications. Notwithstanding the foregoing, it is anticipated that County and LAFCO may amend this Agreement, beginning with Fiscal Year 2010-2011, to conform subsequent fiscal year compensation amounts to the above-referenced Cost Allocation Method or such other Method as the parties may subsequently agree to by amendment, or may amend this Agreement within Fiscal Year 2009-2010 or any subsequent fiscal year during the term of this Agreement or extension thereof to reflect additional services requested by LAFCO.

2. This Amendment No. 3 of the MA shall be effective as of July 1, 2009.
3. Except as provided in (1) through (2), above, the terms and provisions of the MA shall remain in full force and effect as originally approved.

IN WITNESS WHEREOF, this Amendment No.3 of Napa County Agreement No.

/////

4433 as of the date first above written.

LOCAL AGENCY FORMATION COMMISSION OF
NAPA COUNTY

By _____
Brian J. Kelly, Chair of the Local Agency
Formation Commission of Napa County

ATTEST: KEENE SIMONDS,
Executive Director/Clerk of LAFCO

"LAFCO"

By: _____

APPROVED AS TO FORM:
Commission Counsel
By: E-Signature Jackie Gong

Date: 6/17/09

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

By _____
MARK LUCE, Chair
Napa County Board of Supervisors

"COUNTY"

ATTEST: GLADYS I. COIL
Clerk of the Board of Supervisors

By: _____

APPROVED AS TO FORM
Office of County Counsel

By: P. Tyrrell (by e-signature)

Date: June 11, 2009

**APPROVED BY THE NAPA COUNTY
BOARD OF SUPERVISORS**

Date: _____

Processed by: _____
Deputy Clerk of the Board

AMENDMENT NO. 2 OF

NAPA COUNTY AGREEMENT NO. 4433
 LOCAL AGENCY FORMATION COMMISSION OF
 NAPA COUNTY AGREEMENT NO. 03-02

**SUPPORT SERVICES BY THE COUNTY OF NAPA TO THE LOCAL AGENCY
 FORMATION COMMISSION OF NAPA COUNTY**

THIS AMENDMENT NO. 2 OF NAPA COUNTY AGREEMENT NO. 4433 is made and entered into as of this 1st day of July, 2008 by and between the COUNTY OF NAPA, a political subdivision of the State of California, hereinafter referred to as "County", and the LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY (hereinafter "LAFCO"), a local public agency formed pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et. seq.);

RECITALS

WHEREAS, on or about July 1, 2003, County and LAFCO entered into Napa County Agreement No. 4433 (hereinafter referred to as "MA"), subsequently amended on or about September 1, 2007, for the provision by County of support services needed for LAFCO's performance of its functions and responsibilities, including information technology services; and

WHEREAS, the parties now desire to amend the MA to modify the annual rates of compensation to County for services provided by its Information Technology Services Department ("ITS") to reflect changes in the costs to County to provide such services;

TERMS

NOW, THEREFORE, County and LAFCO hereby amend the Agreement as follows:

1. The portion entitled "Services of Information Technology (annual rate)" of Attachment AA of the Agreement is hereby amended to read in full as follows:

1. **Services of Information Technology (annual rate):**

- a. Calculation of Annual Fee and Method of Payment. The parties acknowledge that reimbursement of County by LAFCO for the costs of providing the information technology services required of County under Section 4 of Attachment D of this Agreement are calculated utilizing the ITS Cost Allocation Method for County's own departments and agencies which was approved by the Napa County Board of Supervisors on June 19, 2001, a copy of which is attached to Amendment No. 1 of the Agreement as Attachment "BB". At the option of LAFCO, the Annual Fee shall be payable either in advance in a single payment due on or before July 1 of the applicable fiscal year or in monthly payments in arrears, each payment due on

or before the first of the month succeeding the month of service, with the payable monthly rate being 1/12 of the Annual Fee then in effect.

- b. Amount of Annual Fee. The Annual Fee shall be as follows:

<u>Fiscal Year</u>	<u>Annual Rate</u>
2003-2004	\$12,900.00
2004-2005	\$12,999.96
2005-2006	\$13,377.96
2006-2007	\$17,799.00
2007-2008	\$16,387.00
Beginning 2008-2009*	\$17,768.00

* Future Modifications. Notwithstanding the foregoing, it is anticipated that County and LAFCO may amend this Agreement, beginning with Fiscal Year 2009-2010, to conform subsequent fiscal year compensation amounts to the above-referenced Cost Allocation Method or such other Method as the parties may subsequently agree to by amendment, or may amend this Agreement within Fiscal Year 2008-2009 or any subsequent fiscal year during the term of this Agreement or extension thereof to reflect additional services requested by LAFCO.

2. This Amendment No. 2 of the MA shall be effective as of July 1, 2008.
3. Except as provided in (1) through (2), above, the terms and provisions of the MA shall remain in full force and effect as originally approved.

IN WITNESS WHEREOF, this Amendment No. 2 of Napa County Agreement No.

////

4433 as of the date first above written.

LOCAL AGENCY FORMATION COMMISSION OF
NAPA COUNTY

By *Brad Wagenknecht*
BRAD WAGENKNECHT, Chair of the Local Agency
Formation Commission of Napa County

ATTEST: KEENE SIMONDS,
Executive Director/Clerk of LAFCO

"LAFCO"

By: *Keene Simonds*

APPROVED AS TO FORM:
Commission Counsel
By: Jacqueline M. Gong
(By e-signature)
Date: 5/23//08

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

By *Brad Wagenknecht*
BRAD WAGENKNECHT, Chair of the Board of
Supervisors

"COUNTY"

ATTEST: GLADYS I. COIL
Clerk of the Board of Supervisors

By: *Gladys I. Coil*

APPROVED AS TO FORM
Office of County Counsel
By: *Margaret L. Woodbury*,
Chief Deputy
(by e-signature)
Date: May 23, 2008

APPROVED BY THE NAPA COUNTY
BOARD OF SUPERVISORS
Date: *6-17-08*
Processed by: *Sherry Valtierra*
Deputy Clerk of the Board

AMENDMENT NO. 1 OF

**NAPA COUNTY AGREEMENT NO. 4433
LAFCO OF NAPA COUNTY AGREEMENT NO. 03-02**

**SUPPORT SERVICES BY THE COUNTY OF NAPA TO THE
LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY**

THIS AMENDMENT NO. 1 OF NAPA COUNTY AGREEMENT NO. 4433 is made and entered into as of this 1st day of September, 2007, by and between the COUNTY OF NAPA, a political subdivision of the State of California, hereinafter referred to as "County", and the LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY (hereinafter "LAFCO"), a local public agency formed pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et. seq.);

RECITALS

WHEREAS, on or about July 1, 2003, County and LAFCO entered into Napa County Agreement No. 4433 (hereinafter referred to as "MA") for the provision by County of support services needed for LAFCO's performance of its functions and responsibilities, including information technology services; and

WHEREAS, the parties now desire to amend the MA to modify the scope of the information technology services provided under the MA and make corresponding changes in the compensation for such services, and to make technical corrections to the provisions relating to term and executive officer;

TERMS

NOW, THEREFORE, County and LAFCO hereby amend the Agreement as follows:

1. Paragraph 1 of the Agreement is hereby amended to read in full as follows:

1. **TERM.** The term of this Agreement shall become effective on July 1, 2003 and shall expire on June 30, 2004, unless terminated earlier in accordance with Paragraph 14 (Termination); except that the obligations of the parties under Paragraph 8 (Indemnification) and 10 (Confidentiality) shall continue in full force and effect after the date of expiration or early termination in relation to acts or omissions occurring prior to such dates during the term of the Agreement or any extension thereof. The term of this Agreement shall be automatically renewed for an additional year at the end of each fiscal year, under the terms and conditions then in effect, unless either party gives written notice to the other, no less than thirty (30) days prior to the end of the fiscal year, of that party's intention not to renew the Agreement. For purposes of this Agreement, "fiscal year" shall mean the year beginning on July 1 and ending on the succeeding June 30.

2. The first sentence of subparagraph (a) of Paragraph 2 of the Agreement is hereby amended to read in full as follows:

(a) Executive Officer. County shall designate and make available to LAFCO the services of an at-will employee of County for appointment by LAFCO as its LAFCO Executive Officer (hereinafter "Executive Officer").

3. Section 4 of Attachment D is hereby amended to read in full as follows for information technology services provided by County to LAFCO on and after September 1, 2007:

4. **INFORMATION TECHNOLOGY SERVICES**

County shall provide LAFCO with County personnel to perform the following information technology services and functions for LAFCO:

a. **In general.** County's ITS Department ("ITS") shall provide LAFCO with a total information technology support package. This includes technical support, development, technology evaluation, RFPs, project management and consulting services on an as needed basis during the term of this Agreement in order to provide a reliable, cost effective as well as innovative technology infrastructure. All service requests for existing products and services shall be managed through SRMS (Service Request Management Systems). Any requests for new products and services shall be handled through in ITS' normal project architecture for County ITS projects, but ITS shall create a requirements document for LAFCO approval prior to ITS performing any significant work on such new projects.

b. **Description of Specific Services:**

Countywide network connectivity: high-speed local area networking and wide area network digital access to each major County and LAFCO location.

Infrastructure support: data and phone wiring/cabling, full copper and fiber warranty/ troubleshooting, and repair/replacement service.

Network & Server Administration and Monitoring: 24/7 automated network monitoring with on call emergency technician to respond to critical service outages.

File Services: File system server storage space and management. IE, H: etc drives. Daily tape backup, fault tolerance, and data recovery services.

Desktop and Server Virus scanning: automated virus updates will be enabled to the desktop and servers. Monitoring of services for reliability, performance, and updates.

Print Services: Printer and print queue management.

Email/Scheduling Service: Includes Countywide (including LAFCO) Exchange/Outlook email and scheduling system, Remote WEB access, resource scheduling, Internet email connectivity, and countywide address book.

Security/Firewall Services: Firewall, proxy services, intrusion detection system, reporting system, and monitoring software on Windows 2000/2003 Servers.

Internet Access: High speed Internet access from all County and LAFCO facilities.

Enterprise Resource Planning (ERP): Access to PeopleSoft Financial and HRMS (Human Resource Management Systems), including time and labor, project costing, purchasing, etc.

Enterprise Content Management: Access to document management systems to manage digital content. This includes eform solutions to automate internal and external forms.

Remote Access: Remote modem dial-in, and Internet VPN (Virtual Private Network) access for mobile/remote workers and third party vendor support.

Helpdesk: Provide a dedicated full time person on Helpdesk phone from 7:00 a.m. to 5:00 p.m., Monday thru Friday. On call emergency technician available 24/7 via after-hours voice mail/pager. Expanded IS Helpdesk Intranet site for problem reporting, system status, product purchasing, training class registration and self-help resources.

Training Center: Dedicated 12 seat plus instructor PC training room. Fully multimedia with overhead projector, DVD and VCR for multimedia training/presentations. AGENCY can schedule and use the facility for any type of training/meetings/etc.

Internet site hosting and development: Hosting Services for Internet and Intranet Web Sites. Access to Chardonay for enterprise intranet, Sharepoint "My Site" for personalized information. Full backup and recover services, security, virus/phishing, and firewall services. WEB monitoring, filtering, reporting and statistics.

User Account administration: End user account setup and administration. Security and all core services accounts.

Access to Enterprise Systems and data: Property, permitting, recorded documents, code compliance, etc.

Server management and hosting services: Physical Server management, HW (Hardware) management, Operating System management, virus protection, version maintenance, patches, service packs, tape backup, disaster recovery, third party vendor coordination, uninterruptible battery backups, 24/7 SNMP (Simple Network Managed Protocol) monitoring and pager alarms.

Geographical Information Systems (GIS): Turn key GIS services including training, user support, and access to the enterprise spatial data warehouse and web applications. Limited map production services. Large-format plotters. Data hosting, management and distribution.

4. "Services of the Information Technology (annual rate)" of Attachment AA is hereby amended to read in full as follows:

Services of Information Technology (annual rate):

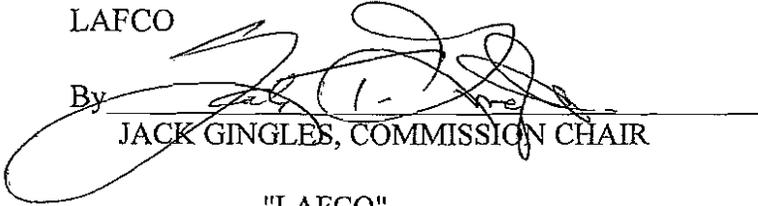
- a. Calculation of Annual Fee and Method of Payment. The parties acknowledge that compensation of County by LAFCO for the information technology services provided by County under Section 4 of Attachment D of this Agreement are calculated utilizing the ITS Cost Allocation Method for County's own departments and agencies which was approved by the Napa County Board of Supervisors on June 19, 2001, a copy of which is attached to Amendment No. 1 of the Agreement as Attachment "BB". At the option of LAFCO, the Annual Fee shall be payable either in advance in a single payment due on or before July 1 of the applicable fiscal year or in monthly payments in arrears, each payment due on or before the first of the month succeeding the month of service, with the payable monthly rate being 1/12 of the Annual Fee then in effect.
- b. Amount of Annual Fee. The Annual Fee shall be as follows:

<u>Fiscal Year</u>	<u>Annual Rate (payable in advance on July 1)</u>
2003-2004	\$12,900.00
2004-2005	\$12,999.96
2005-2006	\$13,377.96
2006-2007	\$17,799.00
Beginning 2007-2008*	\$16,387.00

* Future Modifications. Notwithstanding the foregoing, it is anticipated that County and LAFCO may need to amend this Agreement to conform subsequent fiscal year compensation amounts beginning with Fiscal Year 2008-2009 to the above-referenced Cost Allocation Method or such other Method as the parties may have agreed to by amendment, or may amend this Agreement within Fiscal Year 2007-2008 or any subsequent fiscal year during the term of this Agreement or extension thereof to reflect additional services requested by LAFCO.

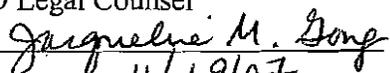
- 5. This Amendment No. 1 of the MA shall be effective as of September 1, 2007.
- 6. Except as provided in (1) through (5), above, the terms and provisions of the MA shall remain in full force and effect as originally approved.

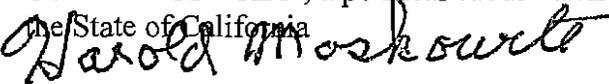
IN WITNESS WHEREOF, the parties hereto have approved this Amendment No. 1 of Napa County Agreement No. 4433 through their duly authorized representatives as of the date first above written.

LAFCO
 By 
 JACK GINGLES, COMMISSION CHAIR

ATTEST: "LAFCO"

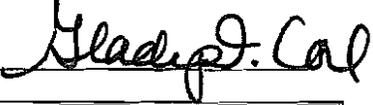
By _____

APPROVED AS TO FORM:
 LAFCO Legal Counsel
 By: 
 Date: 11/19/07

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

 By _____
 HAROLD MOSKOWITE, Chair of the Board of
 Supervisors

"County"

ATTEST: GLADYS I. COIL
 Clerk of the Board of Supervisors

By: 

APPROVED AS TO FORM
 Office of County Counsel
 By: Margaret L. Woodbury,
 Chief Deputy County Counsel
 (by e-signature)
 Date: August 31, 2007

APPROVED BY THE NAPA COUNTY
 BOARD OF SUPERVISORS
 Date: 8-4-07
 Processed by: 
 Deputy Clerk of the Board

ATTACHMENT BB

ITS COST ALLOCATION METHOD

In 2001, the Napa County Board of Supervisors approved a comprehensive cost allocation method prepared by an independent auditing agency, Bartig, Basler & Ray, for the calculation of ITS charges. This method, used for all departments, is based on a formula that incorporates ten ITS functional categories and the client usage associated with them. These categories include: Network Services, Financials, Human Resources, CJIMS, Helpdesk, Departmental Services, Overhead, Administrative Services, Assigned Staff and Training. Usage charges are reviewed annually for the purpose of determining appropriate cost allocation.

ITS uses four factors in its cost allocation plan used to determine an Agency's share of the ITS budget:

- Number of agency personnel (# of Napa County payroll checks)
- Size of agency's last fiscal years expenditure
- Number of ITS managed agency personal computers
- Number of hours enhanced support for last fiscal year (usually application development of an agency specific program)

ITS collects and distributes its costs in the following service areas:

Service Area	Distribute Cost to	Cost Factor
Network Services- Communication lines and equipment, remote access, internet access, email, etc. and staff	All agencies	Number of personal computers
Financials-including PS intranet, budget module, etc. HW/SW and staff	All agencies who utilize financial services	Percentage of total budget
HR-HW/SW and staff	All agencies receiving Napa County payroll checks	Number of staff
CJIMS-HW/SW and staff	Criminal justice agencies	Number of PCs and staff
Help Desk-staff and supplies	All agencies	Number of PCs
Departmental Services- HW/SW and staff for non-Enterprise applications (Megabyte, HMS, etc.)	Individual agencies utilizing the application	Actual expenditures: material, services and labor
Overhead-non project/service related expenses (vacation, training, expenses, etc.)	All agencies	Number of PCs

Administrative Services-IT support activities: contracts, asset mgmt, policies, etc.	All agencies	Number of PCs
Assigned Staff-ITS staff assigned reporting to departmental locations	Agency where staff is assigned	Actual personnel cost
Training-Training room and instruction	All agencies	Number of staff

Sample Cost Drivers and Calculations

Cost Drivers	County	Sample Agency
Number of PCs	1050	20
Staff	1400	25
Actual Expenditures	\$175,000,000	\$500,000
Departmental Services	n/a	40 hours
ITS Budget	\$6,000,000	n/a
Application Maintenance	\$250,000	n/a
Assigned Staff	\$250,000	0

ITS Service Spread (Sample) in Hours (65,000 total)

Network Services	15,000
Financials	5,000
Human Resources	4,300
Criminal Justice Applications	4,500
Help Desk	10,000
Departmental Services	8,900
Training	1,800
Overhead	8,000
Administrative Services	7,500

Total dollars to spread =6,000,000-250,000 (maintenance) – 250,000 (assigned) =\$5,500,000

Sample Agencies ITS Charges

Service Area	Cost	Calculation
Network Services	\$24,175	15000hrs/65000hrs*20pc/1050pc15,500,000
Financials	\$12,088	5000hrs/65000hrs*\$500000/\$17500000015500000
HR	\$6,497	4300hrs/65000hrs*25fte/1400fte*\$5500000
Criminal Justice	\$0	
Help Desk	\$16,117	10000hrs/65000hrs*20pc/1050pc*\$5500000
Dept Services	\$3,385	40hrs/8900hrs*8900hrs/65000hrs15500000
Overhead	\$12,894	8000hrs/65000hrs*20pc/1050pc*\$5500000
Admin Services	\$12,088	7500hrs/65000hrs*20pc/1050pc15500000
Assigned Staff	0	
Training	\$2,720	1800hrs/65000hrs*25fte/1400fte15500000

Total ITS Charges=\$89,964

ATTACHMENT FOUR

NAPA COUNTY AGREEMENT NO. 4433

LAFCO OF NAPA COUNTY AGREEMENT NO. 03-02

**AGREEMENT FOR THE PROVISION OF SUPPORT SERVICES
BY THE COUNTY OF NAPA TO THE NAPA COUNTY
LOCAL AGENCY FORMATION COMMISSION .**

THIS AGREEMENT is entered into as of this 1st day of July, 2003, by and between the COUNTY OF NAPA (hereinafter "County"), a political subdivision of the State of California, and the LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY (hereinafter "LAFCO"), a local public agency formed pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et. seq.);

RECITALS

WHEREAS, pursuant to Government Code Section 56380 of the Cortese-Knox-Hertzberg Local Government Reorganization Act (enacted effective January 1, 2001 and hereinafter referred to as "Act"), LAFCO is authorized to contract with any public agency for necessary personnel, facilities, and equipment to carry out and effect its functions and responsibilities; and

WHEREAS, pursuant to Government Code Section 56380, LAFCO must make its own provisions for independent staffing and operations; and

WHEREAS, LAFCO has need of specified personnel, accounting and legal services for its independent operations which County is willing and able to provide under the terms and conditions set forth herein below; and

WHEREAS, the County and LAFCO have entered into agreements for the provision of support services for fiscal years 2001-2002 and fiscal year 2002-2003;

TERMS

NOW THEREFORE, in consideration of the foregoing and the mutual promises hereinafter expressed, the parties mutually agree as follows:

1. **TERM.** The term of this Agreement shall become effective upon the date first written above and shall expire on June 30, 2004, unless terminated earlier in accordance with Paragraph 14 (Termination); except that the obligations of the parties under Paragraph 8 (Indemnification) and 10 (Confidentiality) shall continue in full force and effect after said expiration date or early termination in relation to acts or omissions occurring prior to such dates during the term of the Agreement. The term of this Agreement shall be automatically renewed for an additional year at the end of each fiscal year, under the same terms and conditions, unless terminated pursuant to Paragraph 14. For purposes of this Agreement, "fiscal year" shall mean the period commencing on July 1 and ending on June 30.

2. **SERVICES TO BE PROVIDED BY COUNTY.** County shall provide the following services subject to LAFCO abiding by County policies and procedures governing such services, except that whenever such policies and procedures provide for the Board of Supervisors to approve the appropriation of funds, or to approve the acquisition of services, goods or assets, or to make any other legislative decisions to carry out such services, the LAFCO Commission shall act in lieu of the Board of Supervisors:

(a) **Executive Officer.** County shall designate its at-will employee Daniel Schwarz to serve as LAFCO Executive Officer (hereinafter "Executive Officer"). The Executive Officer shall perform the duties as specified in the Act and other applicable laws and such other duties as specified by LAFCO. County agrees that the LAFCO Commission, as the appointing authority of the LAFCO Executive Officer, shall have the responsibility for evaluating the performance and setting compensation for the Executive Officer, so long as these actions are implemented in a manner consistent with County personnel policies, rules and regulations. The duties to be provided by the Executive Officer shall include, but not be limited to:

- Preparing staff analyses, reports, proposed findings and other agenda materials for LAFCO relating to boundary proposals, contracts for provision of new and extended services outside city and district jurisdictional boundaries, sphere of influence amendments, periodic review of sphere of influence designations and any other matters that are within LAFCO's authority under the Act.
- Calling and noticing LAFCO meetings in accordance with the Act and LAFCO policies and procedures.
- Preparing, mailing, filing, publishing and keeping records of agendas, notices and other required official documents on behalf of LAFCO.
- Responding to inquiries and providing information and technical assistance to interested public agencies and individuals.
- Providing supporting fiscal services such as the development of the annual LAFCO budget, management of LAFCO financial accounts, including the processing of LAFCO fees and charges, the processing of payment of LAFCO charges and expenses, and the preparation of required fiscal reports.
- Informing LAFCO Commissioners of new legislation, correspondence to LAFCO, CALAFCO activities, current events and matters of interest relating to LAFCO.

(b) **Support Staff.** County shall provide part-time clerical staff (.5 F.T.E.) and one full-time analyst to assist the Executive Officer in carrying out the day-to-day operations of

LAFCO and such other staff as the LAFCO Commission deems necessary, appropriates funds for, and directs County to provide, as set forth in (c).

(c) **Additional Services.** County, through its departments and divisions, shall further provide LAFCO those services set forth in Attachments "A" through "G", attached hereto and incorporated by reference as if set forth herein. It is the intention of both parties that the level of service provided shall be at least equal to that provided in County fiscal year 2002-2003 unless otherwise specifically agreed to by LAFCO and County.

3. **OFFICE SPACE.** It is the understanding of the parties that LAFCO has made direct arrangements with third parties to secure and maintain office space and such services are therefore not included within this Agreement.

4. **REIMBURSEMENT.**

(a) **Rates.** In consideration of County's fulfillment of the promised services and personnel, LAFCO shall reimburse County for the actual costs (including the costs of labor, equipment, supplies, materials, and incidental travel/transportation) incurred by County and its departments and divisions in providing these services. The rates shall be determined and mutually agreed to by the parties as follows:

(1) **FY 2003-2004.** The rates for fiscal year 2003-2004 are set forth in Attachment "AA" and hereby attached and incorporated by reference.

(2) **Procedure for Subsequent Annual Determination of Rates.** During the fourth quarter of each fiscal year of this Agreement the County Executive Officer, or his designee, and the Executive Officer of LAFCO shall meet prior to adoption of the respective annual County and LAFCO budgets to determine and calculate the proposed rates for County staff and services to be furnished during the succeeding fiscal year which will be necessary to achieve the cost reimbursement provided for in (a), subject to the additional factors set forth in (b) through (f), below. The annual adjustment of these reimbursement rates so determined shall be approved in writing by the County Executive Officer and the Executive Officer of LAFCO and when so approved shall become effective for the subsequent fiscal year unless this Agreement is not renewed or otherwise terminated by the County and/or LAFCO.

(b) **LAFCO Staffing Reimbursement.** LAFCO shall reimburse County for the salary and benefits of County staff primarily assigned to serve LAFCO, including any increases in salary and benefits that County provides such staff during the term of this Agreement.

(c) **LAFCO-Requested Travel Expense Reimbursement.** LAFCO shall reimburse County for expenses incurred by County departments and divisions for travel by their assigned personnel when such travel has been requested by LAFCO in writing. Such reimbursement shall be in accordance with the travel expense policy approved by County's Board of Supervisors in effect on the date of the travel. Notwithstanding the foregoing, travel costs incurred through use of a County vehicle shall be reimbursed in accordance with the County Equipment Pool rates in effect at the time of the travel.

(d) **Bank Analysis Pass-through Charge.** LAFCO shall reimburse County on a pass-through basis for the costs incurred by County for bank charges relating to LAFCO activities.

(e) **General Liability Coverage/Workers' Compensation Coverage:** LAFCO shall reimburse County for general liability coverage and workers' compensation coverage at the rates established by County each fiscal year.

(f) **Adjustment for Additional LAFCO-Requested Services.** LAFCO shall reimburse County for the actual costs (including the costs of labor, equipment, supplies, materials, and incidental travel/transportation) incurred by County in providing any new or increased services requested by LAFCO. Such additions or increases in services shall be permitted only if approved in writing by the County Executive Officer and LAFCO Executive Officer, including approval of the applicable reimbursement rates.

5. **METHOD OF REIMBURSEMENT.** Reimbursement for the costs of services, related supplies, and authorized travel incurred by County under this Agreement shall be made only upon presentation by the performing County department or division to LAFCO of an itemized billing invoice in a form acceptable to the Executive Officer of LAFCO and to the Napa County Auditor which indicates, at a minimum, an itemization of the services provided, the costs of any LAFCO-requested travel, and any documentation relating to adjustments in maximum compensation authorized in the manner provided in Paragraph 4 above. If the Executive Officer of LAFCO requires further information regarding the invoice, County shall make a good faith effort to provide such information, including documentation that the Executive Officer requests to justify the invoice charges. County shall submit such invoices quarterly to the Executive Officer of LAFCO who shall review each invoice for compliance with the requirements of this Agreement and shall, within ten working days of receipt, either approve or disapprove the invoice in light of such requirements. If the invoice is approved, the Executive Officer of LAFCO shall direct reimbursement be made by journal entry from the LAFCO Operations Fund to the account designated by the submitting County department or division as of the first day of the County fiscal year quarter immediately succeeding the quarter in which the services were rendered. Notwithstanding the foregoing, the final quarterly invoices for the fourth quarter reimbursement shall be submitted no later than the first working day following the close of the County fiscal year (June 30) and, if approved, shall be paid on or before July 15 of the next County fiscal year.

6. **ADMINISTRATION OF SERVICES.** The provision of services under this Agreement shall be under the administrative supervision and direction of the Executive Officer of LAFCO on behalf of LAFCO, and the County Executive Officer on behalf of County.

7. **APPROPRIATIONS.** LAFCO shall be responsible for operating within the appropriations budgeted for the current fiscal year. The process for reimbursement of expenses that exceed the given appropriation shall involve review and approval by LAFCO prior to County approval by the Board of Supervisors of a contingency transfer. Any County appropriations in

excess of LAFCO's budget for the current fiscal year shall be charged as an expense in LAFCO's current fiscal budget and shall be reimbursed to County in the following fiscal year.

8. **TAXES.** As between LAFCO and County, County agrees to be solely liable and responsible for all required tax withholdings and other obligations including, without limitation, those for state and federal income and FICA taxes relating to employees or subcontractors retained by County to provide the services provided to LAFCO under this Agreement. County agrees to indemnify and hold LAFCO harmless from any liability either may incur to the United States or the State of California as a consequence of County's failure to withhold or pay such amounts when due. In the event that LAFCO is audited for compliance regarding any such withholding or payment of taxes, County agrees to furnish LAFCO with proof of the withholding or payment action by County.

9. **ACCESS TO RECORDS/RETENTION.** LAFCO shall have access to any books, documents, papers and records of County which are directly pertinent to the subject matter of this Agreement for the purpose of making audit, examination, excerpts and transcriptions. Except where longer retention is required by any federal or state law, County shall maintain all required records for seven (7) years after LAFCO makes final reimbursement for any of the services provided hereunder and all pending matters are closed, whichever is later. County shall cooperate with LAFCO in providing all necessary data in a timely and responsive manner to comply with all LAFCO reporting requirements.

10. **CONFLICT OF INTEREST.** The parties to the Agreement acknowledge that they are aware of the provisions of the Government Code Section 1090 et seq., and Section 87100 et seq., relating to conflict of interest of public officers and employees. During the term of this Agreement, the Executive Officer of LAFCO and all other LAFCO staff shall not perform any work under this Agreement that might reasonably be considered detrimental to LAFCO's interests. LAFCO staff shall take such measures as are deemed necessary in the performance of this Agreement to prevent actual conflicts of interest. County hereby covenants that it presently has no interest not disclosed to LAFCO and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services or confidentiality obligation hereunder, except such as LAFCO may consent to in writing.

11. **COMPLIANCE WITH LAWS.** In providing the services required by this Agreement, County shall observe and comply with all applicable federal, state and local laws, ordinances, codes, and regulations. Such laws shall include, but not be limited to, the following, except where prohibited by law:

(a) **Non-Discrimination.** During the performance of this Agreement, County and its subcontractors shall not deny the benefits thereof to any person on the basis of sex, race, color, ancestry, religion or religious creed, national origin or ethnic group identification, sexual orientation, marital status, age (over 40), mental disability, physical disability or medical condition (including cancer, HIV and AIDS), nor shall they discriminate unlawfully against any employee or applicant for employment because of sex, race, color, ancestry, religion or religious creed, national origin or ethnic group identification, sexual orientation, marital status, age (over

40), mental disability, physical disability or medical condition (including cancer, HIV and AIDS), or use of family care leave. County shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination or harassment. In addition to the foregoing general obligations, County shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900, et seq.), the regulations promulgated thereunder (Title 2, California Code of Regulations, section 7285.0, et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (sections 11135-11139.5) and any state or local regulations adopted to implement any of the foregoing, as such statutes and regulations may be amended from time to time. To the extent this Agreement subcontracts to County services or works required of LAFCO by the State of California pursuant to agreement, state or federal regulations or statutes, the applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a) through (f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of regulations are expressly incorporated into this Agreement by reference and made a part hereof as if set forth in full, and County and any of its subcontractors providing services under this Agreement shall give written notice of their obligations thereunder to labor organizations with which they have collective bargaining or other MOUs.

(b) **Documentation of Right to Work.** County agrees to abide by the requirements of the Immigration and Control Reform Act pertaining to assuring that all newly-hired employees of County performing any services under this Agreement have a legal right to work in the United States of America, that all required documentation of such right to work is inspected, and that INS Form 1-9 (as it may be amended from time to time) is completed and on file for each employee. County shall make the required documentation available upon request to LAFCO for inspection.

(c) **Inclusion in Subcontracts.** To the extent any of the services required of County under this Agreement are subcontracted to a third party, County shall include the provisions of (a) and (b), above, in all such subcontracts as obligations of the subcontractor.

12. INDEPENDENT CONTRACTOR. County shall perform this Agreement as an independent contractor. While the County employee assigned to serve as the Executive Officer of LAFCO shall operate as an officer of LAFCO, County and its officers, agents and employees are not, and shall not be deemed, LAFCO employees for any purpose, including workers' compensation and employee benefits. County shall determine, at its own risk and expense, the method and manner by which duties imposed on County in general and its officers, agents and employees in particular by this Agreement shall be performed, provided, however, that LAFCO may monitor the work performed, and LAFCO rather than County shall be responsible for directing the actions of the Executive Officer of LAFCO when such person is acting on behalf of LAFCO. LAFCO shall not deduct or withhold any amounts whatsoever from the reimbursement paid to County, including, but not limited to amounts required to be withheld for state and federal taxes or employee benefits. County alone shall be responsible for all such payments.

13. INDEMNIFICATION. County and LAFCO shall each defend, indemnify and hold harmless each other as well as those of their respective officers, agents and employees who

perform any services or duties under this Agreement from any claims, loss or liability, including without limitation, those for personal injury (including death) or damage to property, arising out of or connected with any aspect of the performance by that party or its officers, agents, or employees, of the services or obligations required of that party under this Agreement. Notwithstanding the foregoing, LAFCO shall defend, indemnify and hold harmless County from any claims, loss or liability, including those for personal injury (including death) or damage to property, arising out of or connected with any act or omission of the Executive Officer of LAFCO when such act or omission is the pursuant to specific direction by LAFCO.

14. TERMINATION. This Agreement may be terminated prior to the expiration date only with the mutual written consent of both County and LAFCO. The sole remedy for default by County relating to provision of the services required under this Agreement shall be through the equitable remedy of specific performance and the sole remedy for default by LAFCO relating to reimbursement for the cost of the services provided shall be through legal action for damages.

15. WAIVER. Waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement.

16. NOTICES. All notices required or authorized by this Agreement shall be in writing and shall be delivered in person; or by deposit in the United States mail, first class postage, prepaid; or by deposit in a sealed envelope in County's internal mail system, when available; or by fax transmission; or by electronic mail. Such notices shall be addressed as noted below, in accordance with the mode of communication selected or, where desired to be sent to a specific County department or division, at the address noted in the applicable Attachment. Either party may change its addresses by notifying the other party of the change. Any notice delivered in person shall be effective as of the date of delivery. Any notice sent by fax transmission or electronic mail shall be deemed received as of the recipient's next working day. Any notice sent by U.S. mail or County internal mail shall be deemed to have been received as of the date of actual receipt or five days following the date of deposit, which ever is earlier.

LAFCO

County

Mail: LAFCO Executive Officer
1804 Soscol Ave., Suite 205A
Napa CA. 94559-1346

Napa County Executive Officer
1195 Third Street, Suite 310
Napa CA. 94559

Fax: (707) 251-1053

(707) 253-4176

E-Mail: dschwarz@napa.lafco.ca.gov

bchiat@co.napa.ca.us

17. CONFIDENTIALITY. Confidential information is defined as all information disclosed to either party by the other in the course of County's performance of services under this Agreement, where such information relates to that party's past, present, and future activities, as well as activities under this Agreement. Each party and its officers, agents and employees

providing services or performing activities under this Agreement shall use their best efforts to hold all such information as they may receive, if any, in trust and confidence, except with the prior written approval of each party's Executive Officer. Notwithstanding the foregoing, nothing in this Paragraph or Agreement shall be construed to abrogate the independent authority and responsibilities of the County, any of its elected or appointed officers and the members of their respective County departments or divisions.

18. ASSIGNMENTS AND DELEGATION. Neither party may delegate its obligations hereunder, either in whole or in part, without the prior written consent of the other party; provided, however, that obligations undertaken by County pursuant to this Agreement may be carried out by means of subcontract, provided such subcontracts are approved in writing by LAFCO, meet the requirements of this Agreement as they relate to the service or activity under subcontract, and include any other provision that LAFCO may require. No subcontract shall terminate or alter the responsibilities of either party pursuant to this Agreement. LAFCO may not assign its rights hereunder, either in whole or in part, without prior written consent of the County.

19. AUTHORITY TO CONTRACT. LAFCO and County each warrant hereby that they are respectively legally permitted and otherwise have the authority to enter into and perform this Agreement.

20. THIRD PARTY BENEFICIARIES. Nothing contained in this Agreement shall be construed to create any rights in third parties and the parties do not intend to create such rights.

21. ATTORNEY'S FEES. In the event that either party commences legal action of any kind or character to either enforce the provisions of this Agreement or to obtain damages for breach thereof, the prevailing party in such litigation shall be entitled to all costs and reasonable attorney's fees incurred in connection with such action.

22. AMENDMENT/MODIFICATION. Except as otherwise provided herein, this Agreement may be modified or amended only in writing and with the prior written consent of both parties. Except where otherwise provided in this Agreement only LAFCO, through its Chair or, where permitted by law and LAFCO policy, through its Executive Officer, in the form of an amendment of this Agreement, may authorize extra or changed work if beyond the scope of services prescribed by this Agreement. Failure of County to secure such authorization in writing in advance of performing any such extra or changed work shall constitute a waiver of any and all rights to a corresponding adjustment in the reimbursement maximum or rates and no reimbursement shall be due and payable for such extra work.

23. INTERPRETATION. The headings used herein are for reference. The terms of the Agreement are set out in the text under the headings. This Agreement shall be governed by the laws of the State of California. The venue for any legal action filed by either party in state Court to enforce any provision of this Agreement shall be Napa County, California. The venue for any legal action filed by either side in federal court to enforce any provision of this Agreement lying within the jurisdiction of the federal courts shall be the Northern District of California. The

appropriate venue for arbitration, mediation or similar legal proceedings under this Agreement shall be Napa County, California; however, nothing in this sentence shall obligate either party to submit to mediation or arbitration any dispute arising under this Agreement.

24. **SEVERABILITY.** If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

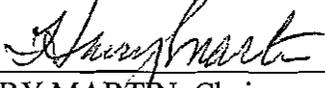
25. **DUAL REPRESENTATION.** LAFCO consents to the Napa County Counsel's dual representation of both the County and LAFCO with regards to the preparation of this Agreement.

26. **ENTIRE AGREEMENT.** This Agreement contains the entire and complete understanding of the parties and supersedes any and all other agreements, oral or written, with respect to the provision of administrative services under this Agreement.

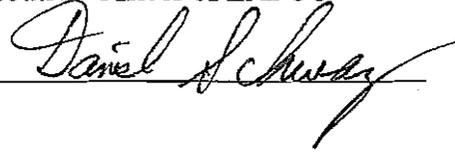
IN WITNESS WHEREOF, this Agreement was executed by the parties hereto as of the date first above written.

"LAFCO":

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

By 
HARRY MARTIN, Chairman of the Local Agency Formation Commission

ATTEST: DANIEL SCHWARZ,
Executive Officer of LAFCO

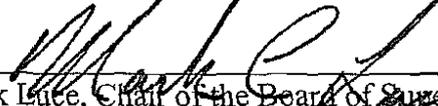
By 

APPROVED AS TO FORM:
LAFCO Legal Counsel

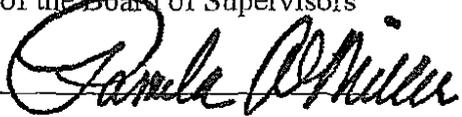
By 

"County":

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

By 
Mark Luce, Chair of the Board of Supervisors

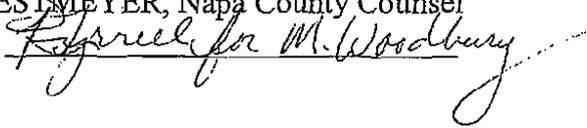
ATTEST: PAMELA A. MILLER,
Clerk of the Board of Supervisors

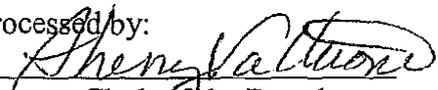
By 

APPROVED BY THE BOARD
OF SUPERVISORS:

Date 1-27-04

APPROVED AS TO FORM: ROBERT
WESTMEYER, Napa County Counsel

By 

Processed by: 
Deputy Clerk of the Board

ATTACHMENT A

PROVISION OF STAFFING, INSURANCE, PURCHASING, ADMINISTRATION, SUPERVISION, COORDINATION AND MANAGEMENT ASSISTANCE SERVICES TO LAFCO BY THE NAPA COUNTY EXECUTIVE OFFICER

1. SCOPE OF SERVICES

The Napa County Executive Officer (NCEO) shall provide, at a minimum, the following services to LAFCO under this Attachment:

(a) **Administration and Supervision:** NCEO shall administer and supervise all County departments or divisions providing services to LAFCO.

(b) **Purchasing:** Upon request by the LAFCO Executive Officer or his duly-authorized representatives, NCEO shall provide purchasing services for LAFCO, including solicitation and evaluation of proposals for goods and services, issuance of purchase orders and/or development of purchase agreements, and processing of payment upon receipt of the purchased good/services. LAFCO will abide by County purchasing policies and procedures when using such services, except that LAFCO, in lieu of the County Board of Supervisors, shall appropriate funds for and approve the acquisition of goods and services, including fixed assets. County shall purchase and provide LAFCO at cost with copier paper in the same manner as such material is purchased and supplied to County departments and divisions. Nothing in this section shall preclude LAFCO from purchasing goods or services without utilizing the services of NCEO or County.

(c) **Insurance:** NCEO shall obtain for LAFCO, its Commissioners, staff and operations the same type and level of insurance coverage provided by County for its own boards, commissions, staff and operations, and shall provide claims/litigation administration. General liability coverage shall be provided for LAFCO and its employees under County's currently existing self insurance and liability insurance program with LAFCO allocated and obligated to reimburse County for the portion of the total net premium as determined by County for the then current Fiscal Year. Workers' compensation coverage shall be obtained through County's carrier and program, with the cost thereof payable each pay period at the rate/\$100 of covered payroll for LAFCO Budget Unit employees as established by County's Board of Supervisors for the County workers' compensation program generally, including the costs of self-insurance, excess insurance coverage premiums, and claims management.

2. STAFFING

In providing the above services, County shall provide LAFCO with the services of the following specific County staff or positions:

- **Administration and Supervision:** County Executive Officer and Assistant County Executive Officer

- **Coordination/Management:** Principal Management Analyst
- **Purchasing:** Purchasing Agent and/or Assistant Purchasing Agent.

3. **NCEO CONTACT:**

Mail: Napa County Executive Office
Suite 310, Co. Admin. Bldg.
1195 Third Street
Napa, California 94559

Fax: (707) 253-4176

Email: mstoltz@co.napa.ca.us

ATTACHMENT B

PROVISION OF SERVICES TO LAFCO BY THE NAPA COUNTY AUDITOR-CONTROLLER

1. SCOPE OF SERVICE

Under the financial and policy direction of LAFCO, County (through the Napa County Auditor-Controller, hereinafter referred to as "Auditor") shall provide LAFCO with the following services relating to LAFCO financial operations:

- Accounts payable, purchasing and contract payment processing services
- Accounts receivable (deposit) services
- Services relating to preparation, adoption and administration of LAFCO's budget
- Accounting services
- Payroll services
- Audit services upon request by LAFCO
- Assistance in determining the apportionment of costs and collection of payments in support of LAFCO pursuant to Government Code Section 56831.
- Audit services requested by LAFCO

2. LEVEL AND MANNER OF SERVICE

The foregoing services shall be provided in accordance with the following provisions:

- (a) The LAFCO Operations Fund shall be administered in accordance with all applicable provisions of the Government Code.
- (b) All expenditures made from this Fund shall be made only at the direction of LAFCO's Executive Officer or designee with no requirement for approval by County's Board of Supervisors.
- (c) At LAFCO's request, Auditor shall make diligent efforts to assist in the development of accounting policies and procedures that increase the efficiency and effectiveness of the administration of LAFCO, including policies and procedures including the electronic interchange of data and efforts to minimize reliance on County services.
- (d) Auditor shall provide LAFCO with all requested revenue and expenditure information necessary to effectively manage LAFCO's fiscal affairs and perform all financial reporting to LAFCO and other applicable agencies. Such information shall be provided in a responsive and timely manner and include clear and concise cash flow reporting.
- (e) All needed corrections to financial reports shall be completed within two working days of notification of Auditor. Auditor shall correct all payroll errors within one working day. For purposes of this Attachment B, "working days" shall mean Monday through Friday, 8:00 a.m. to 5:00 p.m., County holidays excluded.
- (f) Auditor shall provide all necessary equipment and electronic interface to fully utilize Auditor's financial systems, including electronic access to view and print all requested financial reports.

3. **AUDITOR CONTACT:**

Mail: Pamela Kindig
Napa County Auditor-Controller
1195 Third Street, Suite B-10
Napa, California 94559

Fax: (707) 226-9065

E-mail: pkindig@co.napa.ca.us

ATTACHMENT C

PROVISION OF LEGAL SERVICES TO LAFCO BY THE NAPA COUNTY COUNSEL

1. SERVICES TO BE PROVIDED BY COUNTY COUNSEL

County, through the Napa County Counsel ("County Counsel"), shall provide legal services to LAFCO including, but not necessarily limited to, legal advice, document drafting, and representation of LAFCO in its operations pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et. seq.). County Counsel hereby designates Jacqueline M. Gong to serve as LAFCO Counsel for fiscal year 2003-2004. Upon written notification to and assent by the governing board of LAFCO, County Counsel may designate other attorney members of his office to serve as LAFCO Counsel.

2. LEGAL SERVICES COUNTY COUNSEL SHALL NOT PROVIDE

County Counsel shall not provide legal services to LAFCO in the following situations, County and LAFCO understanding that in such situations LAFCO will obtain the necessary legal assistance at LAFCO's own expense from other legal counsel retained directly by LAFCO:

- Legal services to LAFCO regarding contracts to which LAFCO and County are both parties unless LAFCO's Executive Officer and Chair have given express written consent to dual representation of County and LAFCO by County Counsel.
- Legal services determined by LAFCO to present a conflict of interest for its LAFCO Counsel (in accordance with LAFCO Policy for the Appointment of Counsel).

3. COUNTY COUNSEL CONTACT:

Mail: Napa County Counsel
Suite 301, Co. Admin. Bldg.
1195 Third Street
Napa, California 94559

Fax: (707) 259-8245

Email: rwestmey@co.napa.ca.us

ATTACHMENT D

PROVISION OF TELECOMMUNICATIONS, MAIL, INFORMATION TECHNOLOGY SERVICES AND RECORD MANAGEMENT SERVICES TO LAFCO BY THE NAPA COUNTY EXECUTIVE OFFICER

1. TELECOMMUNICATION SERVICES

The Napa County Executive Officer, through the Communications Division shall provide LAFCO with installation, maintenance and repair of, and maintenance of service records and inventory for, all telecommunications equipment involved in any of the following systems used by LAFCO:

- telephone systems, including voice mail
- data cabling and terminations
- CCTV monitors and cameras
- intercom and PA systems
- all wireless communications, i.e. pagers, cellular phones, two way radios, security alarm systems

2. MAIL SERVICES

The Napa County Executive Officer shall provide the following mail services to LAFCO:

- Pickup, delivery of all interdepartmental (LAFCO) and County/LAFCO internal mail
- Pickup, metering and delivery to the Post Office of all LAFCO outgoing USPS mail

3. RECORDS MANAGEMENT SERVICES FOR LAFCO RECORDS

The Napa County Executive Officer, through the records management division, shall provide LAFCO with records management services for LAFCO records, including storage, retrieval and interfiling of LAFCO records at the Napa County Records Center; destruction of LAFCO records stored at the Napa County Records Center when such destruction is authorized by LAFCO; and shall assist LAFCO in developing policies and procedures that increase the efficiency and effectiveness by which LAFCO records are archived, retrieved and disposed.

4. INFORMATION TECHNOLOGY SERVICES

The Napa County Executive Officer, through the Information Technology Services (ITS) division, shall provide LAFCO with information technology services at a level at least equivalent to that by provided by County on February 15, 2001. The services shall include installation, maintenance, upgrades and repair of hardware and software provided by County to LAFCO, including, but not limited to: Geographic Information Systems, Financial Information Systems, Personnel Systems and the electronic mail service, calendaring, and task manager systems

maintained by the County. LAFCO shall have access to County's Helpdesk for information technology assistance and to computer training offered by County. Special projects outside the scope of routine information technology services shall be provided only upon request by LAFCO and prior approval by the Director of the Information Technology Services Division. Use of the systems, hardware, and software provided by County to LAFCO under this Attachment shall be subject to compliance by LAFCO and its officers, agents, employees and consultants with the Napa County Information Technology Use and Security Policy in effect at the time of the use.

5. SUPPLIES AND EQUIPMENT TO BE DIRECTLY PURCHASED

There shall be no separate reimbursement for supplies and equipment provided under this Attachment because LAFCO shall be responsible for directly purchasing any systems and equipment to be installed by the foregoing departments and divisions (other than fixtures which shall remain owned by County).

6. NCEO/DIVISION CONTACT:

Mail: Napa County Executive Officer
Suite 310, Co. Admin. Bldg.
1195 Third Street
Napa, California 94559

Fax: (707) 253-4176

Email: mstoltz@co.napa.ca.us

ATTACHMENT E

PROVISION OF PERSONNEL SERVICES TO LAFCO BY THE HUMAN RESOURCES DIVISION OF THE NAPA COUNTY EXECUTIVE OFFICE

1. SCOPE OF SERVICES

The Human Resources division ("HR") of the Napa County Executive Office shall provide the following services to LAFCO within the financial, personnel and policy guidelines established by the LAFCO Commission, so long as such guidelines are not in conflict with County personnel policies, rules and regulations. The HR Director shall act to oversee and carry out the following services upon direction by the LAFCO Commission:

- **Recruitment and selection:** shall include consultation regarding hiring procedures, advertising (costs of certain advertisements will be the responsibility of LAFCO), screening of applications, and development of a hiring list.
- **Personnel transactions:** shall include implementation of PARs (hires, releases, promotions, salary increases, etc.), benefit sign-ups and coordination (health, wellness program, dental, etc.); as authorized and directed by the LAFCO Commission, HR shall implement salary surveys and adjustments, job allocations, reclassifications, performance review processes, and changes (including increases) in personnel staffing appointed to serve LAFCO, so long as such implementation is consistent with and not in conflict with County policies and regulations. County agrees that the LAFCO Commission, as the appointing authority of the LAFCO Executive Officer, shall have the responsibility for evaluating the performance and setting compensation for the LAFCO Executive Officer.
- **Labor Relations:** shall include implementing salaries and other terms and conditions of compensation and performance established for LAFCO staff by the LAFCO Commission, so long as such implementation is consistent with and not in conflict with County policies and regulations; negotiations with employee union representatives regarding wages, hours, terms and conditions of employment; consultation and assistance with disciplinary and grievance issues; administration and coordination of worker's compensation cases.
- **Training:** shall include County workshops for employees and supervisors when attended at LAFCO direction by LAFCO employees or by County employees whose primary responsibilities involve providing services to LAFCO.
- **Staffing:** HR shall provide staffing as requested by LAFCO and agreed to by County, including staff as described in Paragraph 2 of the Agreement.

2. **HR CONTACT:**

Mail: Human Resources Director
Suite 110, Co. Admin.Bldg.
1195 Third Street
Napa, California 94559

Fax: (707) 259-8189

Email: dmorris@co.napa.ca.us

ATTACHMENT F

PROVISION OF CLERKING SERVICES TO LAFCO BY THE CLERK OF THE NAPA COUNTY BOARD OF SUPERVISORS

1. SCOPE OF SERVICES

As requested by the LAFCO Executive Officer, the Clerk of the Napa County Board of Supervisors ("COTB"), or her designee, shall serve as Clerk to the LAFCO Commission. Services shall include, but not be limited to, maintaining records of all LAFCO meetings, hearings and other proceedings and minutes for such proceedings as directed by LAFCO.

2. COTB CONTACT:

Mail: Pamela Miller
Napa County Clerk of the Board of Supervisors/
Rm. 310, Co. Admin. Bldg.
1195 Third Street
Napa, California 94559

Fax: (707) 253-4176

Email: pmiller @co.napa.ca.us

ATTACHMENT G

PROVISION OF SERVICES TO LAFCO BY THE NAPA COUNTY TREASURER-TAX COLLECTOR

1. SERVICES TO BE PROVIDED

(a) The Napa County Treasurer-Tax Collector ("Treasurer") shall provide LAFCO with banking and investment services at a level of service at least equivalent to that provided to LAFCO during County fiscal year 2001-2002, except that bank processing services shall be provided by County's banking provider on a cost pass-through basis. The scope of services shall include:

- Banking services for LAFCO funds, including warrant processing and bank reconciliation.
- Portfolio Management for all LAFCO accounts, including receipt, safeguarding, investment and disbursement.

(b) The services shall be provided in accordance with the following provisions:

(1) Treasurer shall notify LAFCO within three (3) working days of receipt of all funds received and deposited into the LAFCO Operations Fund. For purposes of this Attachment, "working days" shall mean Monday through Friday, 8 a.m. to 5 p.m., County holidays excluded.

(2) LAFCO shall be permitted electronic access through County's PeopleSoft computerized systems to all reports detailing deposits received and interest earned. These reports shall specify amount and source of revenue, as well as the date of deposit.

2. STAFFING TO BE PROVIDED

Treasurer the staffing in order to provide the foregoing services:

<u>Service</u>	<u>Position</u>
Banking Services	Account Clerk I-II
Portfolio Mgmt	Treas/Tax Collector Treasury Supervisor Senior Account Clerk Account Clerk II

3. TREASURER CONTACT:

Mail: Marcia Humphrey Hull
Napa County Treasurer-Tax Collector
1195 Third Street, Room 108
Napa, California 94559

Fax: (707) 253-4337

Email: mhumphre@co.napa.ca.us

ATTACHMENT AA

SERVICES REIMBURSEMENT RATES FOR FISCAL YEAR 2003-2004

Services of the Napa County Executive Office:

- Executive Officer's hourly rate: \$159.50
- Assistant Executive Officer's hourly rate: \$126.10
- Principal Management Analyst's hourly rate: \$ 81.12
- Assistant Purchasing Agent's hourly rate: \$ 55.70
- Telecommunications staff:
 - Hourly rate: \$ 58.73
 - Plus actual cost of materials
- Mail Service staff:
 - Hourly rate: \$ 49.39
 - Postage shall be recovered at cost.
- Records Management staff:
 - Hourly rate: \$ 49.39
 - Document Shredding is \$1.75 per box (1 cubic foot) plus \$0.10 per pound.
- Personnel (Human Resources) staff:
 - Human Resource Director: \$ 97.37
 - Human Resource Principal Analyst: \$ 75.81
 - Benefits Administrator: \$ 62.30
 - Other Human Resource Services;
 - Recruitment Advertisement shall be recovered at cost
 - Training services shall be prorated by the ratio of the attendees who are LAFCO employees or County employees primarily providing LAFCO services to the total number of attendees during each training hour for which reimbursement is sought.]
- Deputy Clerk of the Board's hourly rate: \$ 64.42

Services of the County Auditor-Controller:

1. Hourly labor rates, by position:
 - Auditor-Controller: \$ 96.00
 - Assistant Auditor-Controller (Step 5) \$ 91.00
 - Assistant Auditor-Controller (Step 1) \$ 74.00
 - Supervising Accountant-Auditor (Step 5 – CPA)Audits \$ 65.00
 - Supervising Accountant-Auditor (Step 5)Acctg. \$ 62.00
 - Accountant-Auditor III (Step 5) Acctg. \$ 56.00
 - Accountant-Auditor III (Step 4) Acctg. \$ 54.00
 - Accountant-Auditor II (Step 5) Acctg. \$ 54.00
 - Accountant-Auditor II (Step 3) Audits \$ 48.00
 - Accountant-Auditor I (Step 2) Acctg \$ 40.00

- Accounting Technician (Step 5) Acctg. \$ 46.00
- Administrative Secretary I (Step 4) Adm. \$ 35.00

2. Weighted hourly labor rates by service:

- Administration \$74.00
- Audits \$53.00
- Accounting \$52.00

3. Unit Rates:

- Per Voucher \$0.83
- Per Payroll Warrant \$5.15

Services of the County Counsel:

- Deputy County Counsel – Jacqueline Gong’s hourly rate: \$107.15

Services of the Treasurer-Tax Collector:

- Account Clerk II’s hourly rate: \$ 37.55
- Treasurer/Tax Collector’s hourly rate: \$114.87
- Treasury Manager’s hourly rate: \$ 68.59
- Senior Account Clerk’s hourly rate: \$ 40.91

Services of Information Technology (annual rate): \$12,900.00



Local Agency Formation Commission
LAFCO of Napa County

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

August 3, 2009

Agenda Item No. 6a (Public Hearing)

July 23, 2009

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Brendon Freeman, Analyst

SUBJECT: Silverado Community Services District: Activation of Latent Powers

The Commission will consider a proposal from the Silverado Community Services District to activate latent powers to improve and maintain sidewalks, walking paths, and any incidental works within its jurisdictional boundary. Staff recommends approval of the proposal as submitted.

Local Agency Formation Commissions (LAFCO) are responsible under California Government Code (G.C.) Section 56375 to approve, modify, or disapprove changes of organization consistent with its adopted written policies, procedures, and guidelines. LAFCOs are also authorized to establish conditions in approving changes of organization as long as they do not directly regulate land uses. Underlying LAFCOs' determination in approving, modifying, or disapproving proposed changes of organization is to consider the logical and timely development of the affected agencies in context with local circumstances.

A. Proposal Summary

LAFCO of Napa County ("Commission") has received a proposal from the Silverado Community Services District (SCSD) to activate latent powers to improve and maintain sidewalks, walking paths, and any incidental works within its jurisdictional boundary. SCSD's application materials state the District's specific focus will be to maintain the sidewalks located along the commonly-used segments of Hillcrest Drive and Westgate Drive. This includes funding one immediate capital improvement project to remove and replace trees located on Hillcrest Drive along with repairing and resurfacing the adjacent sidewalk. The anticipated cost of the capital improvement project is \$31,000 and will be spread out over a three year period. The activation of these latent powers would be in addition to SCSD's established street cleaning, street lighting, and landscape maintenance services on and along public roadways.

Juliana Inman, Vice Chair
Councilmember, City of Napa

Lewis Chilton, Commissioner
Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

B. Discussion

Agency Profile

SCSD was established in 1967 as a dependent special district governed by the Board of Supervisors to facilitate and serve the planned development of the Silverado Country Club community.¹ SCSD was originally formed to provide water, street lighting, street sweeping, and landscape maintenance services through contracts with outside entities. SCSD ceased providing water service in 1977 when the City of Napa purchased and assumed full control of the District's water distribution system. There are currently 1,082 developed residential units in SCSD with an estimated resident population of 2,802.²

Purpose of the Proposal

As mentioned, SCSD has filed a proposal with the Commission to expand the scope of its services by activating latent powers authorized under its principal act to improve and maintain sidewalks, walking paths, and any incidental works.³ These activities are currently the responsibility of individual property owners. SCSD is seeking to assume these responsibilities at the request of its Municipal Advisory Committee (MAC), which consists of appointed registered voters residing within the District. MAC has made its request to SCSD to help mitigate liability for individual property owners relating to uneven sidewalk and walking path surfaces created by normal wear as well as damage from tree roots.

Assembly Bill 2484

Assembly Bill (AB) 2484 was enacted on January 1, 2009 to formalize and expand the review process associated with special district proposals to (a) provide new services or (b) divest existing services. This includes defining these types of proposals as "changes of organization," which triggers three new processing changes. First, these proposals now require a property tax exchange agreement between the special district and affected county prior to commission consideration. Second, a commission must evaluate the proposal in relationship to the numerous factors outlined for other boundary changes, such as annexations, under G.C. Section 56668. Third, proposals are now subject to protest proceedings. Furthermore, in order to approve the activation of latent powers, AB 2484 requires a commission to make a special finding determining the special district will have sufficient revenues to carry out the proposed new services.

¹ The planned development of the Silverado Country Club was approved by the County of Napa in 1966 as part of the "Silverado General Development Plan." The development plan originally provided for the construction of 1,393 residential units. However, through subsequent revisions to the development plan, the total number of residential units permitted for development has been reduced to 1,095, which is reflected in the County General Plan.

² Estimate based on the 2008 California Department of Finance population per household estimate (2.59) assigned to Napa County. The estimate is likely higher than the actual count given it is expected a number of residential units in SCSD are second-residences. The estimate does not incorporate the visitor population associated with the Silverado Resort.

³ G.C. Section 61100(l) authorizes a community services district to "acquire, construct, improve, and maintain streets, roads, right-of-ways, bridges, culverts, drains, curbs, gutters, sidewalks, and any incidental works."

C. Analysis

Required Factors for Review

G.C. Section 56668 requires the Commission to consider 15 specific factors anytime it reviews a proposed change of organization. No single factor is determinative. The purpose in considering these factors is to help inform the Commission in its decision-making process. An evaluation of these factors as it relates to the proposal follows.

- 1) 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 estimated resident population of the affected territory is 2,802 based on the current number of residential units. The population is divided between several distinct residential subdivisions, which encircle the Silverado Resort and its two 18-hole golf courses. The affected territory is essentially built-out with the exception of 13 vacant parcels. The total assessed value is \$783,869,971.

The affected territory gradually slopes west to east and is bisected by the Milliken Creek, a tributary of the Napa River. Adjacent areas predominately consist of rural residential uses. Given the County's land use policies, future growth in the adjacent areas is expected to be limited to the development of a handful of existing vacant parcels for rural residential uses along SCSD's western and southern border.

- 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.**

SCSD currently provides street cleaning, street lighting, and landscape maintenance services on and along public roadways within the affected territory. The Commission's recent municipal service review of SCSD concluded the District has generally established adequate administrative controls and service capacities in providing these services consistent with the needs and preferences of constituents. The expansion of SCSD's services to include maintaining and improving sidewalks and walking paths as proposed is consistent with the overall mission of SCSD to support the orderly development of the Silverado Country Club community. The proposed action is not expected to have a significant effect on the budget.

- 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.**

The proposed action is expected to enhance mutual social and economic interests within the affected territory by establishing shared and uniform control of sidewalks and walking paths within the affected territory through SCSD.

- 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 set forth in G.C. Section 56377.**

The proposed action does not conflict with any adopted Commission policies nor will it induce, facilitate, or lead to the conversion of any open-space land.

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

The proposed action does not involve any lands qualifying as “agriculture” as defined by 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 proposed action will not make any changes to SCSD’s existing jurisdictional boundary, which is on file with the Commission.

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

The proposed action to improve and maintain sidewalks and walking paths within the affected territory is consistent with its *Urban Residential* designation under the County General Plan.

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

The affected territory is located within SCSD’s sphere of influence. The Commission updated the sphere of influence with no changes as part of a comprehensive review in April 2007.

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

On January 23, 2009, staff circulated copies of the application materials for review to local governmental agencies. No substantive comments were received.

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.

SCSD has established two annual revenue sources. The principal revenue source is drawn from a special tax applied to all parcels within SCSD’s jurisdictional boundary. In adopting a final budget for 2008-2009, SCSD increased the special tax rate by 20% to raise the annual revenue collected from \$103,100 to \$125,009. This marks SCSD’s first tax rate increase in several years and is intended to address prior revenue/expense imbalances as well as help offset new costs associated with maintaining and improving sidewalks and walking paths within the District. SCSD may increase the special tax each year consistent with the consumer price index (CPI) for the San Francisco Bay Area. Because the current rate reflects only the change to the CPI as of 2001-2002, SCSD may increase the special tax to the present-day annual limit of \$139,559 if needed.⁴ SCSD’s other annual revenue source is drawn from interest earned on its fund balance, which generated \$2,443 in the last fiscal year. The fund balance is currently \$51,489.

A summary of SCSD’s audited expenses and revenues along with fund balances over the last five fiscal years follows.

SCSD’s Revenues, Expenses, and Fund Balances

(Source: County of Napa Comprehensive Annual Final Reports, 03-04 through 07-08)

Fiscal Year	Beginning Balance	Revenues	Expenses	Difference	Ending Balance
2003-2004	52,642	107,443	102,824	4,619	57,261
2004-2005	57,261	106,358	93,370	12,988	70,249
2005-2006	70,249	103,936	116,962	(13,026)	57,233
2006-2007	57,223	106,220	101,259	4,961	65,253
2007-2008	65,253	105,611	119,375	(13,764)	51,489

The recent increase to SCSD’s special tax coupled with its available fund balance will allow the District to cover the known planned capital improvement project associated with the proposal. As mentioned, the known capital improvement project involves removing and replacing the trees located on Hillcrest Drive along with repairing and resurfacing the adjacent sidewalks. The estimated cost is \$31,000 and will be spread out over a three year period. This will result in a new annual cost to SCSD of approximately \$10,333 over the next three years. Nearly three-fourths of this annual amount is expected to be covered by SCSD’s annual revenues.⁵ The remaining one-fourth amount will likely be covered by the fund

⁴ The \$139,559 amount reflects the maximum special tax limit allowed for the 2006-2007 fiscal year. SCSD’s authorizing ordinance supporting the special tax specifies the maximum amount must correspond with the CPI limit two years prior to the affected fiscal year.

⁵ SCSD’s current operating cost is \$119,678 with anticipated year-end revenues totaling \$127,409. These estimates result in a net surplus of revenues-over-expenses of \$7,331.

balance. The expected overall impact on the fund balance to help cover the cost of the capital improvement project is \$8,000.

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

The proposed action will not impact the current or future demand for water supplies within the affected territory.

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 proposed action will not affect the County with respect to accommodating its assigned housing needs allocation as determined by the Association of Bay Area Governments.

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

As provided under G.C. Section 56153, a notice on the proposed action was published in the local newspaper 21 days in advance of the hearing. No comments have been received as of the date of this report. Approval of the proposed action is subject to protest proceedings.

14) Any information relating to existing land use designations.

The County General Plan designates the majority of the affected territory as *Urban Residential*.⁶ This designation requires a minimum parcel size of one acre and is intended to accommodate single-family residences, multiple-family residences, mobile home parks, childcare centers, and limited commercial uses. The proposed action for SCSD to improve and maintain sidewalks and walking paths within the affected territory is consistent with the referenced designation.

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.

There is no documentation or evidence suggesting the proposed action will have a measurable effect with respect to promoting environmental justice.

⁶ The eastern perimeter of the affected territory is designated under the County General Plan as *Agriculture, Watershed and Open Space*. This designation requires a minimum parcel size of 160 acres with limited exceptions and is intended to accommodate agriculture, processing of agricultural products, and single-family residences.

Property Tax Agreement

California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement by the affected local agencies before a commission can consider a proposed change of organization. SCSD and the County have agreed by resolution of their respective boards to a property tax exchange agreement applicable to the proposed action. The agreement specifies no exchange in property tax will be made.

Environmental Review

Discretionary actions by public agencies are subject to the California Environmental Quality Act (CEQA) any time an underlying activity will result in a direct or indirect physical change to the environment. A lead agency has the principal responsibility for carrying out or approving a project consistent with the provisions of CEQA. This includes determining whether the underlying activity qualifies as a project under CEQA. If the activity deemed to be a project, the lead agency must decide if an exemption applies or if additional environmental review is needed, such as preparing an initial study. A responsible agency is accountable for approving an associated aspect of the underlying activity and must rely on the lead agency's determination in making its own CEQA finding.

SCSD serves as lead agency and has determined the proposed action will not have a significant impact on the environment and qualifies for an exemption under California Code of Regulations Section 15301. This section provides a categorical exemption for projects consisting of the operations, repair, and maintenance of existing public or private structures or facilities. Subsection (c) specifies this exemption covers projects involving "existing highways and streets, sidewalks, gutters, and bicycle and pedestrian trails." Staff has reviewed the proposed action in context with the requirements of CEQA and believes SCSD has made a reasonable determination that the proposal is exempt. Accordingly, as responsible agency, it is appropriate for the Commission to find the proposal exempt.

Potential Conditions for Approval

G.C. Section 56886 authorizes the Commission to establish certain conditions in approving proposals. This includes requiring the establishment, continuation, or extension of charges, fees, assessments, or taxes under subsection (c). With in mind, if the Commission cannot make the determination SCSD's revenues are sufficient to carry out the proposed new services as mandated, it may condition approval to require the District to expand its annual special tax. As discussed earlier, SCSD may increase the special tax without voter approval to the maximum annual amount of \$139,559.⁷ This would generate an additional \$14,550 in annual revenues and would negate the need for SCSD to draw down on its reserves to fund the capital improvement project associated with the proposal.

⁷ The current annual special tax amount is set at \$125,009.

Staff believes the use of accumulated reserves to help cover the costs of the capital improvement project associated with the proposal is an appropriate use of SCSD's fund balance. The anticipated draw down of \$8,000 in reserves over the next three years will leave SCSD with an expected fund balance of approximately \$43,000, which appears sufficient given it would equal more than one-third of its current operating costs. Furthermore, SCSD retains the ability to increase its special tax on its own if future projects associated with this proposal require additional funding. Accordingly, staff does not believe it is necessary to condition approval to include SCSD expanding the special tax or any other revenue enhancement term at this time.

D. Alternatives for Commission Action

Staff has identified three alternative actions for Commission consideration with respect to the proposal at the close of the public hearing. These alternatives are:

- Option One:** Approve the proposal with standard conditions by adopting the attached draft resolution authorizing SCSD to provide for the maintenance and improvement of sidewalks, walking paths, and any incidental works within its jurisdiction. Approval would be subject to protest proceedings.
- Option Two:** Continue consideration of the proposal to a future meeting while providing direction to staff to return with additional information as needed.
- Option Three:** Disapprove the proposal. Disapproval would prohibit the initiation of a similar proposal for one year under G.C. Section 56884.

E. Recommendation

Staff recommends approval as outlined in the preceding section as Option One. Approval of the proposal supports the orderly expansion of SCSD's municipal services to begin improving and maintaining sidewalks and walking paths and is consistent with the expressed preferences of the MAC. Approval of the proposal is also supported financially given SCSD's revenues and fund balance is sufficient to cover the anticipated costs associated with the municipal services expansion.

Respectfully submitted,

Keene Simonds
Executive Officer

Brendon Freeman
Analyst

Attachments:

- ~~1) Aerial Map of Affected Territory~~
- 2) Draft Resolution of Approval
- ~~3) Application Materials Submitted by SCSD~~
- 4) Draft Notice of Exemption

RESOLUTION NO. _____

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

**SILVERADO COMMUNITY SERVICES DISTRICT:
ACTIVATION OF LATENT POWERS**

WHEREAS, an application of the Silverado Community Services District, by resolution, proposing the activation of certain latent powers has been filed with the Executive Officer of the Local Agency Formation Commission of Napa County, hereinafter referred to as the “Commission”, pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the Silverado Community Services District currently provides street cleaning, street lighting, and landscape maintenance services on and along public roadways; and

WHEREAS, the Silverado Community Services District’s proposal seeks to active latent powers to improve and maintain sidewalks, walking paths, and any incidental works within its jurisdictional boundary; and

WHEREAS, the Executive Officer reviewed the proposal and prepared a report with recommendations; and

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

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

WHEREAS, the Commission considered all the factors required by law under Government Code Section 56668; and

WHEREAS, the Commission found the proposal consistent with the sphere of influence established for the Silverado Community Services District and with the Commission’s adopted policy determinations.

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

1. The Commission has considered the determination by the Silverado Community Services District, lead agency under the California Environmental Quality Act, the proposal is categorically exempt from further review under California Code of Regulations Section 15301. This exemption applies to projects involving the operation, repair, and maintenance of existing public or private structures or facilities. The Commission finds this categorical exemption is appropriate for the proposal. The Commission further finds that future projects will be subject to environmental review as they materialize.

2. The Commission finds the Silverado Community Services District has sufficient revenues to establish the maintenance and improvement of sidewalks, walking paths, and any incidental works as required under Government Code Section 56824.14.
3. The proposal is APPROVED.
4. The proposal is assigned the following distinctive short-term designation:

**SILVERADO COMMUNITY SERVICES DISTRICT:
ACTIVATION OF LATENT POWERS**

5. The approved proposal affects territory located within Silverado Community Services District’s existing jurisdictional boundary as depicted in Exhibit “A”.
6. The Silverado Community Services District utilizes the County of Napa assessment roll.
7. The affected territory is inhabited as defined in Government Code Section 56046.
8. The Commission is designated as the Conducting Authority for further proceedings and the Executive Officer is directed to initiate proceedings in accordance with this resolution, the Commission’s Policy for Conducting Authority Proceedings and Section 57000 of the California Government Code, et seq.
9. Recordation of a Certificate of Completion is contingent upon the following:
 - (a) Successful completion of Conducting Authority Proceedings; and
 - (b) Payment of any and all outstanding fees owed the Commission and/or other agencies involved in the processing of this proposal.
 - (c) Recordation is contingent upon receipt by the Executive Officer of an indemnification agreement signed by the City in a form provided by the Commission.
10. The effective date shall be the date of recordation of the Certificate of Completion.

The foregoing resolution was duly and regularly adopted by the Commission at a regular meeting held on August 3, 2009 by the following vote:

AYES:	Commissioners _____		ATTEST: Keene Simonds Executive Officer
NOES:	Commissioners _____		
ABSTAIN:	Commissioners _____		Recorded by: _____
ABSENT:	Commissioners _____		Kathy Mabry Commission Secretary

RECORDING REQUESTED BY AND
DOCUMENT TO BE RETURNED TO:

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
1700 SECOND STREET, SUITE 268
NAPA, CALIFORNIA 94559

August 3, 2009

NOTICE OF EXEMPTION

Approving Agency	Local Agency Formation Commission of Napa County
Proposal Title	Silverado Community Services District: Activation of Latent Powers
Proposal Location	The Silverado Community Services District seeks to activate latent powers to begin improving and maintaining sidewalks, walking paths, and incidental works within its existing jurisdictional boundary.
LAFCO Action on Proposal	Approved
Applicant's Name and Address	Silverado Community Services District c/o County of Napa 1195 Third Street, Room 201 Napa, California 94559
Lead Agency's Name	Silverado Community Services District
Name of Person or Agency Carrying Out Proposal	Local Agency Formation Commission of Napa County

EXEMPT STATUS: (Check One)

- Ministerial
- Declared Emergency
- Emergency Project
- Categorical Exemption

Reasons why proposal is exempt:

The Commission has considered the determination by the Silverado Community Services District, lead agency under the California Environmental Quality Act, the proposal is categorically exempt from further review under California Code of Regulations Section 15301. This exemption applies to projects involving the operation, repair, and maintenance of existing public or private structures or facilities. The Commission finds this categorical exemption is appropriate for the proposal. The Commission further finds that future projects will be subject to environmental review as they materialize.

Date: _____

Signature: _____

Keene Simonds
Executive Officer

Contact Person: Keene Simonds, Executive Officer
1700 Second Street, Suite 268
Napa, California 94559
(707) 259-8645
ksimonds@napa.lafco.ca.gov



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 3, 2009
Agenda Item No. 7a (Action)

July 28, 2009

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Brendon Freeman, Analyst

SUBJECT: Villa Lane/Trancas Street No. 2 Annexation to Napa Sanitation District
The Commission will consider a proposal from a property owner to annex approximately 6.6 acres of incorporated territory to Napa Sanitation District. Staff is recommending the Commission approve the proposal as modified to include an adjacent 0.3 acre incorporated parcel for the purpose of providing a more logical boundary for the District.

Local Agency Formation Commissions (LAFCO) are responsible under California Government Code (G.C.) Section 56375 to approve, modify, or disapprove changes of organization consistent with its adopted written policies, procedures, and guidelines. LAFCOs are also authorized to establish conditions in approving changes of organization as long as they do not directly regulate land uses. Underlying LAFCOs' determination in approving, modifying, or disapproving proposed changes of organization is to consider the logical and timely development of the affected agencies in context with local circumstances.

A. Proposal Summary

LAFCO of Napa County ("Commission") has received an application from the Queen of the Valley Medical Center proposing the annexation of approximately 6.6 acres of incorporated land to Napa Sanitation District (NSD). The affected territory comprises one parcel located in the City of Napa along Villa Lane north of its intersection with Trancas Street. The affected territory currently consists of a surface parking lot for the Queen of the Valley Hospital. There are also three utility structures located within the affected territory. The City of Napa recently approved a use permit authorizing the development of the affected territory to include a three-story medical facility. Napa has conditioned approval to require, among other items, the affected territory be annexed to NSD for purposes of receiving public sewer service.

Juliana Inman, Vice Chair
Councilmember, City of Napa

Lewis Chilton, Commissioner
Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

B. Discussion

Agency Profile

NSD was formed in 1945 to provide public sewer service for the City of Napa and the surrounding unincorporated area of Napa County. The formation of NSD followed an agreement between Napa and the County to coordinate public sewer provision for the purpose of serving existing and planned urban development in south Napa County. NSD presently provides sewer service to most of Napa along with several surrounding unincorporated developments, including the Silverado Country Club, Napa State Hospital, and the Napa County Airport. In all, NSD currently serves 28,611 residential customers within an estimated resident service population of 74,102.¹

Proposal Purpose

As mentioned, the purpose of the proposal is to facilitate the development of the affected territory from an existing surface parking lot to a new three-story medical facility. The medical facility will be located within the western portion of the affected territory and used for intensive care, surgery, and laboratory units. The Napa Planning Commission conditionally approved a use permit for the new medical facility at its July 9, 2009 meeting. Notably, the Planning Commission conditioned its approval to require the affected territory be annexed to NSD.

Possible Modifications

The affected territory represents one of two parcels comprising an “island” completely surrounded by NSD.² The remaining parcel is 0.3 acres in size and used as an internal roadway connecting the affected territory to the rest of the hospital campus. Although sewer service is not needed at this time, staff believes it would be appropriate to modify the proposal to include the remaining parcel to eliminate the island. This modification is not required by statute or policy as it is for eliminating islands within cities, but would provide a more orderly boundary for NSD.³ NSD and the Queen of the Valley Medical Center have provided their consent to the possible modification.

No other possible modifications were identified by staff in the review of the proposal.

¹ Resident service projection based on the 2008 California Department of Finance population per household estimate (2.59) assigned to Napa County and multiplied by the number of residential sewer connections within NSD (28,611). NSD also serves 9,431 non-residential customers, including industrial and commercial users.

² “Island” is not defined under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

³ G.C. Section 56375.3 outlines streamlined procedures for cities to propose annexations for purposes of eliminating entirely or substantially surrounded islands. Commission policies also include directives to modify city annexation proposals for eliminating islands whenever possible. These statutes and policies do not apply to special district annexations.

Required Factors for Review

G.C. Sections 56668 and 56668.3 require the Commission to consider 16 specific factors anytime it reviews proposed changes of organization 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 proposal 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 affected territory is uninhabited. The affected territory's current land use is urban in nature and consists of a paved surface parking lot and three utility structures. The proposed annexation is intended to facilitate the development of the affected territory to include a three-story, 71,273 square feet, medical facility. Construction of the new medical facility is expected to commence within the next two years if all associated use permit terms are satisfied, including annexation.

Topography within the affected territory is relatively flat with an elevation range between 0.5 and 6.5 feet above sea-level. There are no identifiable natural boundaries or drainage basins. The current assessed value is \$906,671.

The affected territory is surrounded to the south by medical facilities owned and operated by the Queen of the Valley Medical Center. Residential uses surround the affected territory to the east, north, and west. These residential areas are generally built-out to their maximum densities as allowed under the Napa General Plan, which limits the potential for significant new growth in the adjacent areas.

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 proposed annexation will facilitate the logical extension of public sewer service to serve the planned development of a new medical facility within an urbanized area. NSD reports a current daily average dry-weather flow of 6.5 million gallons. This represents 42% of NSD's total daily dry-weather treatment capacity of 15.4 million gallons. The probable daily sewer flow for the underlying development project is 12,950 gallons. This amount represents 0.2% of the current dry-weather flow and can be adequately accommodated by NSD without impacting service levels of current ratepayers.

With respect to alternative courses of action, staff believes it would be appropriate to modify the proposed annexation to include an adjacent parcel located immediately south of the affected territory. This second parcel is used as an internal roadway connecting the affected territory to the rest of the hospital campus and would not create an additional impact on NSD's sewer facilities.

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.

The proposed annexation would strengthen social and economic ties existing between NSD and the area given the District already provides public sewer service to the majority of surrounding properties. The modification of the proposed annexation to include the adjacent parcel located immediately south of the affected territory would further strengthen these ties by eliminating an entire island.

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 proposed annexation is consistent with the adopted policies of the Commission in facilitating the extension of municipal services to support orderly urban development. The affected territory does not include any open-space lands and therefore does not conflict with G.C. Section 56377.

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

The affected territory does not qualify as agricultural land as defined 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.

A map and geographic description have been prepared by a licensed surveyor identifying the boundaries of the affected territory in accordance with the requirements of the State Board of Equalization. These documents provide sufficient certainty with regards to the exact boundaries of the affected territory.

As mentioned, the affected territory is one of two parcels comprising an island completely surrounded by NSD. Modification of the proposal to include the second parcel would eliminate the island.

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

The proposed annexation would facilitate the planned urban development of the affected territory in a manner consistent with the *Public Serving* designation under the Napa General Plan. The County General Plan also contemplates the urban development of the affected territory by designating it as *Cities*. The annexation and subsequent extension of public sewer service to the affected territory is consistent with these designations.

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

The affected territory is located entirely within NSD's sphere of influence, which was comprehensively updated by the Commission in August 2006.

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

On April 1, 2009, LAFCO staff electronically circulated copies of the application materials for review and comment to local governmental agencies. NSD reviewed the proposal and recommends approval contingent upon the agency's standard terms and conditions. No other substantive comments were received.

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.

Information collected and analyzed in the Commission's recent countywide municipal service review on sewer services indicates NSD has adequate service capacities, financial resources, and administrative controls to serve the affected territory at its designated density.

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

The affected territory will require water services upon its annexation and subsequent planned development. Napa's current annual water demand is approximately 14,500 acre-feet. This amount represents 49% of Napa's current water supplies under normal conditions.⁴ The probable annual water demand for the underlying development project is 17.4 acre-feet. This amount represents 0.1% of the current annual water demand and can be adequately accommodated by Napa without impacting service levels of current ratepayers.

⁴ Current water supply figure assumes an approximate 20% reduction in contracted State Water Project supplies.

- 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 proposal does not impact the ability of the County or Napa in achieving their respective regional housing needs assignment as determined by the Association of Bay Area Governments. The proposed annexation will facilitate the development of a new medical facility as contemplated under the Napa General Plan.

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

The applicant, Queen of the Valley Medical Center, is the landowner for the affected territory.

- 14) Any information relating to existing land use designations.**

The Napa General Plan designates the affected territory as *Public Serving – 814*, which is defined to provide:

public and quasi-public sites dedicated to community-serving purposes, such as government offices and related community service facilities, city-wide and community parkland, public schools of all levels and private schools with a significant enrollment, and public health facilities.

- 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.**

There is no documentation or evidence suggesting the proposal will have a measurable effect with respect to promoting environmental justice.

- 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 will facilitate the planned expansion of the Queen of the Valley Medical Center to include the construction of a three-story medical facility. This expansion will increase the capacity of the Queen of the Valley Medical Center to meet the present and future needs of the community.

Property Tax Agreement

California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement by the affected local agencies before LAFCO can consider a change of organization. This statute states jurisdictional changes affecting the service areas or service responsibilities of districts must be accompanied by a property tax exchange agreement which shall be negotiated by the affected county on behalf of the districts.

In 1980, the County adopted a resolution on behalf of NSD specifying no adjustment in the allocation of property taxes shall occur as a result of jurisdictional changes involving the District. This resolution has been applied to all subsequent changes of organization involving NSD. In processing this proposal, staff provided notice to the affected agencies the Commission would again apply this resolution unless otherwise informed. No comments were received.

Environmental Review

Discretionary actions by public agencies are subject to the California Environmental Quality Act (CEQA) any time an underlying activity will result in a direct or indirect physical change to the environment. A lead agency has the principal responsibility for carrying out or approving a project consistent with the provisions of CEQA. This includes determining whether the underlying activity qualifies as a project under CEQA. If the activity is determined to be a project, the lead agency must determine if an exemption applies or if additional environmental review is needed, such as preparing an initial study. A responsible agency is accountable for approving an associated aspect of the underlying activity and must rely on the lead agency's determination in making its own CEQA finding.

Napa serves as lead agency for the proposal and has adopted a mitigated negative declaration for the underlying activity. The mitigated negative declaration is consistent with the findings of an initial study prepared by Napa. Notably, the initial study concluded there would be no significant impact on NSD's wastewater capacity to serve the project's anticipated demand. This determination was based on consultation with NSD.

The Commission serves as responsible agency in approving the annexation of the affected territory to NSD to extend public sewer service as part of the underlying activity. Staff has reviewed the aforementioned initial study and believes Napa has made an adequate determination the extension of sewer service associated with the annexation of the affected territory to NSD will not introduce significant impacts.

D. Alternatives for Commission Action

Staff has identified four alternative actions for Commission consideration with respect to the proposal. These alternatives are:

- Option One:** Approve the proposal as submitted authorizing the annexation of the affected territory to Napa Sanitation District.

Option Two: Approve the proposal as modified authorizing the annexation of the affected territory and a second parcel identified as 038-400-005 to Napa Sanitation District.

Option Three: Continue consideration of the proposal to a future meeting.

Option Four: Deny the proposal. Denial would prohibit the initiation of a similar proposal for one year under G.C. Section 56884.

E. Recommendation

Staff recommends approval of the proposal as modified to include the annexation of the affected territory along with an adjacent parcel as outlined in the preceding section as Option Two. This recommended action would provide a logical jurisdictional boundary for NSD while ensuring any development of the added adjacent parcel would be served by the District and not require additional annexation proceedings.

Respectfully submitted,

Keene Simonds
Executive Officer

Brendon Freeman
Analyst

Attachments:

- ~~1) Aerial Map of Affected Territory~~
- 2) Draft Resolution of Approval
- ~~3) Application Materials~~
- 4) Draft Notice of Determination

RESOLUTION NO. _____

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

**VILLA LANE/TRANCAS STREET NO. 2 DISTRICT ANNEXATION
NAPA SANITATION DISTRICT**

WHEREAS, an application by the Queen of the Valley Medical Center, property owner, proposing the annexation of territory to the Napa Sanitation District has been filed with the Executive Officer hereinafter referred to as "Executive Officer" of the Local Agency Formation Commission of Napa County, hereinafter referred to as "the Commission", pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

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

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

WHEREAS, the Commission heard and fully considered all the evidence presented at a public meeting held on said proposal on August 3, 2009; and

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

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

WHEREAS, the Commission determined to its satisfaction that the landowner included in said proposal consents to the annexation:

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

1. In accordance with the applicable provisions of the California Environmental Quality Act (CEQA), the Commission certifies that it has considered the Initial Study and determination by the City of Napa, lead agency under CEQA, that the proposal will not have a significant effect on the environment because all potential significant impacts have been adequately analyzed and mitigated as part of an adopted mitigated negative declaration. The Commission hereby makes and incorporates by reference the environmental findings set forth in Napa's Initial Study for each significant effect of the proposal, which includes the Commission's finding that this proposal will not result in significant new impacts on wastewater demands or capacity. The Commission findings are based on its independent judgment and analysis. The records upon which these findings are made are located at the LAFCO Office, 1700 Second Street, Suite 268, Napa, California.
2. The proposal is APPROVED subject to the terms and conditions identified in this resolution.

3. The proposal is assigned the following distinctive short-term designation:

**VILLA LANE/TRANCAS STREET NO. 2 DISTRICT ANNEXATION
NAPA SANITATION DISTRICT**
4. The affected territory is depicted on the attached draft map and geographic description provided in the attached Exhibit "A".
5. The affected territory so described is uninhabited as defined in California Government Code Section 56046.
6. Napa Sanitation District utilizes the Regular County assessment roll.
7. The affected territory will be taxed for existing general bonded indebtedness of Napa Sanitation District.
8. The proposal shall be subject to the terms and conditions required of Napa Sanitation District as specified in the attached Exhibit "B".
9. The applicant shall provide written notification to the County of Napa Department of Environmental Management upon connection to the sewer line of Napa Sanitation District.
10. The Commission authorizes conducting authority proceedings to be waived in accordance with California Government Code Section 56663(c).
11. Recordation is contingent upon receipt from Napa Sanitation District of written notification that the terms and conditions specified in the attached Exhibit "B" have been fulfilled.
12. Recordation is contingent upon receipt by the Executive Officer of a final map and boundary description determined by the Executive Officer and County Surveyor to conform to the requirements of the State Board of Equalization.
13. The effective date approving the proposal shall be the date of recordation.
14. Recordation shall occur within one year of approval unless a time extension is requested and approved by the Commission or the proposal shall be abandoned.

The foregoing resolution was adopted by the Local Agency Formation Commission of the County of Napa at a regular meeting held on the 3rd of August, 2009 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: Keene Simonds
Executive Officer

Recorded by:

Kathy Mabry
Commission Secretary

**RECORDING REQUESTED BY AND
DOCUMENT TO BE RETURNED TO:**

Local Agency Formation Commission of Napa County
1700 Second Street, Suite 268
Napa, California 94559

August 3, 2009

NOTICE OF DETERMINATION

Approving Agency	Local Agency Formation Commission (LAFCO) of Napa County
Proposal Title	<i>Ville Lane/Trancas Street No. 2 Annexation to Napa Sanitation District</i>
Proposal Location	The affected territory is approximately 6.6 acres in size and is located in the City of Napa along Villa Lane north of its intersection with Trancas Street. The affected territory is depicted on the attached map.
LAFCO Action on Proposal	Approved as modified to include an additional 0.3 acre adjacent parcel located to the immediate south of the affected territory.
Applicant's Name and Address	Karen Vegas, Queen of the Valley Medical Center St. Joseph's Health System Facilities and Construction Division 1163 Trancas Street Napa, California 94558
Lead Agency's Name	City of Napa
Name of Person or Agency Carrying Out Proposal	LAFCO of Napa County (Responsible Agency)

This is to advise LAFCO of Napa County has approved the above described proposal and has made the following determinations with respect to the provisions of the California Environmental Quality Act (CEQA):

1. The proposal: *will* *will not* have a significant effect on the environment.
2. An Environmental Impact Report was prepared by the lead agency in relationship to this proposal pursuant to the provisions of CEQA.
 An Initial Study and a Mitigated Negative Declaration were prepared for this proposal by the lead agency pursuant to the provisions of CEQA.

The above document may be examined at the LAFCO office, 1700 Second Street Suite 268, Napa, California 94559

3. Mitigation measures *were* *were not* made a condition of the approval of the proposal.
4. A statement of Overriding Considerations *was*, *was not* adopted for this proposal.

Findings of the Commission:

In accordance with the applicable provisions of the California Environmental Quality Act (CEQA), the Commission certifies that it has considered the Initial Study and determination by the City of Napa, lead agency under CEQA, that the proposal will not have a significant effect on the environment because all potential significant impacts have been adequately analyzed and mitigated as part of an adopted mitigated negative declaration. The Commission hereby makes and incorporates by reference the environmental findings set forth in Napa's Initial Study for each significant effect of the proposal, which includes the Commission's finding that this proposal will not result in significant new impacts on wastewater demands or capacity. The Commission findings are based on its independent judgment and analysis. The records upon which these findings are made are located at the LAFCO Office, 1700 Second Street, Suite 268, Napa, California.

Date: August 3, 2009

Contact:

Keene Simonds, Executive Officer
Telephone: (707) 259-8645
E-Mail: ksimonds@napa.lafco.ca.gov



Local Agency Formation Commission
LAFCO of Napa County

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Napa, California 94559
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Facsimile: (707) 251-1053
<http://napa.lafco.ca.gov>

August 3, 2009
Agenda Item No. 7b (Action)

July 27, 2009

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

**SUBJECT: California Association of Local Agency Formation Commissions:
Annual Conference Items**

The Commission will consider appointing a delegate and alternate delegate for the California Association of Local Agency Formation Commission's annual conference scheduled for October 28-30, 2009 in Yosemite. The Commission will also consider submitting nominations for CALAFCO's board vacancies and achievement awards.

The California Association of Local Agency Formation Commissions (CALAFCO) was founded in 1971 to assist its members with educational and technical resources in carrying out their duties to facilitate the orderly formation and development of local agencies. This includes organizing annual conferences and workshops as well as coordinating membership activities in drafting or amending legislation. 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. All terms on CALAFCO are two years.

A. Discussion

CALAFCO's annual conference is scheduled for October 28-30, 2009 in Yosemite at the Tenaya Lodge. Conference materials, including a preliminary program, were previously distributed. Commissioners Kelly, Inman, Bennett, Chilton, Rodeno, and Wagenknecht along with the Executive Officer, Analyst, and Counsel are all registered to attend.

As part of the annual conference, CALAFCO requests each LAFCO appoint a delegate and alternate delegate to participate in the business meeting. The business meeting provides an opportunity for the Board to address issues and matters of interest to the members. The business meeting also includes an election to fill expiring two-year terms on the Board. This year, the following two-year terms are expiring:

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

Juliana Inman, Vice Chair
Councilmember, City of Napa

Lewis Chilton, Commissioner
Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

CALAFCO 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 Tuesday, September 29, 2009. Candidates may also be nominated from the floor prior to the election. The election on all nominations will be held on the morning of Thursday, October 29, 2009. Alternate members are eligible for nomination.

CALAFCO's annual conference also provides an opportunity for LAFCOs to nominate persons or projects for the association's various achievement awards. This includes project of the year, which Napa received in 2004 for its countywide municipal service review on public water service. CALAFCO has also created a new achievement award named after former Napa Commissioner Mike Gotch to recognize an individual who has taken extraordinary steps to improve and innovate local government. The deadline for submitting achievement award nominations is Friday, October 2, 2009. Award winners will be announced during the conference dinner scheduled for Thursday, October 29, 2009.

B. Analysis

It would be fitting for the Commission to appoint the Chair and Vice Chair as the delegate and alternate delegate, respectively, for the annual conference given both are scheduled to attend. Commissioners should also give serious consideration to running for one of the open seats on the CALAFCO Board. Markedly, having a representative on the Board would help ensure the Commission has direct influence in guiding CALAFCO's legislative activities and priorities in a manner consistent with the present and future needs of areas such as Napa County. Former Commissioners that have served on CALAFCO are:

- Mike Gotch, Public Member, 1997-1998
- Kathryn Winter, County Member, 1999-2000
- Harry Martin, City Member, 2004-2005

With respect to the achievement awards, staff respectfully suggests the Commission consider submitting nominations under the "Most Effective Commission" and "Project of the Year" categories. Justification for these two nominations is summarized below.

Potential Award Nomination: Most Effective Commission

The Commission has demonstrated continued proaction and innovation in fulfilling its legislative mandates. This includes expanding its information base by scheduling a second round of municipal service reviews and sphere of influence updates and prioritizing knowledge management by funding a fulltime analyst position to prepare studies in-house. The Commission has also been diligent in expanding its organizational capacity in serving the public by investing resources into developing a new interactive website and an electronic document management system.

Potential Award Nomination: Project of the Year

The Commission's recently completed countywide municipal service review on the south county region merits consideration for the CALAFCO's Project of the Year. The municipal service review was prepared in-house and provides a thorough and independent assessment of the level and range of governmental services within one of the fastest growing regions in the Bay Area. The municipal service review was well received by the affected agencies as being fair and accurate. It also serves as an effective template in preparing future studies with regard to tracking administrative, service, and financial demands and capacities along with informing sphere updates and jurisdictional changes in the region.

C. Recommendation

It is recommended the Commission consider taking the following actions:

- 1) Appoint one delegate and one alternate delegate to represent the agency at the 2009 CALAFCO Annual Conference; and
- 2) Determine if any of its members would like to be nominated for one of the open positions on the CALAFCO Board, and direct the Executive Officer to work with the Chair to complete the necessary forms as needed;
- 3) Determine if any of its members would like to submit nominations for the CALAFCO achievement awards categories; and direct the Executive Officer to work with the Chair to complete the necessary forms as needed.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- ~~1) CALAFCO Packet for Board Nominations~~
- ~~2) CALAFCO Packet for Achievement Award Nominations~~



Local Agency Formation Commission
LAFCO of Napa County

1700 Second Street, Suite 268
Napa, California 94559
Telephone: (707) 259-8645
Facsimile: (707) 251-1053
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August 3, 2009
Agenda Item No. 8a (Discussion)

July 27, 2009

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Legislative Report

The Commission will receive a report on the first year of the 2009-2010 session of the California Legislature as it relates to bills directly or indirectly effecting Local Agency Formation Commissions. The report also identifies potential legislative items for the second year and is being presented to the Commission for review and 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. The most recent meeting of the Legislative Committee was held on Friday, July 24 2009 by way of a conference call.

A. Discussion and Analysis

The first year of the 2009-2010 session of the California Legislature has generated over 2,600 bills. The Legislative Committee has identified 28 bills with direct or indirect impacts on LAFCOs. Several of the bills were initially introduced as placeholders and have been amended and now propose substantive changes to LAFCO law. A complete list of the bills under review by CALAFCO is attached. Specific bills of interest to the Commission are discussed and analyzed below.

Senate Bill 215 (Senate Committee on Local Government)

This legislation is sponsored by CALAFCO and would add to the factors LAFCOs must consider in reviewing proposals to include consistency of the proposed action with regional transportation plans. Notably, this bill was recently amended to exclude any direct reference to the consistency of a proposed action with a regional transportation plan's sustainable communities strategy. The bill has passed through the Senate and now requires Assembly approval.

Juliana Inman, Vice Chair
Councilmember, City of Napa

Lewis Chilton, Commissioner
Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Assembly Bill 853 (Juan Arambula)

This legislation would establish new procedures for county board of supervisors to initiate proposals seeking LAFCO approval to annex unincorporated islands or “fringe communities” that lack adequate public infrastructure. The legislation defines a fringe community as any inhabited (12 or more registered voters) land located within a city’s sphere of influence. The legislation would require LAFCOs to approve an annexation unless it finds the proposal will not result in a net benefit to the community’s public health. The legislation would waive protest proceedings and the traditional requirement that land be rezoned by cities as a precondition to annexation. The legislation would also establish a process for LAFCO to determine a property tax agreement for the annexation. This legislation has become a two-year bill and remains in the Assembly. CALAFCO has adopted an oppose-unless-amended position on the bill.

Assembly Bill 1109 (Sam Blakeslee)

This legislation would authorize LAFCOs to appoint administrators to assume control of non-performing special districts. The need for the potential legislation is drawn from the recent actions of a large special district in San Luis Obispo County in which ineffective decision-making by the board directly led to the agency becoming inoperable and insolvent. This legislation has become a two-year bill and remains in the Assembly. CALAFCO has adopted a watch position.

Assembly Bill 528 (Jim Silva)

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

Assembly Bill 1582 (Assembly Committee on Local Government)

This legislation represents CALAFCO’s annual omnibus bill and proposes several non-controversial changes to LAFCO law. This includes requiring LAFCOs to adopt spheres of influence for special districts no later than one year after their formations. The bill was also recently amended to allow LAFCOs to waive protest proceedings for uninhabited changes of organization in which private railroad companies are affected landowners and have not submitted written opposition to the proceeding. (Current law requires LAFCO to receive written consent from all landowners to waive protest proceedings.) This bill has passed through the Assembly and Senate and is now awaiting approval by the Governor.

Additionally, the Legislative Committee has identified several potential new items for consideration during the second session. Notable items are outlined below.

Amending California Revenue and Taxation Code Section 99

The Legislative Committee believes amendments are needed to clarify and improve processing requirements under this code section as it relates to affected agencies negotiating property tax agreements as part of proposed changes of organization, such as annexations. A subcommittee has been formed and tasked with presenting recommendations for future discussion. Staff believes changes are needed, especially given the initial 60 day period for the agencies to adopt resolutions agreeing to property tax exchanges appears inadequate due to time constraints. Staff has suggested one of the amendments should extend the negotiation period to 90 days.

Converting Resort Improvement Districts and Municipal Improvement Districts to Community Services Districts

As previously discussed, Senate Committee on Local Government staff have expressed interest in pursuing special legislation in 2010 to streamline the reorganization of municipal improvement districts (MIDs) and resort improvement districts (RIDs) into community services districts (CSDs). The intent of the special legislation is to empower and encourage LAFCOs to work with affected special districts to transfer their governing authorities from discontinued principal acts to CSD law. It is currently envisioned the special legislation would allow LAFCOs to authorize the reorganization of RIDs or MIDs into CSDs without changing their services or boundaries while waiving protest proceedings as long as affected districts do not file objections. The Commission issued a letter of support for this legislation on April 6, 2009 (attached).

Amending Government Code Section 56133 to Eliminate Recycled Water Exemptions

Staff has suggested the Legislative Committee explore amendments to this code section to eliminate the existing exemption for outside service contracts involving recycled water. Staff believes the exemption undermines LAFCOs mandates to coordinate orderly growth given recycled water (a) increasingly supports urban development and the (b) establishment of regulatory oversight will help protect agencies' investments in related infrastructure and facilities. As part of an amendment, staff has also suggested it would be sensible to allow LAFCOs to approve new or extended recycled water services beyond an agency's sphere without having to make a public health or safety finding.

B. Commission Review

The Commission is invited to discuss any of the legislation outlined in this report or in the attached report prepared by CALAFCO. The Commission may also provide direction to staff with respect to preparing comment letters on any current or future legislation.

Attachments:

- ~~1) CALAFCO Status Report on Current Legislation~~
- ~~2) Commission Letter to Senate Committee on Local Government, April 6, 2009~~



Local Agency Formation Commission
LAFCO of Napa County

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

August 3, 2009
Agenda Item No. 10a (Information)

July 28, 2009

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Brendon Freeman, Analyst

SUBJECT: Current and Future Proposals

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

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

A. Discussion

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

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

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

Status: The City and County recently approved a property tax exchange agreement for the proposal. The City, however, has filed a request with the Commission to delay consideration of the proposal in order to explore a separate agreement with the County to extend the current Williamson Act contract associated with the affected territory.

Juliana Inman, Vice Chair
Councilmember, City of Napa

Lewis Chilton, Commissioner
Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Trancas Crossing Park Annexation to the City of Napa

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

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

Formation of the Villa Berryessa Water District

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

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

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

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

The Napa Valley Unified School District (NVUSD) has initiated a multi-phased planning process to construct a 2,200-student high school and 530-student middle school to serve the City of American Canyon. The project site is located at the northeast intersection of American Canyon Road and Newell Drive. NVUSD recently approved a final environmental impact report for the project. As part of the proposed project, Commission approval is required to annex the proposed high school site (45 acres) to American Canyon and the American Canyon Fire Protection District. Commission approval is also required to concurrently annex and add the proposed middle school site (17 acres) to both the City and District's spheres of influence. The Commission may also consider modifying the proposal to include the concurrent detachment of the affected territory from CSA No. 4.

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

American Canyon Town Center Reorganization

(City of American Canyon/American Canyon Fire Protection District/CSA No. 4)

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

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

Stanly Lane Annexation (Napa Sanitation District)

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

B. Commission Review

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

Attachments: none