



LAFCO MEETING AGENDA

August 7, 2006

4:00 P.M.

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

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

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

1. CALL TO ORDER; ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

Minutes of June 5, 2006 Regular Meeting
Minutes of June 19, 2006 Special Meeting

4. PUBLIC COMMENT

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

5. CONSENT CALENDAR

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

a) *Linda Vista Avenue/Wine Country Avenue No. 5 District Annexation to the Napa Sanitation District (Action)*

The Commission will consider a resolution approving the annexation of an approximate 0.81 acre portion of a 5.0 acre incorporated parcel to the Napa Sanitation District. The annexation is intended to facilitate the extension of sewer service to an existing single-family residence in the City of Napa. The proposal has 100% consent from the affected property owner.

b) *Redwood Road/Argyle Street District Annexation to the Napa Sanitation District (Action)*

The Commission will consider a resolution approving the annexation of approximately 0.52 acres of incorporated territory to the Napa Sanitation District. The annexation is intended to facilitate the division of the subject territory into two new residential lots in the City of Napa. The proposal has 100% consent from the affected property owner.

c) *Old Sonoma Road District Annexation to the Congress Valley Water District (Action)*

The Commission will consider a resolution approving the annexation of approximately 11.55 acres of unincorporated territory to the Congress Valley Water District. The subject territory is already served by the District, but is outside its jurisdictional boundary. The annexation is intended to formally authorize the District to serve the subject territory in a manner that conforms to Government Code. The proposal has 100% consent from the affected property owners.

d) *FY05-06 Budget: Close of Accounting Records (Information)*

The Commission will review a report regarding the close of accounting records for FY05-06.

6. PUBLIC HEARING

a) *Napa Sanitation District – Comprehensive Sphere of Influence Review (Action)*

The Commission will review a report and consider the recommendations of staff regarding a comprehensive update to the Napa Sanitation District's sphere of influence. The Commission may adopt a resolution making related determinations as required by California Government Code §56425.

7. COMMISSION ACTION

a) Comprehensive Study of Sanitation/Wastewater Treatment Providers: Special Districts

The Commission will consider written determinations regarding the sewer service operations of the Circle Oaks County Water District, Lake Berryessa Resort Improvement District, Napa-Berryessa Resort Improvement District, Napa River Reclamation District No. 2109, and the Spanish Flat Water District. The Commission may adopt resolutions as required by California Government Code §56430.

b) Comprehensive Study of Landscaping and Lighting Districts

The Commission will consider written determinations regarding the service operations of the County Service Area No. 3 and the Silverado Community Services District. The Commission may adopt resolutions as required by California Government Code §56430.

c) 2006 CALAFCO Business Meeting

The Commission will consider appointing one of its members to serve as a delegate for the 2006 CALAFCO Business Meeting scheduled for September 6, 2006 in San Diego.

d) Legislative Report

The Commission will receive a copy of the most recent legislative report from CALAFCO for the 2005-2006 session. The Commission will consider the recommendation of staff to adopt positions of support for AB 2158, AB 2223, AB 2259, AB 1602, and AB 3074.

8. COMMISSION DISCUSSION

a) Comprehensive Study of Sanitation/Wastewater Treatment Providers: Cities

The Commission will review written determinations concerning the sewer service operations of the Cities of American Canyon, Calistoga, St. Helena, and the Town of Yountville. The determinations are being presented for a first-reading and address the nine service factors the Commission is required to consider as part of its service review mandate.

9. EXECUTIVE OFFICER REPORT

The Commission will receive an oral report from the Executive Officer regarding staff activities, correspondence, and active and pending proposals and studies.

a) Staff Activities

- Recruitment of LAFCO Analyst
- 2006 CALAFCO Annual Conference, September 5-7, San Diego

b) Correspondence

- Circle Oaks County Water District

c) Active and Pending Proposals and Studies

- *El Centro Avenue No. 8 City Annexation to the City of Napa* (active proposal)
- *Comprehensive Study of Fire Protection Services* (active study)
- *Lake Berryessa Governance Study* (pending study)

10. CLOSED SESSION

None

11. NEW BUSINESS/COMMISSIONER COMMENTS

12. ADJOURNMENT TO NEXT REGULAR MEETING: October 2, 2006



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

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

AUGUST 7, 2006
AGENDA ITEM NO. 5a

July 31, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: *Linda Vista Avenue/Wine Country Avenue No. 5 District Annexation to the Napa Sanitation District (Action)*

The Commission will consider the annexation of 0.81 acres of incorporated territory to the Napa Sanitation District. The annexation is intended to facilitate the extension of sewer service to an existing single-family residence.

Proposed is the annexation of approximately 0.81 acres of incorporated territory to the Napa Sanitation District. The subject territory comprises an approximate 0.81 acre portion of a 5.0 acre parcel located in the City of Napa. Annexation is intended to facilitate the extension of sewer service to an existing single-family residence, which is currently served by a private septic system. At the request of the District, the proposed annexation is limited to the area that comprises the existing single-family residence. The remaining portion of the affected parcel is vacant and is not part of this annexation. This arrangement eliminates the need for the District to extend its sewer line to a vacant area that does not require service at this time, and reserves the District's ability to establish terms and conditions relating to potential system requirements if service is eventually required.

The Napa Sanitation District is capable of extending services to the subject territory without impact on the service levels provided to current ratepayers. The Executive Officer recommends approval of this proposal.

BACKGROUND

Applicant: Harry J. Wojcik, property owner.

Proposal: The applicant proposes annexation to the Napa Sanitation District of approximately 0.81 acres of incorporated territory in order to extend sewer service to an existing single-family residence. The property owner has consented to this annexation. The District, as the subject agency, has offered its consent to the waiver of protest proceedings for this annexation.

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

Kevin Block, Commissioner
Councilmember, City of Napa

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

Bill Dodd, Chair
Supervisor, 4th District

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Guy Kay, Commissioner
Representative of the General Public

Brian Kelly, Alt. Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Location: The subject territory comprises an approximate 0.81 acre portion of a 5.0 acre parcel located at 4455 Linda Vista Avenue in the City of Napa. The subject territory is located within the adopted sphere of influence boundary of the Napa Sanitation District and is depicted on the attached aerial map. (APN: 007-045-005)

FACTORS FOR CONSIDERATION

California Government Code §56668 provides 14 factors to be considered in the review of a proposal. The Commission’s review shall include, but is not limited to, consideration of these factors. Additional information relating to these factors can be found in the attached *Justification of Proposal*.

<p>(a) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.</p>	<p>Annexation of the subject territory to the Napa Sanitation District would facilitate the extension of sewer service to an existing single-family residence. The total population of the subject territory is two. No new development will be facilitated by this annexation, and current development is to a standard consistent with the City General Plan.</p>
<p>(b) 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.</p> <p>"Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.</p>	<p>Annexation of the subject territory to the Napa Sanitation District will facilitate the removal of private septic system within a developed residential area. The District has sufficient capacity and facilities to provide service to the subject territory without impacting the service levels of current ratepayers.</p>
<p>(c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.</p>	<p>There will be no immediate change to the subject territory brought by annexation. The majority of the surrounding area is already served by the Napa Sanitation District.</p>

<p>(d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377. <i>(Note: Section 56377 encourages preservation of agricultural and open-space lands.)</i></p>	<p>The annexation of the subject territory to the Napa Sanitation District is consistent with the planned, orderly, and efficient patterns of development planned for in the City of Napa General Plan. The subject territory, which consists of a developed single-family residence, does not qualify as open space or agricultural land.</p>
<p>(e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.</p>	<p>The subject territory is located within a developed area of the City of Napa. Extension of sewer service to the subject territory would not result in an impact to agricultural lands.</p>
<p>(f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.</p>	<p>The subject territory is substantially surrounded by the existing jurisdictional boundary of the Napa Sanitation District.</p>
<p>(g) Consistency with city or county general and specific plans.</p>	<p>The proposal is consistent with the land use policies of the City of Napa. The City General Plan designates the subject territory "Single-Family Infill 3," which allows for a maximum density of six units per acre. The City zones the subject territory "Residential Infill 5," which requires a minimum lot size of 5,000 square feet, which is equivalent to 0.11 acres.</p>
<p>(h) The sphere of influence of any local agency which may be applicable to the proposal being reviewed.</p>	<p>The subject territory lies within the adopted sphere of influence of the Napa Sanitation District. The proposal is consistent with the sphere of influence.</p>

<p>(i) The comments of any affected local agency.</p>	<p>The County of Napa Assessor's Office prefers that assessor parcels not be split with tax rate area lines. This annexation would create a split tax rate area line for the Napa Sanitation District for the affected parcel. This arrangement is justified because it eliminates the need for the District to extend its sewer line to a vacant area that does not require service at this time, and reserves the District's ability to establish terms and conditions relating to potential system requirements if service is eventually required.</p> <p>No other substantive comments were received from an affected local agency during the review of this proposal.</p>
<p>(j) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.</p>	<p>The Napa Sanitation District, through its resolution establishing terms and conditions, attests to its ability to extend sewer service to the subject territory without impact to existing ratepayers.</p>
<p>(k) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.</p>	<p>The subject territory is currently connected to the City of Napa's potable water system. The City's water management plan shows it is capable of delivering water to the subject territory to development levels consistent with the City General Plan.</p>
<p>(l) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.</p>	<p>The subject territory is located within the City of Napa. Annexation of the subject territory to the Napa Sanitation District will not impact the City in achieving its regional housing needs allocation.</p>
<p>(m) Any information or comments from the landowner or owners.</p>	<p>No comments were offered.</p>
<p>(n) Any information relating to existing land use designations.</p>	<p>The City of Napa General Plan designates the subject territory "Single-Family Infill 5." This is an urban land use designation that is consistent with the extension of sewer service.</p>

PROPERTY TAX AGREEMENT

In accordance with provisions of Revenue and Taxation Code §99, the County of Napa and the Napa Sanitation District by Resolution of the Board of Supervisors have agreed that no exchange of property taxes will occur as a result of annexation of lands to the Napa Sanitation District.

ENVIRONMENTAL ANALYSIS

This proposal is exempt from the provisions of the California Environmental Quality Act under Article 19, Section 15319(a) of the Guidelines. This section exempts annexations to a city or special district of areas containing existing public or private structures that conforms to the zoning density of the land use authority.

RECOMMENDATION

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

- 1) Adopt the attached draft resolution approving the proposed *Linda Vista Avenue/Wine Country Avenue No. 5 District Annexation to the Napa Sanitation District*.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments

- ~~1. Aerial Map~~
- ~~2. Draft LAFCO Resolution of Approval~~
- ~~3. Justification of Proposal~~
- ~~4. NSD Resolution No. 06-010~~



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AUGUST 7, 2006
AGENDA ITEM NO. 5b

July 31, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: *Redwood Road/Argyle Street District Annexation to Napa Sanitation District (Action)*

The Commission will consider the annexation of 0.52 acres of incorporated territory to the Napa Sanitation District. The annexation is intended to facilitate the division of the subject territory into two new residential lots.

Proposed is the annexation of approximately 0.52 acres of incorporated territory to the Napa Sanitation District. The subject territory is comprised of one parcel and a right-of-way portion of Redwood Road in the City of Napa. The annexation is intended to facilitate a proposed development project to divide the subject parcel into two new single-family residential lots. This project was approved by the City of Napa Planning Commission on October 20, 2005. (Land divisions consisting of fewer than four lots do not require City Council approval.)

The Napa Sanitation District is capable of extending services to the proposed development project without impact on the service levels provided to current ratepayers. The Executive Officer recommends approval of this proposal.

BACKGROUND

Applicant: Daniel Wojtkowiak, property owner.

Proposal: The applicant proposes annexation to the Napa Sanitation District of approximately 0.52 acres of incorporated territory in order to make services available to a proposed development project. The property owner has consented to this annexation. The District, as the subject agency, has offered its consent to the waiver of protest proceedings for this annexation.

Location: The subject territory includes one parcel located at 2530 Redwood Road in the City of Napa. The subject territory is located within the adopted sphere of influence boundary of the Napa Sanitation District and is depicted on the attached aerial map. (APN: 007-261-010)

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

Kevin Block, Commissioner
Councilmember, City of Napa

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

Bill Dodd, Chair
Supervisor, 4th District

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Guy Kay, Commissioner
Representative of the General Public

Brian Kelly, Alt. Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

FACTORS FOR CONSIDERATION:

California Government Code §56668 provides 14 factors to be considered in the review of a proposal. The Commission's review shall include, but is not limited to, consideration of these factors. Additional information relating to these factors can be found in the attached *Justification of Proposal*.

<p>(a) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.</p>	<p>Annexation of the subject territory to the Napa Sanitation District would facilitate the development of two new single-family residential lots. This density is the maximum amount allowed under the land use policies of the City of Napa for the subject territory and is consistent with the existing development in the surrounding area. The current total population of the subject territory is two. It is expected that the subject territory's population will increase in a manner that is consistent with the development of two new single-family residences.</p>
<p>(b) 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.</p> <p>"Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.</p>	<p>Annexation of the subject territory to the Napa Sanitation District would facilitate the extension of public sewer service to serve two new single-family residential lots located within an urbanized portion of the City of Napa. The Napa Sanitation District has sufficient capacity and facilities to provide service to the subject territory without impacting the service levels of current ratepayers.</p>
<p>(c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.</p>	<p>Annexation to the Napa Sanitation District would facilitate the development of the subject territory in a manner that is consistent with the surrounding area. The majority of the surrounding area is already served by the Napa Sanitation District</p>

<p>(d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377. (<i>Note: Section 56377 encourages preservation of agricultural and open-space lands.</i>)</p>	<p>Annexation of the subject territory to the Napa Sanitation District is consistent with the planned, orderly, and efficient patterns of urban development within the City of Napa. The subject territory does not qualify as agricultural or open-space land.</p>
<p>(e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.</p>	<p>The subject territory is located within an urbanized portion of the City of Napa. Extension of sewer service to the subject territory would not result in an impact to agricultural lands.</p>
<p>(f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.</p>	<p>The subject territory is substantially surrounded by the existing jurisdictional boundary of the Napa Sanitation District.</p>
<p>(g) Consistency with city or county general and specific plans.</p>	<p>The proposal is consistent with the land use policies of the City of Napa. The City General Plan designates the subject territory "Single-Family Residential 7," which allows for a maximum density of five units per acre. The City zones the subject territory "Residential Single 7," which requires a minimum lot size of 7,000 square feet that is equivalent to 0.16 acres.</p>
<p>(h) The sphere of influence of any local agency which may be applicable to the proposal being reviewed.</p>	<p>The subject territory lies within the adopted sphere of influence of the Napa Sanitation District. The proposal is consistent with the sphere of influence.</p>
<p>(i) The comments of any affected local agency.</p>	<p>No substantive comments were received from any affected local agency during the review of this proposal.</p>
<p>(j) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.</p>	<p>The Napa Sanitation District, through its resolution establishing terms and conditions, attests to its ability to extend sewer service to the subject territory without impact to existing ratepayers.</p>

<p>(k) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.</p>	<p>The subject territory is currently connected to the City of Napa's potable water system. The City's water management plan shows it is capable of delivering water to the subject territory to development levels consistent with the City General Plan.</p>
<p>(l) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.</p>	<p>The subject territory is located within the City of Napa. Annexation of the subject territory to the Napa Sanitation District will not impact the City in achieving its regional housing needs allocation.</p>
<p>(m) Any information or comments from the landowner or owners.</p>	<p>No comments were offered.</p>
<p>(n) Any information relating to existing land use designations.</p>	<p>The City of Napa General Plan designates the subject territory "Single-Family Residential 7." This is an urban land use designation that is consistent with the extension of sewer service.</p>

PROPERTY TAX AGREEMENT

In accordance with provisions of Revenue and Taxation Code §99, the County of Napa and the Napa Sanitation District by Resolution of the Board of Supervisors have agreed that no exchange of property taxes will occur as a result of annexation of lands to the Napa Sanitation District.

ENVIRONMENTAL ANALYSIS

On October 20, 2005, the City of Napa Planning Commission adopted *Resolution 05-151*, which involved the approval of a tentative parcel map for the underlying project associated with this proposal. The Planning Commission found the project to be exempt from the California Environmental Quality Act (CEQA) pursuant to Section §15315 of the Guidelines. This code exempts the division of property in urbanized areas zoned for residential, commercial, or industrial use into four or fewer parcels when the division is in conformance with the applicable general plan and zoning ordinance. This resolution is provided for the Commission to review and consider as responsible agency under CEQA.

RECOMMENDATION

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

- 1) Adopt the attached draft resolution approving the proposed *Redwood Road/Argyle Street District Annexation to the Napa Sanitation District*.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments

- ~~1. Aerial Map~~
- ~~2. Draft LAFCO Resolution of Approval~~
- ~~3. Justification of Proposal~~
- ~~4. NSD Resolution No. 06-011~~
- ~~5. City of Napa Planning Commission Resolution 05-151~~



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AUGUST 7, 2006
AGENDA ITEM NO. 5c

July 27, 2006

TO: Local Agency Formation Commission
FROM: Keene Simonds, Executive Officer
SUBJECT: *Old Sonoma Road District Annexation to the Congress Valley Water District (Action)*

The Commission will consider the annexation of 11.55 acres of unincorporated territory to the Congress Valley Water District. The subject territory is already served by the District, but is outside its jurisdictional boundary. This annexation is intended to formally authorize the District to serve the subject territory in a manner that conforms to California Government Code.

Proposed is the annexation of approximately 11.55 acres of unincorporated territory to the Congress Valley Water District. The subject territory comprises one unincorporated parcel that includes a single-family residence and a planted vineyard. In 2000, the District extended domestic water service to the subject territory based on its belief that the area was already in its jurisdictional boundary. In 2004, as part of the *Comprehensive Water Service Study*, LAFCO determined that the subject territory was not in the District's jurisdictional boundary, and recommended that the District initiate annexation proceedings to conform to California Government Code.

The Congress Valley Water District has demonstrated its ability to serve the subject territory without impact on the service levels provided to other ratepayers. The Executive Officer recommends approval of this proposal.

BACKGROUND

Applicant: Anthony and Joann Truchard, property owners.

Proposal: The applicant proposes the annexation of approximately 11.55 acres of unincorporated territory to the Congress Valley Water District. The subject territory comprises one unincorporated parcel that includes a single-family residence and a planted vineyard. The subject territory is already served by the District, but is outside its jurisdictional boundary. This annexation is intended to formally authorize the District to serve the subject territory in a manner that conforms to California Government Code. The property owners and District have consented to this annexation. Protest proceedings are not required.

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

Kevin Block, Commissioner
Councilmember, City of Napa

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

Bill Dodd, Chair
Supervisor, 4th District

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Guy Kay, Commissioner
Representative of the General Public

Brian Kelly, Alt. Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Location: The subject territory is located at 4062 Old Sonoma Road in an unincorporated area of Napa County. It is located within the adopted sphere of influence boundary of the Congress Valley Water District and is depicted on the attached aerial map. (APN: 043-040-001)

FACTORS FOR CONSIDERATION:

California Government Code §56668 provides 14 factors to be considered in the review of a proposal. The Commission's review shall include, but is not limited to, consideration of these factors. Additional information relating to these factors can be found in the attached *Justification of Proposal*.

<p>(a) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.</p>	<p>The subject territory comprises one unincorporated parcel that includes a single-family residence and a planted vineyard. The single-family residence is currently unoccupied. No new development will be facilitated by this annexation, and current development is to a standard consistent with the land use policies of the County of Napa.</p>
<p>(b) 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.</p> <p>"Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.</p>	<p>The subject territory current receives domestic water service from the Congress Valley Water District. Because the area has historically lacked a reliable source of groundwater, the District serves an important role in providing domestic water service to the Congress Valley area. The District has demonstrated its ability to serve the subject territory without impact on the service levels provided to other ratepayers</p>
<p>(c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.</p>	<p>There will be no immediate change to the subject territory brought by annexation. The subject territory is already served by the District.</p>

<p>(d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377. <i>(Note: Section 56377 encourages preservation of agricultural and open-space lands.)</i></p>	<p>The annexation of the subject territory to the Congress Valley Water District is consistent with the policies of the Commission to recognize the current delivery of water service and support existing rural residential and agricultural development. Annexation would not adversely impact the continued agricultural and rural residential use of the subject territory and would be consistent with the County of Napa General Plan with respect to supporting non-urban development.</p>
<p>(e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.</p>	<p>The subject territory comprises one parcel that includes a single-family residence and a planted vineyard. The annexation would not impact the agricultural use of the subject territory as it is already being served by the Congress Valley Water District. The subject territory is not subject to a Williamson Act contract.</p>
<p>(f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.</p>	<p>The subject territory is completely surrounded by the existing jurisdictional boundary of the Congress Valley Water District.</p>
<p>(g) Consistency with city or county general and specific plans.</p>	<p>The proposal is consistent with the land use policies of the County of Napa with respect to supporting non-urban development. The County General Plan designates the subject territory "Agriculture, Watershed, and Open Space." The County zones the subject territory "Agricultural Watershed," which requires a minimum parcel density of 160 acres. No change in land use authority will occur as the result of this annexation.</p>
<p>(h) The sphere of influence of any local agency which may be applicable to the proposal being reviewed.</p>	<p>The subject territory lies within the adopted sphere of influence of the Congress Valley Water District. The proposal is consistent with the sphere of influence.</p>

(i) The comments of any affected local agency.	No substantive comments were received from an affected local agency during the review of this proposal.
(j) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.	The Congress Valley Water District has demonstrated its ability to serve the subject territory without impact to other ratepayers.
(k) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.	The subject territory currently receives domestic water service from the Congress Valley Water District. The District's service agreement with the City of Napa provides the District with sufficient water supplies and facilities to meet its existing service obligations.
(l) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.	Annexation of the subject territory to the Congress Valley Water District will not impact the County of Napa in achieving its regional housing needs allocation.
(m) Any information or comments from the landowner or owners.	No comments were offered.
(n) Any information relating to existing land use designations.	As noted, the County of Napa General Plan designates the subject territory "Agriculture, Watershed, and Open Space."

PROPERTY TAX AGREEMENT

In accordance with provisions of Revenue and Taxation Code §99, the County of Napa and the Congress Valley Water District by Resolution of the Board of Supervisors have agreed that no exchange of property taxes will occur as a result of annexation of lands to the Congress Valley Water District.

ENVIRONMENTAL ANALYSIS

This proposal is exempt from the provisions of the California Environmental Quality Act under Article 19, Section 15319(a) of the Guidelines. This section exempts annexations to a city or special district of areas containing existing public or private structures that conforms to the zoning density of the land use authority.

RECOMMENDATION

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

- 1) Adopt the attached draft resolution approving the proposed *Old Sonoma Road District Annexation to the Congress Valley Water District*.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments

- ~~1. Aerial Map~~
- ~~2. Draft LAFCO Resolution of Approval~~
- ~~3. Justification of Proposal~~
- ~~4. CVWD Resolution No. 58~~



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

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

AUGUST 7, 2006
AGENDA ITEM NO. 5d

August 1, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: FY05-06 Budget: Close of Accounting Records (Information)

Staff has prepared a report on the close of accounting records for FY05-06. The report is being presented to the Commission for information.

The Executive Officer and the Auditor-Controller have completed the necessary actions to close the FY05-06 accounting records. LAFCO finished FY05-06 with unexpended funds totaling \$145,316.75. This unexpended fund amount is approximately \$60,000 more than the total for FY04-05 and is primarily attributed to the reduction in staffing costs associated with the departure of former Executive Officer Daniel Schwarz in January. The unexpended funds should be returned to the six funding agencies (the County of Napa and the Cities of American Canyon, Calistoga, Napa, St. Helena, and Town of Yountville) in the form of credits toward their respective FY06-07 contributions. These credits will be determined proportionally to each agency's FY05-06 share of the LAFCO budget.

LAFCO practices bottom-line accounting and has granted the Executive Officer discretionary authority over above-the-line accounts relating to *Salaries & Benefits* and *Services and Supplies*. Although the above-the-line total was positive in FY05-06, some individual line-items exceeded their FY05-06 budget. For the benefit of the Commission, these individual line-items are discussed in the attached summary.

Note: As discussed in the attached summary, staff believes that there is a accounting error involving \$1,381.20 in unaccounted funds in one of the Commission's service and supply accounts, "PSS: Other." Staff is working with the County Auditor-Controller on this matter and will provide the Commission a written update for the August 7th meeting.

Attachments:

- 1) Summary of deficit line-items
- 2) ~~FY05-06 General Ledger Report - Expenditures~~

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

Kevin Block, Commissioner
Councilmember, City of Napa

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

Bill Dodd, Chair
Supervisor, 4th District

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Guy Kay, Commissioner
Representative of the General Public

Brian Kelly, Alt. Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

LAFCO FY05-06 Budget: Close of Accounting Records Discussion of Deficits in Individual Line-Items

Salaries and Benefits

Retirement Payoff (#51300200)

Former Executive Officer Daniel Schwarz received \$5,989.67 following his January, 2006 departure as payoff for his accrued vacation time. This line-item was added to the FY05-06 General Ledger after the approval of the budget in response to Mr. Schwarz's departure. Excess funds in other *Salaries and Benefits* line-items were sufficient to cover this payoff amount.

Services and Supplies

Memberships (#52150000)

LAFCO uses this line-item to pay its annual membership with CALAFCO. In FY05-06, this line-item experienced a deficit of \$1,441. This deficit was the result of staff having processed a warrant for LAFCO's 06-07 membership fee prior to the official close of books for FY05-06. Although this early payment was detected shortly after its submittal to the County Auditor's Office, the error could not be corrected because the close of the books for FY05-06 had been completed. Excess funds in other *Service and Supplies* line-items were sufficient to cover this deficit.

Please note that because of the early payment of its 06-07 CALAFCO membership fee, LAFCO will have excess funds available in this line-item at the close of FY06-07.

Professional Support Services (PSS): Other (#52185000)

LAFCO uses this line-item each year to cover the cost of an independent audit and services from the Auditor-Controller's office. In addition, LAFCO moves funds from its *Professional Services Dedication* to this line to cover consulting contracts. In FY05-06, this line-item experienced a deficit of \$4,367.46. The majority of this deficit is attributed to the rising cost for the preparation of the independent audit and increased usage of the Auditor-Controller, which was not fully anticipated in the FY05-06 budget. An increase of \$1,500 to this line-item has been budgeted for FY06-07. Staff also anticipates making less use of the Auditor-Controller as it becomes more familiar with PeopleSoft software.

Please note that in addition to increases in auditing costs and use of the Auditor-Controller, staff believes that an accounting error involving the misplacement of \$1,381.20 in carryover funds from FY04-05 has contributed to the deficit in this line-item. As the Commission will recall, LAFCO carried over \$4,239.90 from FY04-05 in this line-item to complete payment to Cotton/Bridges/Associates for consulting services. However, beginning in April 2006, this line-item reflected an unexplained decrease in carryover funds from \$4,239.90 to \$2,855.70. Staff is working with the Auditor's Office to address this apparent error and will provide a written update at the Commission's August 7th meeting.

LAFCO FY05-06 Budget: Close of Accounting Records Discussion of Deficits in Individual Line-Items

Publications/Legal Notices (#52190000)

LAFCO uses this line-item each year to cover the costs of all publications. In FY05-06, this line-item experienced a deficit of \$674.60. This deficit is attributed to publishing advertisements relating to the recruitment of an executive officer.

SDE: Other (#52235000)

LAFCO uses this line-item to pay one-time operating expenses. In FY05-06, LAFCO replaced one laptop computer. The cost was \$660.19 above the budgeted amount.



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AUGUST 7, 2006
AGENDA ITEM NO. 6a

July 24, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

**SUBJECT: Napa Sanitation District – Comprehensive Sphere of Influence Review
(Public Hearing – Action)**

The Commission will review a final report that includes recommendations for a comprehensive update to the Napa Sanitation District sphere of influence. The Commission may adopt a resolution making related determinations as required by California Government Code §56425.

Staff has prepared a final report regarding the comprehensive sphere of influence review of the Napa Sanitation District (NSD). The final report provides a review of the NSD sphere and offers recommendations for the five study categories that have been developed as part of this update. These recommendations were initially presented to the Commission for discussion at its June 5, 2006 meeting. A 30-day public comment period was initiated by staff following the June 5th meeting, which included sending notices to affected agencies and property owners. Comments received are summarized as part of an attached memorandum. No substantive changes are offered as part of the final report.

In sum, the final report recommends that the NSD sphere be modified to reflect three distinct changes. This includes adding all of the incorporated and unincorporated parcels located within the City of Napa's adopted urban growth boundary (with two specific exceptions) along with the nine unincorporated parcels that are already in NSD, but were not added to the sphere at the time of annexation. These areas are collectively identified in the final report as Study Categories "A" and "B." The final report also recommends that the sphere be modified to remove the four unincorporated parcels that are not in NSD and are designated for an agricultural use by the County of Napa. This area is identified in the final report as Study Category "D." All three of these recommended changes are described in detail in the final report.

No changes are recommended for the two remaining study categories that have developed as part of this update, which are Study Categories "C" and "E." At the direction of the Commission, staff will complete its analysis and offer recommendations for Study Category C following the completion of the current County General Plan update.

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

Kevin Block, Commissioner
Councilmember, City of Napa

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

Bill Dodd, Chair
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Guy Kay, Commissioner
Representative of the General Public

Brian Kelly, Alt. Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Written statements addressing the four factors enumerated under California Government Code §56425(e) that the Commission must consider when making a sphere determination have been prepared and are presented as part of Exhibit B of the attached draft resolution. This draft resolution confirms the recommendations of the final report and is being presented to the Commission for its consideration.

RECOMMENDATION

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

- 1) Approve the attached draft resolution making statements with respect to updating the sphere of influence for the Napa Sanitation District pursuant to California Government Code §56425.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- ~~1. Draft Resolution~~
2. Final Report
- ~~3. Memorandum: Public Comments~~

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

**NAPA SANITATION DISTRICT
COMPREHENSIVE SPHERE OF INFLUENCE REVIEW**

FINAL REPORT

AUGUST 2006

LAFCO of Napa County

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

Bill Dodd, Chair

Dr. Andrew Alexander, Vice-Chair

Kevin Block, Commissioner

Guy Kay, Commissioner

Brad Wagenknecht, Commissioner

Cindy Coffey, Alt. Commissioner

Brian Kelly, Alt. Commissioner

Mark Luce, Alt. Commissioner

Keene Simonds, Executive Officer

Jackie Gong, Commission Counsel

Kathy Mabry, Commission Secretary



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INTRODUCTION

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

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

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

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

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

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

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

Napa Sanitation District

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

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

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

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

² LAFCO Resolution No. 06-03.

OVERVIEW

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

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

Napa Sanitation District

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

Adoption of Sphere of Influence

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

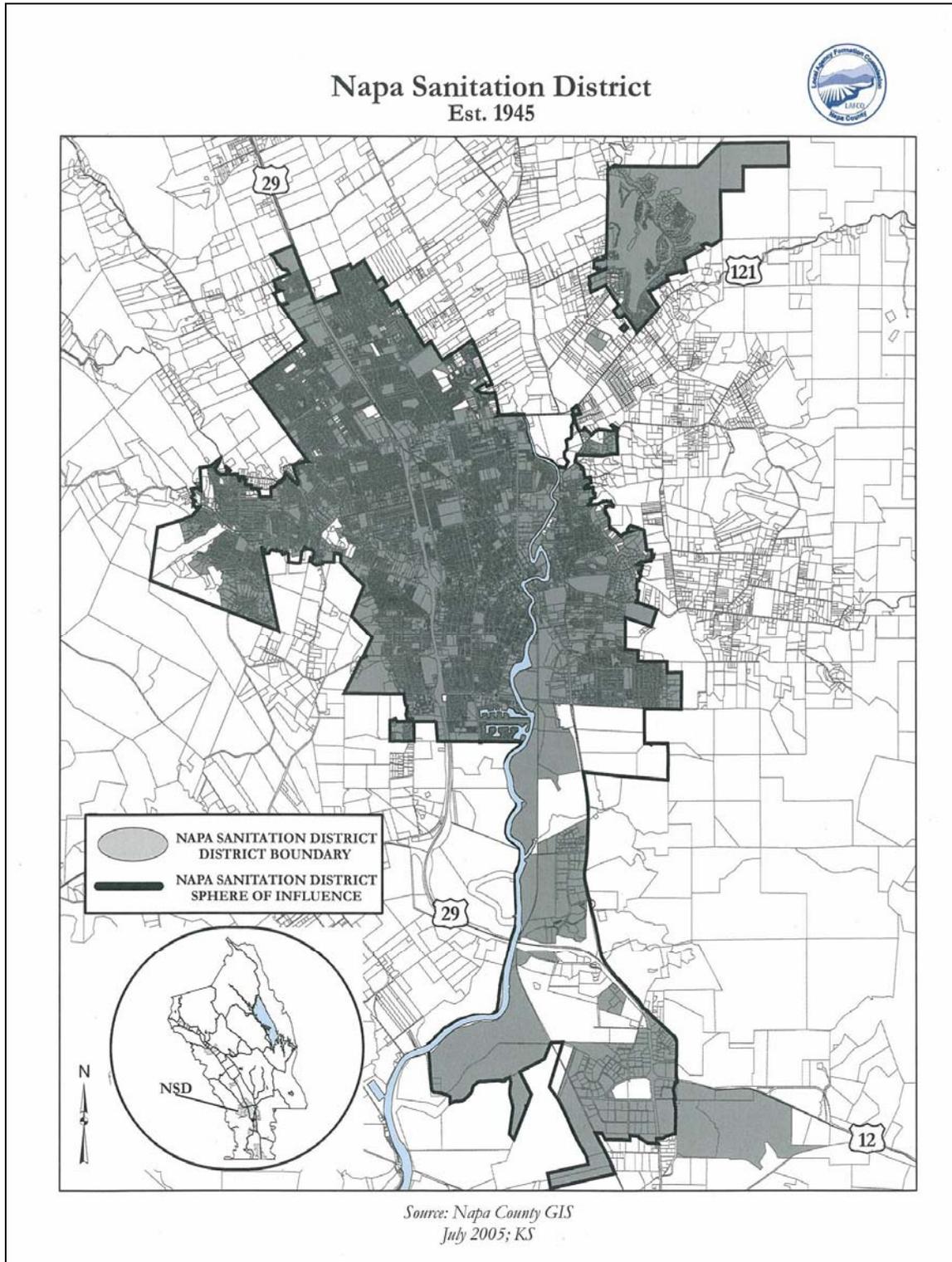
³ NSD expanded its operations in the early 1980s to include restricted (secondary) reclaimed water service for irrigation on non-domestic crops. These reclamation services were expanded in the late 1990s to include unrestricted (tertiary) reclaimed water for irrigation of domestic crops as well as for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

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

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

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

Existing NSD Jurisdiction and Sphere Boundaries



Amendments to Sphere of Influence

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

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

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

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

Current Boundaries

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

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

Land Use Authorities

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

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

DISCUSSION

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

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

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

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

STUDY CATEGORIES

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

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

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

Study Category A

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

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

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

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

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

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

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

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

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

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

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

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

Analysis:

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

Conclusion:

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

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

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

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

Study Category B

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

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

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

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

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

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

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

Analysis:

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

Conclusion:

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

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

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

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

Study Category C

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

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

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

Analysis:

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

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

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

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

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

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

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

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

Conclusion:

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

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

Study Category D

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

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

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

Analysis:

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

Conclusion:

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

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

Study Category E

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

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

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

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

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

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

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

Analysis:

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

Conclusion:

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

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

SUMMARY OF RECOMMENDATIONS

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

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

SOURCES

Agency Contacts:

- **Napa Sanitation District**
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Brian Thomas, Engineer
- **County of Napa**
Hillary Gitelman, Planning Director
Steven Lederer, Assistant Planning Director
John McDowell, Program Planning Manager
Howard Siegel, Community Partnership Manager
- **City of Napa**
Richard Bottarini, Community Development Director
Jean Hasser, Senior Planner

Documents/Materials:

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



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

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AUGUST 7, 2006
AGENDA ITEM NO. 7a

July 27, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: **Comprehensive Study of Sanitation/Wastewater Treatment Providers
(Action)**

Staff is presenting written determinations regarding the sewer service operations for five of the six special districts included in the *Comprehensive Study of Sanitation/Wastewater Treatment Providers*. These determinations address the nine service factors required for consideration as part of the Commission's service review mandate and are being presented for adoption as part of five separate draft resolutions.

At its June 5, 2006 meeting, staff presented the Commission with written determinations for five of the six special districts included in the *Comprehensive Study of Sanitation/Wastewater Treatment Providers*. These determinations were presented for a first-reading and address the nine service factors required for consideration as part of the Commission's service review mandate. Following the June meeting, a 30-day notice of review was circulated to each affected agency. Comments were received from the Circle Oaks County Water District and the Lake Berryessa Resort Improvement District. Staff has revised two determinations based on these comments. Staff has also prepared a new determination for the Circle Oaks County Water District. These changes are discussed below. No other substantive changes have been made.

Draft resolutions codifying determinations for each affected agency have been prepared and are being presented for adoption by the Commission. These draft resolutions making determinations with respect to the sewer service operations of the five affected agencies would fulfill the Commission's service review mandate under Government Code §56430.

Revision No. 1 (Circle Oaks County Water District):

In the report received by the Commission in June, Determination 9(a) under the "Evaluation of Management Efficiencies" section read:

The Circle Oaks County Water District is currently preparing its first annual audit of financial records in several years. It is important that the District continue to prepare an annual audit of its financial records in a timely manner to foster accountable and transparent management.

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

Kevin Block, Commissioner
Councilmember, City of Napa

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

Bill Dodd, Chair
Supervisor, 4th District

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Guy Kay, Commissioner
Representative of the General Public

Brian Kelly, Alt. Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

The Circle Oaks County Water District has advised staff that it has prepared audits for all years up to the fiscal year ending June 30, 2006. The District acknowledges that not all audits have been filed with the County of Napa Auditor or State Controller as required under Government Code §26909. Based on this input, staff has revised the determination to read:

It is important that the Circle Oaks County District file copies of its annual audits with the County of Napa Auditor and State Controller in a timely manner. These efforts will enhance the ability of constituents and officials to review and keep current with the financial management of the District.

Revision No. 2 (Lake Berryessa Resort Improvement District):

In the report received by the Commission in June, Determination 4(g) under the “Financing Constraints and Opportunities” section read:

The California Regional Water Quality Control Board recently fined the Lake Berryessa Resort Improvement District \$400,000 for repeated sewer discharges into the Lake Berryessa watershed. Additionally, because of non-payment, the State of California has sued the District for additional violations relating to the discharges for a total amount of approximately \$2,700,000. It is unknown whether the District could remain solvent if required to pay a judgment or settlement in or near this amount.

The Lake Berryessa Resort Improvement District has advised staff that the lawsuit filed against it by the State of California is for the remainder of violations that occurred during the repeated discharges that the District was previously fined \$400,000, and not due to non-payment. Based on this input, staff has revised the determination to read:

The California Regional Water Quality Control Board recently fined the Lake Berryessa Resort Improvement District \$400,000 for repeated sewer discharges into the Lake Berryessa watershed. The State of California has also sued the District for the remainder of the violations associated with these repeated discharges for approximately \$2,700,000. It is unknown whether the District could remain solvent if required to pay a judgment or settlement in or near this amount.

New Determination (Circle Oaks County Water District):

In April 2006, the Circle Oaks County Water District Board adopted a policy not to permit new connections to its sewer system until improvements are made to address its Cleanup and Abatement Order from the Regional Water Quality Control Board. This includes completing an inflow and infiltration study of the collection system to address suspected deficiencies regarding excessive storm and groundwater intrusion. Accordingly, staff has added the following determination to the “Local Governance and Accountability” section:

The Circle Oaks County Water District recently adopted a policy not to permit new connections to its sewer system until improvements are made to address its Cleanup and Abatement Order from the Regional Water Quality Control Board. The District should make a concerted effort to address the concerns of the Regional Water Quality Control Board in a timely and transparent manner. These efforts will help to ensure the safe operation of the sewer system while keeping constituents informed of the goals, costs, and benefits of all related projects.

RECOMMENDATION

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

- 1) Approve the form of the attached draft resolution making determinations with respect to the sewer service operations of the Circle Oaks County Water District pursuant to California Government Code §56430; and
- 2) Approve the form of the attached draft resolution making determinations with respect to the sewer service operations of the Lake Berryessa Resort Improvement District pursuant to California Government Code §56430; and
- 3) Approve the form of the attached draft resolution making determinations with respect to the sewer service operations of the Napa-Berryessa Resort Improvement District pursuant to California Government Code §56430; and
- 4) Approve the form of the attached draft resolution making determinations with respect to the sewer service operations of the Napa River Reclamation District No. 2109 pursuant to California Government Code §56430; and
- 5) Approve the form of the attached draft resolution making determinations with respect to the sewer service operations of the Spanish Flat Water District pursuant to California Government Code §56430.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- 1) Draft Resolution: COCWD
- 2) Draft Resolution: LBRID
- 3) Draft Resolution: NBRID
- 4) Draft Resolution: NRRD
- 5) Draft Resolution: SFWD

RESOLUTION NO. ____

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

**COMPREHENSIVE STUDY OF SANITATION/WASTEWATER TREATMENT PROVIDERS
SERVICE REVIEW
CIRCLE OAKS COUNTY WATER DISTRICT**

WHEREAS, the Local Agency Formation Commission of Napa County (hereinafter referred to as “the Commission”) may conduct service reviews of local agencies pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq., hereinafter referred to as “Act”); and

WHEREAS, the Commission adopted a schedule for service reviews on October 11, 2001; and

WHEREAS, pursuant to Government Code Section 56430, the Executive Officer designated a countywide service review of public sewer service in Napa County, which includes territory served by the Circle Oaks County Water District; and

WHEREAS, pursuant to its adopted schedule, the Commission held a public meeting on the “Comprehensive Study of Sanitation/Wastewater Treatment Providers”, including the review of the Circle Oaks County Water District’s sewer services, on October 3, 2005; and

WHEREAS, the Executive Officer prepared a written report of this service review that was presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at its public meeting on October 3, 2005 and at meetings of the Commission on June 5, 2006 and August 7, 2006; and

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

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

**COMPREHENSIVE STUDY OF SANITATION/WASTEWATER TREATMENT PROVIDERS
SERVICE REVIEW
CIRCLE OAKS COUNTY WATER DISTRICT**

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

2. The Commission adopts the statement of determinations set forth in “Exhibit A” which is attached and hereby incorporated by reference.

The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of Napa County, State of California, at a regular meeting held on the 7th day of August, 2006, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

ATTEST: EXECUTIVE OFFICER

Clerk of the Commission

By: _____

EXHIBIT A

COMPREHENSIVE STUDY OF SANITATION/WASTEWATER TREATMENT PROVIDERS SERVICE REVIEW CIRCLE OAKS COUNTY WATER DISTRICT

STATEMENT OF DETERMINATIONS

1. With respect to general policies [Government Code §56430], the Commission determines that:
 - a) Determinations adopted by the Commission as part of the *Comprehensive Water Service Study* regarding the Circle Oaks County Water District remain valid and appropriate.

2. With respect to infrastructure needs or deficiencies [Government Code §56430(a) (1)], the Commission determines that:
 - a) The Circle Oaks County Water District's sewer system collects and provides primary treatment of wastewater before it is discharged into one of three storage ponds for evaporation. This is a basic level of sewer service that is regulated by the California Regional Water Quality Control Board.
 - b) The sewer system for the Circle Oaks County District has adequate collection, treatment, and discharge capacities to meet existing service demands within its jurisdiction under normal conditions.
 - c) The Circle Oaks County Water District requires a comprehensive facilities plan regarding its sewer service operations. The plan should evaluate the adequacy of existing facilities to meet present and future system demands, offer recommendations as part of a long-term capital improvement program, and evaluate funding requirements and opportunities.
 - d) The ability of the Circle Oaks County Water District to effectively quantify its capacity to serve new growth would be measurably strengthened by preparing a comprehensive facilities plan for its sewer system.
 - e) Central components of the Circle Oaks County Water District's sewer system have been in operation since the early 1960s. The age of the system underscores the importance for the District to emphasize preventive maintenance to help ensure its continued safe and effective operation.

Exhibit A

- f) The Circle Oaks County Water District is operating under a Cleanup and Abatement Order from the California Regional Water Quality Control Board. This order, which was prompted by suspected deficiencies regarding excessive storm and groundwater intrusion into the collection system, reflects the need for the District to make timely improvements to its sewer system.
3. With respect to growth and population projections for the affected area [Government Code §56430(a) (2)], the Commission determines that:
 - a) The Circle Oaks County Water District is under the land use authority of the County of Napa. Land located in the District is designated *Agriculture, Watershed and Open Space* and is primarily zoned *Residential Single*. This zoning standard requires a minimum parcel size of 0.18 acres, which is consistent with existing lot densities and limits additional subdivision and related growth from occurring in the District.
 - b) Land located outside and adjacent to the Circle Oaks County Water District is designated by the County of Napa as *Agriculture, Watershed and Open Space*. This designation discourages the Commission from approving annexations to the District based on its policy to direct the extension of municipal services away from land designated agriculture or open-space under the County General Plan.
 - c) The Circle Oaks County Water District has enforced a moratorium on new water service connections since 2000. This moratorium has suspended growth in the District because property owners are unable to secure a building permit from the County of Napa without documentation of an available water supply.
 - d) The population per household projection issued by the California Department of Finance for Napa County is an appropriate indicator to estimate the resident service population of the Circle Oaks County Water District. Making use of the current per household projection, the estimated resident service population of the District is 495.
4. With respect to financing constraints and opportunities [Government Code §56430(a) (3)], the Commission determines that:
 - a) The ability of the Circle Oaks County Water District to generate revenue for its sewer system has been constrained by the lack of planned development within its jurisdictional boundary.
 - b) The lack of planned development in the Circle Oaks County Water District has resulted in a confined customer base. This confined customer base diminishes the District's ability to establish economies of scale with respect to spreading out service costs for the benefit of its constituents.

Exhibit A

- c) In the fiscal year evaluated (FY02-03), expenses for the Circle Oaks County Water District relating to its sewer service operations were in excess of its revenues. The District has made a concerted effort to examine its financial situation to rectify its cost-to-income relationship to avoid future shortfalls.
 - d) The Circle Oaks County Water District is subject to significant fluctuations in its annual sewer service costs, which have contributed to past operating shortfalls. These shortfalls are symptomatic of the District serving a confined number of customers while maintaining an aging infrastructure system prone to repairs, improvements, and increasing regulatory standards.
 - e) The Circle Oaks County Water District recently secured a low-interest loan from the California Special Districts Association in the amount of \$350,000. This loan will help the District fund necessary improvements to its sewer system to comply with its Cleanup and Abatement Order issued by the California Regional Water Quality Control Board.
 - f) The Circle Oaks County Water District has made measurable progress over the past two years in replenishing its cash reserves. The accumulation of reserves decreases the District's dependency on loans, grants, or special assessments to help fund emergency repairs or capital improvements.
5. With respect to cost avoidance opportunities [Government Code §56430(a) (4)], the Commission determines that:
- a) The Circle Oaks County Water District's decision to contract for sewer and water service operations with Phillips and Associates provides it with cost-savings relating to salaries, benefits, training, and certification.
 - b) The Circle Oaks County Water District recently entered into an agreement with the County of Napa for legal services. This agreement provides significant cost-savings for the District by establishing maximum annual service charges for legal services.
6. With respect to opportunities for rate restructuring [Government Code §56430(a) (5)], the Commission determines that:
- a) Sewer services for the Circle Oaks County Water District are primarily funded by a flat monthly availability charge, which is assigned to all developed lots within its jurisdictional boundary. Revenue generated from this charge is currently limited to recovering operational costs.

Exhibit A

- b) The Circle Oaks County Water District's dependency on its flat monthly availability charge to fund its sewer system underscores the importance for the District to ensure that this charge adequately recovers all operational costs while sufficiently funding reserves.
7. With respect to opportunities for shared facilities [Government Code §56430(a) (6)], the Commission determines that:
- a) The Circle Oaks County Water District is restricted from participating in cost-sharing activities with other agencies, such as joint-use facilities and projects, due to its isolated service location.
 - b) The Circle Oaks County Water District should consult with the Napa County Mosquito Abatement District regarding its sewer service operations. This will help to control vectors and vector-borne diseases within the Circle Oaks community.
8. With respect to government structure options, including advantages and disadvantages of consolidation or reorganization of service providers [Government Code §56430(a) (7)], the Commission determines that:
- a) The Circle Oaks County Water District is the only public agency authorized to provide sewer service within its jurisdictional boundary.
 - b) The Circle Oaks County Water District has been successful in achieving its original service objective to provide sewer and water service to the Circle Oaks community. The District continues to serve as an appropriate instrument in meeting the service needs of the community by localizing costs for the direct benefit of its constituents.
9. With respect to evaluation of management efficiencies [Government Code §56430(a) (8)], the Commission determines that:
- a) The Circle Oaks County Water District has made a concerted effort over the past two years to formalize its administrative operations by establishing written policies and procedures defining the responsibilities of staff and designated representatives. These efforts have contributed to a more efficient system of administration and enhanced decision-making.
 - b) It is important that the Circle Oaks County Water District file copies of its annual audits with the County of Napa Auditor and State Controller in a timely manner. These efforts will enhance the ability of constituents and officials to review and keep current with the financial management of the District.

Exhibit A

- c) Staff for the Circle Oaks County Water District should continue its efforts to remind constituents of the relationship between operational costs, service levels, and sewer rates.
 - d) The Circle Oaks County Water District should evaluate and establish performance measures that are consistent with the service needs and preferences of its constituents.
10. With respect to local accountability and governance [Government Code §56430(a) (9)], the Commission determines that:
- a) The Circle Oaks County Water District makes reasonable efforts to maintain public dialogue with its constituents. This includes conducting regularly scheduled meetings, distributing newsletters, posting service information on the District website, and soliciting comments from constituents. These efforts facilitate local accountability and contribute towards public involvement in local governance.
 - b) The Circle Oaks County Water District is governed by a five-member board of directors. Directors serve voluntarily and are elected by and accountable to the registered voters residing in the District.
 - c) The Circle Oaks County Water District should make a concerted effort to consult and address the needs of property owners that have been unable to establish residency in the District due to the current moratorium on new water service connections.
 - d) The ability of the Circle Oaks County District to maintain a full number of board members, whether through election or by appointment, remains a challenge due to a lack of willing volunteers in the community.
 - e) The long-term effectiveness and solvency of the Circle Oaks County Water District is dependent on its constituents recognizing that they are accountable to fund and govern the District.
 - f) The Circle Oaks County Water District recently adopted a policy not to permit new connections to its sewer system until improvements are made to address its Cleanup and Abatement Order from the Regional Water Quality Control Board. The District should make a concerted effort to address the concerns of the Regional Water Quality Control Board in a timely and transparent manner. These efforts will help to ensure the safe operation of the sewer system while keeping constituents informed of the goals, costs, and benefits for all related projects.

RESOLUTION NO. ____

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

**COMPREHENSIVE STUDY OF SANITATION/WASTEWATER TREATMENT PROVIDERS
SERVICE REVIEW
LAKE BERRYESSA RESORT IMPROVEMENT DISTRICT**

WHEREAS, the Local Agency Formation Commission of Napa County (hereinafter referred to as “the Commission”) may conduct service reviews of local agencies pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq., hereinafter referred to as “Act”); and

WHEREAS, the Commission adopted a schedule for service reviews on October 11, 2001; and

WHEREAS, pursuant to Government Code Section 56430, the Executive Officer designated a countywide service review of public sewer service in Napa County, which includes territory served by the Lake Berryessa Resort Improvement District; and

WHEREAS, pursuant to its adopted schedule, the Commission held a public meeting on the “Comprehensive Study of Sanitation/Wastewater Treatment Providers”, including the review of the Lake Berryessa Resort Improvement District’s sewer services, on October 3, 2005; and

WHEREAS, the Executive Officer prepared a written report of this service review that was presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at its public meeting on October 3, 2005 and at meetings of the Commission on June 5, 2006 and August 7, 2006; and

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

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

**COMPREHENSIVE STUDY OF SANITATION/WASTEWATER TREATMENT PROVIDERS
SERVICE REVIEW
LAKE BERRYESSA RESORT IMPROVEMENT DISTRICT**

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

2. The Commission adopts the statement of determinations set forth in “Exhibit A,” which is attached and hereby incorporated by reference.

The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of Napa County, State of California, at a regular meeting held on the 7th day of August, 2006, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

ATTEST: EXECUTIVE OFFICER

Clerk of the Commission

By: _____

EXHIBIT A

COMPREHENSIVE STUDY OF SANITATION/WASTEWATER TREATMENT PROVIDERS SERVICE REVIEW LAKE BERRYESSA RESORT IMPROVEMENT DISTRICT

STATEMENT OF DETERMINATIONS

1. With respect to general policies [Government Code §56430], the Commission determines that:
 - a) Determinations adopted by the Commission as part of the *Comprehensive Water Service Study* regarding the Lake Berryessa Resort Improvement District remain valid and appropriate.

2. With respect to infrastructure needs or deficiencies [Government Code §56430(a) (1)], the Commission determines that:
 - a) The Lake Berryessa Resort Improvement District's sewer system collects and provides secondary treatment of wastewater before it is discharged into one of seven storage ponds for evaporation. This is an elevated level of sewer service that is regulated by the California Regional Water Quality Control Board.
 - b) The sewer system for the Lake Berryessa Resort Improvement District is at capacity with regard to meeting existing service demands within its jurisdiction under normal conditions. Improvements are needed to help solidify the ability of the District to adequately collect, treat, and discharge existing service demands as well as to serve new growth.
 - c) The Lake Berryessa Resort Improvement District requires a comprehensive facilities plan for its sewer service operations. The plan should evaluate the adequacy of existing facilities to meet present and future system demands, offer recommendations as part of a capital improvement program, and evaluate funding requirements and opportunities.
 - d) The ability of the Lake Berryessa Resort Improvement District to effectively quantify its capacity to serve new growth would be measurably strengthened by preparing a comprehensive facilities plan for its sewer system.
 - e) Central components of the Lake Berryessa Resort Improvement District's sewer system have been in operation since the late 1960s. The age of the system underscores the importance for the District to emphasize preventive maintenance to help ensure its continued safe and effective operation.

Exhibit A

- f) The Lake Berryessa Resort Improvement District is operating under a Cease and Desist Order from the California Regional Water Quality Control Board. This order, which was issued in 1996, requires the District to design, fund, and complete significant infrastructure improvements to its sewer system to comply with its discharge permit.
 - g) The California Regional Water Quality Control Board recently issued a Civil Liability Complaint against the Lake Berryessa Resort Improvement District for failure to make necessary and timely improvements to its sewer system. The complaint includes a \$400,000 fine and formalizes a claim by the Regional Board that the District has been inattentive in abating reoccurring sewer spills into the Lake Berryessa watershed.
 - h) The Lake Berryessa Resort Improvement District has identified approximately \$2,000,000 in needed capital improvements to its sewer system to comply with the adopted requirements of the California Regional Water Quality Control Board.
 - i) The actions by the California Regional Water Quality Control Board reflect the need for the Lake Berryessa Resort Improvement District to make timely improvements to its sewer system.
3. With respect to growth and population projections for the affected area [Government Code §56430(a) (2)], the Commission determines that:
- a) The Lake Berryessa Resort Improvement District is under the land use authority of the County of Napa. Land located within the District's primary service area, the subdivided phase of Berryessa Estates, is designated and zoned *Rural Residential* and *Planned Development*, respectively. This zoning standard does not require a minimum parcel size, which allows for additional subdivision and related growth to occur within the District upon approval by the County.
 - b) Land located outside and adjacent to the Lake Berryessa Resort Improvement District is designated by the County of Napa as *Agriculture, Watershed and Open Space*. This designation discourages the Commission from approving annexations to the District based on its policy to direct the extension of municipal services away from land designated agriculture or open-space under the County General Plan.
 - c) There are a number of undeveloped parcels located within the Lake Berryessa Resort Improvement District. This includes an estimated 190 undeveloped lots within the existing subdivided phase of Berryessa Estates. Development of these lots would significantly increase the service population of the District and result in one of the largest unincorporated communities in Napa County.

Exhibit A

- d) The population per household projection issued by the California Department of Finance for Napa County is an appropriate indicator to estimate the resident service population of the Lake Berryessa Resort Improvement District. Making use of the current projection, the estimated resident service population of the District is 427.
4. With respect to financing constraints and opportunities [Government Code §56430(a)(3)], the Commission determines that:
- a) The ability of the Lake Berryessa Resort Improvement District to generate revenues for its sewer system has been constrained by the lack of planned development within the Berryessa Estates community.
 - b) The lack of planned development in the Lake Berryessa Resort Improvement District has resulted in a confined customer base. This confined customer base diminishes the District's ability to establish economies of scale with respect to spreading out service costs for the benefit of its constituents.
 - c) In the fiscal year evaluated (FY03-04), expenses for the Lake Berryessa Resort Improvement District for sewer and water services were in excess of its revenues. The District has made a concerted effort over the past two years to examine its financial situation to rectify its cost-to-income relationship to avoid future shortfalls.
 - d) The Lake Berryessa Resort Improvement District is subject to measurable fluctuations in its annual sewer service costs, which have contributed to past operating shortfalls. These shortfalls are symptomatic of the District serving a confined number of customers while maintaining an aging infrastructure system prone to repairs, improvements, and increasing regulatory standards.
 - e) A key source of funding for the Lake Berryessa Resort Improvement District's sewer service operations is drawn from its variable monthly usage charge. Because this charge is based on the amount of potable water metered to the affected customer, funding for the sewer system is adversely affected by decreases in water use in the District.
 - f) The Lake Berryessa Resort Improvement District supplements its revenue drawn from its monthly sewer service charges with two special assessments. These special assessments provide critical funding streams for the District and help minimize service rates increases.

7. With respect to opportunities for shared facilities [Government Code §56430(a) (6)], the Commission determines that:
 - a) The Lake Berryessa Resort Improvement District maintains an informal relationship with the Napa-Berryessa Resort Improvement District to share equipment and materials as needed. This relationship, which is facilitated by the County of Napa, also provides the District with access to supplemental staff and the ability to pursue joint-use projects.
 - b) The Lake Berryessa Resort Improvement District should consult with the Napa County Mosquito Abatement District regarding its sewer service operations. This will help to control vectors and vector-borne diseases within the Berryessa Estates community.

8. With respect to government structure options, including advantages and disadvantages of consolidation or reorganization of service providers [Government Code §56430(a) (7)], the Commission determines that:
 - a) The Lake Berryessa Resort Improvement District is the only public agency authorized to provide sewer service within its jurisdictional boundary.
 - b) The Lake Berryessa Resort Improvement District was formed to provide a broad range of municipal services for the Berryessa Estates community. However, due to an amendment to its principal act, the District is limited to providing only sewer and water service. Additional analysis is needed to determine whether any of the omitted services, which include public recreation and fire protection, are desired or warranted in the community.
 - c) As part of the *Comprehensive Water Service Study*, the Commission determined the need for a governance study to evaluate the options and merits of reorganizing the Lake Berryessa Resort Improvement District. This includes examining the merits of consolidating the District with the Napa-Berryessa Resort Improvement District and Spanish Flat Water District to establish economies of scale and formalize service provision in the Lake Berryessa area. It is expected that this governance study will be completed prior to the next scheduled service review of all three districts.

9. With respect to evaluation of management efficiencies [Government Code §56430(a) (8)], the Commission determines that:
 - a) The Lake Berryessa Resort Improvement District provides a summary of past and projected revenues and expenditures relating to its sewer service operations as part of its annual budget. The District's budget process is conducted in an open and transparent manner and provides a clear directive towards staff with regard to prioritizing agency resources.

Exhibit A

- b) Management for the Lake Berryessa Resort Improvement District makes a concerted effort to identify and communicate the needs of the District to the Board as part of its annual budget process. These efforts help to inform the decision-making process of the Board to allocate the District's resources efficiently and effectively.
 - c) The Lake Berryessa Resort Improvement District has made a concerted effort over the past two years to examine and improve its solvency to avoid future operating shortfalls. These efforts strengthen the credibility and effectiveness of the District to manage the present and future needs of its constituents.
 - d) Management for the Lake Berryessa Resort Improvement District should ensure that all documents, including reports, agendas, and minutes, be written on District letterhead rather than on the letterhead of the County of Napa. This will help to strengthen the distinction that the District is the governmental entity responsible for providing sewer and water service to the Berryessa Estates community.
 - e) The Lake Berryessa Resort Improvement District should evaluate and establish performance measures that are consistent with the service needs and preferences of its constituents.
10. With respect to local accountability and governance [Government Code §56430(a) (9)], the Commission determines that:
- a) The Lake Berryessa Resort Improvement District makes reasonable efforts to maintain public dialogue with its constituents. This includes conducting regularly schedule meetings, attending local community meetings, and distributing newsletters to constituents. These efforts help to facilitate local accountability and contribute towards public involvement in local governance.
 - b) The Lake Berryessa Resort Improvement District is governed by the Napa County Board of Supervisors who are elected by and accountable to registered voters residing in their assigned ward. This governance system diminishes local accountability because constituents of the District are limited to voting for only one of five board members.
 - c) The Napa County Board of Supervisors should consider delegating governance of the Lake Berryessa Resort Improvement District to a five-member board of directors pursuant to Public Resources Code §13032. This action, which would establish a board comprising four elected residents and one supervisor representing the affected ward, would help to improve local accountability and strengthen community participation in District activities.

Exhibit A

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

RESOLUTION NO. ____

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

**COMPREHENSIVE STUDY OF SANITATION/WASTEWATER TREATMENT PROVIDERS
SERVICE REVIEW
NAPA-BERRYESSA RESORT IMPROVEMENT DISTRICT**

WHEREAS, the Local Agency Formation Commission of Napa County (hereinafter referred to as “the Commission”) may conduct service reviews of local agencies pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq., hereinafter referred to as “Act”); and

WHEREAS, the Commission adopted a schedule for service reviews on October 11, 2001; and

WHEREAS, pursuant to Government Code Section 56430, the Executive Officer designated a countywide service review of public sewer service in Napa County, which includes territory served by the Napa-Berryessa Resort Improvement District; and

WHEREAS, pursuant to its adopted schedule, the Commission held a public meeting on the “Comprehensive Study of Sanitation/Wastewater Treatment Providers”, including the review of the Napa-Berryessa Resort Improvement District’s sewer services, on October 3, 2005; and

WHEREAS, the Executive Officer prepared a written report of this service review that was presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at its public meeting on October 3, 2005 and at meetings of the Commission on June 5, 2006 and August 7, 2006; and

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

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

**COMPREHENSIVE STUDY OF SANITATION/WASTEWATER TREATMENT PROVIDERS
SERVICE REVIEW
NAPA-BERRYESSA RESORT IMPROVEMENT DISTRICT**

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

2. The Commission adopts the statement of determinations set forth in "Exhibit A," which is attached and hereby incorporated by reference.

The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of Napa County, State of California, at a regular meeting held on the 7th day of August, 2006, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

ATTEST: EXECUTIVE OFFICER

Clerk of the Commission

By: _____

EXHIBIT A

COMPREHENSIVE STUDY OF SANITATION/WASTEWATER TREATMENT PROVIDERS SERVICE REVIEW NAPA-BERRYESSA RESORT IMPROVEMENT DISTRICT

STATEMENT OF DETERMINATIONS

1. With respect to general policies [Government Code §56430], the Commission determines that:
 - a) Determinations adopted by the Commission as part of the *Comprehensive Water Service Study* regarding the Napa-Berryessa Resort Improvement District remain valid and appropriate.

2. With respect to infrastructure needs or deficiencies [Government Code §56430(a) (1)], the Commission determines that:
 - a) The Napa-Berryessa Resort Improvement District's sewer system collects and provides secondary treatment of wastewater before it is discharged through a spray irrigation system onto District-owned lands. This is an elevated level of sewer service that is regulated by the California Regional Water Quality Control Board.
 - b) The sewer system for the Napa-Berryessa Resort Improvement District requires improvements to its discharge capacity to adequately meet existing service demands in order to comply with the requirements of the California Regional Water Quality Control Board.
 - c) The Napa-Berryessa Resort Improvement District recently completed a comprehensive facilities plan for its sewer and water service operations. This plan includes a recommended capital improvement program that identifies approximately \$5,200,000 in needed sewer infrastructure upgrades.
 - d) The ability of the Napa-Berryessa Resort Improvement District to adequately meet existing sewer service demands and to serve new growth is dependent on financing and implementing the infrastructure improvements identified in its comprehensive facilities plan.
 - e) Central components of the Napa-Berryessa Resort Improvement District's sewer system have been in operation since the late 1960s. The age of the system underscores the importance for the District to emphasize preventive maintenance to help ensure its continued safe and effective operation.

3. With respect to growth and population projections for the affected area [Government Code §56430(a) (2)], the Commission determines that:
 - a) The Napa-Berryessa Resort Improvement District is under the land use authority of the County of Napa. The District's primary service area includes two subdivided phases of Berryessa Highlands that are designated *Agriculture, Watershed and Open-Space* and *Rural Residential*. Zoning for Berryessa Highlands is *Planned Development*. This zoning standard does not require a minimum parcel size, which allows for additional subdivision and related growth to occur within the District upon approval by the County.
 - b) Land located outside and adjacent to the Napa-Berryessa Resort Improvement District is designated by the County of Napa as *Agriculture, Watershed and Open Space*. This designation discourages the Commission from approving annexations to the District based on its policy to direct the extension of municipal services away from land designated agriculture or open-space under the County General Plan.
 - c) There are a number of undeveloped parcels located within the Napa-Berryessa Resort Improvement District. This includes an estimated 230 undeveloped lots within the two existing subdivided phases of Berryessa Highlands. Development of these lots would significantly increase the service population of the District and result in one of the largest unincorporated communities in Napa County.
 - d) The Napa-Berryessa Resort Improvement District serves two distinct service populations. This includes serving full-time residents within the Berryessa Highlands community and part-time residents at the Steele Park Resort.
 - e) The population per household projection issued by the California Department of Finance for Napa County is an appropriate indicator to estimate the resident service population of the Napa-Berryessa Resort Improvement District. Making use of on the current projection, the estimated year-round and part-time resident service populations of the District are 865 and 597, respectively.

4. With respect to financing constraints and opportunities [Government Code §56430(a) (3)], the Commission determines that:
 - a) The ability of the Napa-Berryessa Resort Improvement District to generate revenues for its sewer system has been constrained by the lack of planned development within its primary service area, Berryessa Highlands.
 - b) The lack of planned development in the Napa-Berryessa Resort Improvement District has resulted in a confined customer base. This confined customer base diminishes the District's ability to establish economies of scale with respect to spreading out service costs for the benefit of its constituents.

Exhibit A

- c) In the fiscal year evaluated (FY03-04), the Napa-Berryessa Resort Improvement District experienced a revenue surplus of approximately \$50,000 for its sewer and water systems. This surplus contrasts with the prior fiscal year (FY02-03) in which the District experienced a shortfall of approximately \$29,000.
 - d) The Napa-Berryessa Resort Improvement District is subject to significant fluctuations in its annual sewer service costs, which have contributed to past operating shortfalls. These shortfalls are symptomatic of the District serving a confined number of customers while maintaining an aging infrastructure system prone to repairs, improvements, and increasing regulatory standards.
 - e) A key source of funding for the Napa-Berryessa Resort Improvement District's sewer service operations is drawn from its variable monthly usage charge. Because this charge is based on the amount of potable water metered to the affected customer, funding for the sewer system is adversely affected by decreases in water use in the District.
5. With respect to cost avoidance opportunities [Government Code §56430(a) (4)], the Commission determines that:
- a) The Napa-Berryessa Resort Improvement District benefits from cost-savings associated with its relationship with the County of Napa. Savings drawn from this relationship include providing the District with administrative and operational support relating to engineering and legal services at a cost below market value.
6. With respect to opportunities for rate restructuring [Government Code §56430(a) (5)], the Commission determines that:
- a) The Napa-Berryessa Resort Improvement District's sewer service operations are primarily funded by a flat monthly available charge and a variable monthly usage charge. Both of these charges have been recently increased to more effectively recover operational costs while contributing towards funding needed capital improvements.
7. With respect to opportunities for shared facilities [Government Code §56430(a) (6)], the Commission determines that:
- a) The Napa-Berryessa Resort Improvement District maintains an informal relationship with the Lake Berryessa Resort Improvement District to share equipment and materials as needed. This relationship, which is facilitated by the County of Napa, also provides the District with access to supplemental staff and the ability to pursue joint-use projects.

Exhibit A

- b) Based on proximity and similar service operations, the Napa-Berryessa Resort Improvement District should explore shared arrangements with the Spanish Flat Water District.
 - c) The Napa-Berryessa Resort Improvement District should consult with the Napa County Mosquito Abatement District regarding its sewer service operations. This will help to control vectors and vector-borne diseases within the Berryessa Highlands community and the Steele Park Resort.
8. With respect to government structure options, including advantages and disadvantages of consolidation or reorganization of service providers [Government Code §56430(a) (7)], the Commission determines that:
- a) The Napa-Berryessa Resort Improvement District is the only public agency authorized to provide sewer service within its jurisdictional boundary.
 - b) The Napa-Berryessa Resort Improvement District was formed to provide a broad range of municipal services for the Berryessa Highlands community. However, due to an amendment to its principal act, the District is limited to providing only sewer and water service. Additional analysis is needed to determine whether any of the omitted services, which include public recreation and fire protection, are desired or warranted in the community.
 - c) As part of the *Comprehensive Water Service Study*, the Commission determined the need for a governance study to evaluate the options and merits of reorganizing the Napa-Berryessa Resort Improvement District. This includes examining the merits of consolidating the District with the Lake Berryessa Resort Improvement District and the Spanish Flat Water District to establish economies of scale and formalize service provision in the Lake Berryessa area. It is expected that this governance study will be completed prior to the next scheduled service review of all three districts.
9. With respect to evaluation of management efficiencies [Government Code §56430(a) (8)], the Commission determines that:
- a) The Napa-Berryessa Resort Improvement District provides a summary of past and projected revenues and expenditures relating to its sewer service operations as part of its annual budget. The District's budget process is conducted in an open and transparent manner and provides a clear directive towards staff with regard to prioritizing agency resources.

- b) Management for the Napa-Berryessa Resort Improvement District makes a concerted effort to identify and communicate the needs of the District to the Board as part of its annual budget process. These efforts help to inform the decision-making process of the Board to allocate the District's resources efficiently and effectively.
 - c) Management for the Napa-Berryessa Resort Improvement District should ensure that all documents, including reports, agendas, and minutes, be written on District letterhead rather than on the letterhead of the County of Napa. This will help to strengthen the distinction that the District is the governmental entity responsible for providing sewer and water service to the Berryessa Highlands community.
 - d) The Napa-Berryessa Resort Improvement District should evaluate and establish performance measures that are consistent with the service needs and preferences of its constituents.
10. With respect to local accountability and governance [Government Code §56430(a) (9)], the Commission determines that:
- a) The Napa-Berryessa Resort Improvement District makes reasonable efforts to maintain public dialogue with its constituents. This includes conducting regularly schedule meetings, attending local community meetings, and distributing newsletters to constituents. These efforts help to facilitate local accountability and contribute towards public involvement in local governance.
 - b) The Napa-Berryessa Resort Improvement District is governed by the Napa County Board of Supervisors who are elected by and accountable to registered voters residing in their assigned ward. This governance system diminishes local accountability because constituents of the District are limited to voting for only one of five board members.
 - c) The Napa County Board of Supervisors should consider delegating governance of the Napa-Berryessa Resort Improvement District to a five-member board of directors pursuant to Public Resources Code §13032. This action, which would establish a board comprising four elected residents and one supervisor representing the affected ward, would help to improve local accountability and strengthen community participation in District activities.
 - d) It is important that the Napa-Berryessa Resort Improvement District make a concerted effort to remind constituents that it – and not the County of Napa – is the designated sewer and water authority for the community.
 - e) The long-term effectiveness and solvency of the Napa-Berryessa Resort Improvement District is dependent on its constituents recognizing that they are accountable to fund the operations of the District.

RESOLUTION NO. ____**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
MAKING DETERMINATIONS****COMPREHENSIVE STUDY OF SANITATION/WASTEWATER TREATMENT PROVIDERS
SERVICE REVIEW
NAPA RIVER RECLAMATION DISTRICT NO. 2109**

WHEREAS, the Local Agency Formation Commission of Napa County (hereinafter referred to as “the Commission”) may conduct service reviews of local agencies pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq., hereinafter referred to as “Act”); and

WHEREAS, the Commission adopted a schedule for service reviews on October 11, 2001; and

WHEREAS, pursuant to Government Code Section 56430, the Executive Officer designated a countywide service review of public sewer service in Napa County, which includes territory served by the Napa River Reclamation District No. 2109; and

WHEREAS, pursuant to its adopted schedule, the Commission held a public meeting on the “Comprehensive Study of Sanitation/Wastewater Treatment Providers”, including the review of the Napa River Reclamation District No. 2109’s sewer services, on October 3, 2005; and

WHEREAS, the Executive Officer prepared a written report of this service review that was presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at its public meeting on October 3, 2005 and at meetings of the Commission on June 5, 2006 and August 7, 2006; and

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

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

**COMPREHENSIVE STUDY OF SANITATION/WASTEWATER TREATMENT PROVIDERS
SERVICE REVIEW
NAPA RIVER RECLAMATION DISTRICT NO. 2109**

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

2. The Commission adopts the statement of determinations set forth in “Exhibit A,” which is attached and hereby incorporated by reference.

The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of Napa County, State of California, at a regular meeting held on the 7th day of August, 2006, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

ATTEST: EXECUTIVE OFFICER

Clerk of the Commission

By: _____

EXHIBIT A

COMPREHENSIVE STUDY OF SANITATION/WASTEWATER TREATMENT PROVIDERS SERVICE REVIEW NAPA RIVER RECLAMATION DISTRICT NO. 2109

STATEMENT OF DETERMINATIONS

1. With respect to general policies [Government Code §56430], the Commission determines that:
 - a) Determinations adopted by the Commission as part of the *Comprehensive Study of the Napa River Reclamation District No. 2109 – Service Review* remain valid and appropriate.

2. With respect to infrastructure needs or deficiencies [Government Code §56430(a) (1)], the Commission determines that:
 - a) The Napa River Reclamation District No. 2109's sewer system collects and provides secondary treatment of wastewater before it is discharged into one of two storage ponds for evaporation. This is an elevated level of sewer service that is regulated by the California Regional Water Quality Control Board.
 - b) The sewer system for the Napa River Reclamation District No. 2109 has adequate collection, treatment, and discharge capacities to meet existing service demands within its jurisdiction under normal conditions.
 - c) The Napa River Reclamation District reports that its actual daily sewer treatment capacity is 23,000 gallons, which is markedly less than its design capacity of 40,000 gallons. It appears that this discrepancy is due to the deficient sizing of the District's mound filtration system at the time of its construction.
 - d) The Napa River Reclamation District No. 2109 requires an update to its sewer facilities plan. The update should evaluate the adequacy of existing facilities to meet present and future system demands, offer recommendations as part of a long-term capital improvement program, and evaluate funding requirements and opportunities.
 - e) The ability of the Napa River Reclamation District No. 2109 to effectively quantify its capacity to serve additional development and new growth would be measurably strengthened by preparing an update to its sewer facilities plan.

Exhibit A

3. With respect to growth and population projections for the affected area [Government Code §56430(a) (2)], the Commission determines that:
 - a) The Napa River Reclamation District No. 2109 is under the land use authority of the County of Napa. Land located in the District is designated and zoned *Agriculture, Watershed and Open Space* and *Residential Single*, respectively. This zoning standard requires a minimum parcel size of 0.18 acres, which is consistent with existing lot sizes and limits additional subdivision and related growth from occurring in the District.
 - b) Land located outside and adjacent to the Napa River Reclamation District No. 2109 is designated by the County of Napa as *Agriculture, Watershed and Open Space*. This designation discourages the Commission from approving annexations to the District based on its policy to direct the extension of municipal services away from land designated agriculture or open-space under the County General Plan.
 - c) The population per household projection issued by the California Department of Finance for Napa County is an appropriate indicator to estimate the resident service population of the Napa River Reclamation District No. 2109. Making use of the current projection, the estimated resident service population of the District is 362.

4. With respect to financing constraints and opportunities [Government Code §56430(a) (3)], the Commission determines that:
 - a) The ability of the Napa River Reclamation District No. 2109 to generate revenues for its sewer system has been constrained by a confined customer base. This confined customer base diminishes the District's ability to establish economies of scale with respect to spreading out service costs for the benefit of its constituents.
 - b) In the fiscal year evaluated (FY02-03), expenses for the Napa River Reclamation District No. 2109 for its sewer and limited reclamation services were in excess of its revenues. The District should make a concerted effort to examine its financial situation to rectify its cost-to-income relationship to avoid future shortfalls.
 - c) The Napa River Reclamation District No. 2109 is subject to significant fluctuations in its annual sewer service costs, which have contributed to past operating shortfalls. These shortfalls are symptomatic of the District serving a confined number of customers while maintaining an infrastructure system prone to repairs, improvements, and increasing regulatory standards.

5. With respect to cost avoidance opportunities [Government Code §56430(a) (4)], the Commission determines that:
 - a) The Napa River Reclamation District No. 2109 benefits from cost-savings associated with its relationship with the Napa County Flood Control and Water Conservation District. This relationship provides the District with funding assistance and access to service equipment as needed.
 - b) The Napa River Reclamation District No. 2109 has been successful in obtaining outside funding from state and local agencies to help recover repair costs to its sewer system associated with a 2000 earthquake. These efforts have established important funding relationships for the District and have helped to minimize its use of cash reserves.
 - c) The Napa River Reclamation District No. 2109 has made a concerted effort to make preventative maintenance an emphasis as part of its sewer service operations. This includes cleaning all sewer lines every five years.

6. With respect to opportunities for rate restructuring [Government Code §56430(a) (5)], the Commission determines that:
 - a) Sewer services for the Napa River Reclamation District No. 2109 are primarily funded by a flat annual availability charge, which is assigned to all developed lots within its jurisdictional boundary. Revenue generated from this charge is currently limited to recovering operational costs.
 - b) The Napa River Reclamation District No. 2109's dependency on its flat annual availability charge to fund its sewer system underscores the importance for the District to ensure that this charge adequately recovers all operational costs while sufficiently funding reserves.
 - c) The Napa River Reclamation District No. 2109 does not have an adopted sewer connection fee. As part of an update to its sewer facilities plan, the District should consider establishing a reasonable connection fee to help recover capital improvement costs associated with serving new growth.

7. With respect to opportunities for shared facilities [Government Code §56430(a) (6)], the Commission determines that:
 - a) Infrastructure for the City of American Canyon's sewer system is in general proximity to the Napa River Reclamation District No. 2109. This proximity indicates that the District could contract for sewer services from American Canyon if connection under the Napa River could be established.

Exhibit A

- b) Shared arrangements that result in the extension of municipal services outside a public agency's jurisdictional boundary requires Commission approval pursuant to California Government Code §56133.
 - c) The Napa River Reclamation District No. 2109 should continue to consult with the Napa County Mosquito Abatement District regarding its sewer service operations. This will help to control vectors and vector-borne diseases within the Edgerly Island and Ingersoll communities.
8. With respect to government structure options, including advantages and disadvantages of consolidation or reorganization of service providers [Government Code §56430(a) (7)], the Commission determines that:
- a) The Napa River Reclamation District No. 2109 is the only public agency authorized to provide sewer service within its jurisdictional boundary.
 - b) LAFCO recently completed a governance study on the Napa River Reclamation District No. 2109. This governance study concluded that reorganizing the District into a community service district is the preferred option with respect to meeting the present and future needs of its constituents. It is unknown at this time whether the District or its constituency will pursue this reorganization option.
9. With respect to evaluation of management efficiencies [Government Code §56430(a) (8)], the Commission determines that:
- a) The Napa River Reclamation District No. 2109 provides a summary of past and projected revenues and expenditures relating to its sewer service operations as part of its annual budget. The District's budget process is conducted in an open and transparent manner and provides a clear directive towards staff with regard to prioritizing agency resources.
 - b) The Napa River Reclamation District No. 2109 should evaluate and establish performance measures that are consistent with the service needs and preferences of its constituents.
10. With respect to local accountability and governance [Government Code §56430(a) (9)], the Commission determines that:
- a) The Napa River Reclamation District No. 2109 makes reasonable efforts to maintain public dialogue with its constituents. This includes conducting regularly schedule meetings, posting special notices, and soliciting comments from constituents. These efforts help to facilitate local accountability and contribute towards public involvement in local governance.

Exhibit A

- b) The Napa River Reclamation District No. 2109 is governed by a five-member board of trustees. Directors serve voluntarily and are elected by and accountable to the landowners in the District.
- c) The Napa River Reclamation District No. 2109 should make a concerted effort to consult both landowners and non-landowners that reside in the District to ensure that service information is being effectively communicated to all interested parties.
- d) The long-term effectiveness and solvency of the Napa River Reclamation District No. 2109 is dependent on its constituents recognizing that they are accountable to fund and govern the District.

RESOLUTION NO. ____

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

**COMPREHENSIVE STUDY OF SANITATION/WASTEWATER TREATMENT PROVIDERS
SERVICE REVIEW
SPANISH FLAT WATER DISTRICT**

WHEREAS, the Local Agency Formation Commission of Napa County (hereinafter referred to as “the Commission”) may conduct service reviews of local agencies pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq., hereinafter referred to as “Act”); and

WHEREAS, the Commission adopted a schedule for service reviews on October 11, 2001; and

WHEREAS, pursuant to Government Code Section 56430, the Executive Officer designated a countywide service review of public sewer service in Napa County, which includes territory served by the Spanish Flat Water District; and

WHEREAS, pursuant to its adopted schedule, the Commission held a public meeting on the “Comprehensive Study of Sanitation/Wastewater Treatment Providers”, including the review of the Spanish Flat Water District’s sewer services, on October 3, 2005; and

WHEREAS, the Executive Officer prepared a written report of this service review that was presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at its public meeting on October 3, 2005 and at meetings of the Commission on June 5, 2006 and August 7, 2006; and

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

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

**COMPREHENSIVE STUDY OF SANITATION/WASTEWATER TREATMENT PROVIDERS
SERVICE REVIEW
SPANISH FLAT WATER DISTRICT**

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

2. The Commission adopts the statement of determinations set forth in "Exhibit A," which is attached and hereby incorporated by reference.

The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of Napa County, State of California, at a regular meeting held on the 7th day of August, 2006, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

ATTEST: EXECUTIVE OFFICER

Clerk of the Commission

By: _____

EXHIBIT A

COMPREHENSIVE STUDY OF SANITATION/WASTEWATER TREATMENT PROVIDERS SERVICE REVIEW SPANISH FLAT WATER DISTRICT

STATEMENT OF DETERMINATIONS

1. With respect to general policies [Government Code §56430], the Commission determines that:
 - a) Determinations adopted by the Commission as part of the *Comprehensive Water Service Study* regarding the Spanish Flat Water District remain valid and appropriate.

2. With respect to infrastructure needs or deficiencies [Government Code §56430(a) (1)], the Commission determines that:
 - a) The Spanish Flat Water District operates two sewer systems that serve two distinct and non-contiguous communities, Spanish Flat and Berryessa Pines. Both sewer systems collect and provide secondary treatment of wastewater. Treated wastewater at Spanish Flat is discharged through spray irrigation on District-owned lands and at the Monticello Public Cemetery. Treated wastewater at Berryessa Pines is discharged into one of two storage ponds for evaporation. These are elevated levels of sewer service that are regulated by the California Regional Water Quality Control Board.
 - b) Based on current operations, the Spanish Flat Water District's sewer systems have adequate collection, treatment, and discharge capacities to meet existing service demands within its jurisdiction under normal conditions. However, the District does not have any records identifying the design capacities for either sewer system. This prevents the District from accurately estimating its capacity to serve new growth for either of its two service communities.
 - c) The Spanish Flat Water District should commit to monitoring and recording its daily sewer flow amounts in order to more effectively coordinate and plan system maintenance, repair, and improvement projects.
 - d) The Spanish Flat Water District requires comprehensive facilities plans for its sewer systems at Spanish Flat and Berryessa Pines. These plans should evaluate the adequacy of existing facilities to meet present and future system demands, offer recommendations as part of long-term capital improvement programs, and evaluate funding requirements and opportunities.

Exhibit A

- e) The ability of the Spanish Flat Water District to effectively quantify its capacity to serve new growth would be measurably strengthened by preparing comprehensive facilities plans for both of its sewer systems.
 - f) Central components of the Spanish Flat Water District's sewer systems have been in operation since the early 1960s. The age of these systems underscores the importance for the District to emphasize preventive maintenance to help ensure their continued safe and effective operation.
3. With respect to growth and population projections for the affected area [Government Code §56430(a) (2)], the Commission determines that:
- a) The Spanish Flat Water District is under the land use authority of the County of Napa. The District's primary service areas, Spanish Flat Woodlands, Spanish Flat Mobile Vila, and the Berryessa Pines, are designated *Rural Residential* with a mixture of agricultural, commercial, and residential zoning standards. These zoning standards provide minimum parcel densities that are generally consistent with existing lot sizes, which limits additional subdivision and related growth from occurring in the District.
 - b) Land located outside and adjacent to the Spanish Flat Water District is designated by the County of Napa as *Agriculture, Watershed and Open Space*. This designation discourages the Commission from approving annexations to the District based on its policy to direct the extension of municipal services away from land designated agriculture or open-space under the County General Plan.
 - c) The Spanish Flat Water District serves two distinct service populations. This includes full-time residents located within the Spanish Flat and Berryessa Pines communities and part-time residents located at the Spanish Flat Resort.
 - d) The population per household projection issued by the California Department of Finance for Napa County is an appropriate indicator to estimate the resident service population of the Spanish Flat Water District. Making use of the current projection, the estimated year-round and part-time resident service populations of the District are 403 and 579, respectively.
4. With respect to financing constraints and opportunities [Government Code §56430(a) (3)], the Commission determines that:
- a) The ability of the Spanish Flat Water District to generate revenues has been constrained by confined customer bases. These confined customer bases diminish the District's ability to establish economies of scale with respect to spreading out sewer service costs for the benefit of its constituents.

Exhibit A

- b) In the fiscal year evaluated (FY03-04), expenses for the Spanish Flat Water District for its sewer and water service operations were in excess of its revenues. The District should make a concerted effort to examine its financial situation to rectify its cost-to-income relationship to avoid future shortfalls.
 - c) The Spanish Flat Water District is subject to significant fluctuations in its annual sewer service costs, which have contributed to past operating shortfalls. These shortfalls are symptomatic of the District serving a confined number of customers while maintaining aging infrastructure systems prone to repairs, improvements, and increasing regulatory standards.
5. With respect to cost avoidance opportunities [Government Code §56430(a) (4)], the Commission determines that:
- a) There are no obvious cost-avoidance opportunities for the Spanish Flat Water District under its present organizational structure.
6. With respect to opportunities for rate restructuring [Government Code §56430(a) (5)], the Commission determines that:
- a) Sewer services for the Spanish Flat Water District are primarily funded by a flat monthly availability charge, which is assigned to all developed lots within its jurisdictional boundary. Revenue generated from this charge is currently limited to recovering operational costs.
 - b) The Spanish Flat Water District's dependency on its flat monthly availability charge to fund its sewer systems underscores the importance for the District to ensure that this charge adequately recovers all operational costs while sufficiently funding reserves.
7. With respect to opportunities for shared facilities [Government Code §56430(a) (6)], the Commission determines that:
- a) Based on proximity and similar service operations, the Spanish Flat Water District should explore shared arrangements with the Napa-Berryessa Resort Improvement District.
 - b) The Spanish Flat Water District should consult with the Napa County Mosquito Abatement District regarding its sewer service operations. This will help to control vectors and vector-borne diseases within the Spanish Flat and Berryessa Pines communities and the Spanish Flat Resort.

8. With respect to government structure options, including advantages and disadvantages of consolidation or reorganization of service providers [Government Code §56430(a) (7)], the Commission determines that:
 - a) The Spanish Flat District is the only public agency authorized to provide sewer service within its jurisdictional boundary.
 - b) As part of the *Comprehensive Water Service Study*, the Commission determined the need for a governance study to evaluate the options and merits of reorganizing the Spanish Flat Water District. This includes examining the merits of consolidating the District with the Lake Berryessa Resort Improvement District and the Napa-Berryessa Resort Improvement District to establish economies of scale and formalize service provision in the Lake Berryessa area. It is expected that this governance study will be completed prior to the next scheduled service review of all three districts.

9. With respect to evaluation of management efficiencies [Government Code §56430(a) (8)], the Commission determines that:
 - a) The Spanish Flat Water District provides a summary of past and projected revenues and expenditures relating to its sewer service operations as part of its annual budget. The District's budget process is conducted in an open and transparent manner and provides a clear directive towards staff with regard to prioritizing agency resources.
 - b) The Spanish Flat Water District should evaluate and establish performance measures that are consistent with the service needs and preferences of its constituents.

10. With respect to local accountability and governance [Government Code §56430(a) (9)], the Commission determines that:
 - a) The Spanish Flat Water District makes reasonable efforts to maintain public dialogue with its constituents. This includes conducting regularly schedule meetings, posting notices, and soliciting comments from constituents. These efforts help to facilitate local accountability and contribute towards public involvement in local governance.
 - b) The Spanish Flat Water District is governed by a five-member board of directors. Directors serve voluntarily and are elected by and accountable to the landowners in the District.
 - c) The Spanish Flat Water District should make a concerted effort to consult both landowners and non-landowners that reside in the District to ensure that service information is being effectively communicated to all interested parties.

Exhibit A

- d) The long-term effectiveness and solvency of the Spanish Flat Water District is dependent on its constituents recognizing that they are accountable to fund and govern the District.



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

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AUGUST 7, 2006
AGENDA ITEM NO. 7b

July 26, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: **Comprehensive Study of Landscaping and Lighting Districts (Action)**
Staff is presenting written determinations regarding the service operations of the County Service Area No. 3 and the Silverado Community Services District. These determinations address the nine service factors required for consideration as part of the Commission's service review mandate and are being presented for adoption as part of two separate draft resolutions.

At its June 5, 2006 meeting, staff presented the Commission with written determinations regarding the service operations of the County Service Area No. 3 (CSA No. 3) and Silverado Community Services District (SCSD). These determinations were presented for a first-reading and address the nine service factors required for consideration as part of the Commission's service review mandate. Following the June meeting, a 30-day notice of review was circulated to both affected agencies. No comments were received.

One new determination has been prepared for both CSA No. 3 and SCSD and is discussed below.

Draft resolutions codifying determinations for CSA No. 3 and SCSD have been prepared and are being presented for adoption by the Commission. These draft resolutions making determinations with respect to the service operations of both affected agencies would fulfill the Commission's service review mandate under Government Code §56430.

New Determination (CSA No. 3 and SCSD):

As part of the first-reading of the determinations in June, Commissioners Alexander and Kay collectively commented that it is important for government agencies to make a concerted effort to monitor and plan for capital depreciation. Staff agrees with this comment and has added the following determination to the "Financing Constraints and Opportunities" sections for both CSA No. 3 and SCSD:

The County Service Area No. 3 is dependent on voter approved assessments to fund its service operations. Assessments provide the District with a predictable level of revenue that does not readily adjust to recover increased service costs. Because of this constraint, it is important that the District emphasize preventive maintenance to preserve and extend the effective operation of infrastructure and to protect against capital depreciation.

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

Kevin Block, Commissioner
Councilmember, City of Napa

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

Bill Dodd, Chair
Supervisor, 4th District

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Guy Kay, Commissioner
Representative of the General Public

Brian Kelly, Alt. Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

The Silverado Community Services District is dependent on voter approved assessments to fund its service operations. Assessments provide the District with a predictable level of revenue that does not readily adjust to recover increased service costs. Because of this constraint, it is important that the District emphasize preventive maintenance to preserve and extend the effective operation of infrastructure and to protect against capital depreciation.

RECOMMENDATION

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

- 1) Approve the form of the attached draft resolution making determinations with respect to the service operations of the County Service Area No. 3 pursuant to California Government Code §56430; and
- 2) Approve the form of the attached draft resolution making determinations with respect to the service operations of the Silverado Community Services District pursuant to California Government Code §56430.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- 1) Draft Resolution: CSA No. 3
- 2) Draft Resolution: SCSD

RESOLUTION NO. ____

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

**COMPREHENSIVE STUDY OF LANDSCAPING AND LIGHTING DISTRICTS
SERVICE REVIEW
COUNTY SERVICE AREA NO. 3**

WHEREAS, the Local Agency Formation Commission of Napa County (hereinafter referred to as “the Commission”) may conduct service reviews of local agencies pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq., hereinafter referred to as “Act”); and

WHEREAS, the Commission adopted a schedule for service reviews on October 11, 2001; and

WHEREAS, pursuant to Government Code Section 56430, the Executive Officer designated a countywide service review of public landscaping and lighting services in Napa County, which includes territory served by the County Service Area No. 3; and

WHEREAS, pursuant to its adopted schedule, the Commission held a public meeting on the “Comprehensive Study of Landscaping and Lighting Districts”, including the review of the County Service Area No. 3, on June 6, 2005; and

WHEREAS, the Executive Officer prepared a written report of this service review that was presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at its public meeting on June 6, 2005 and at meetings of the Commission on October 3, 2005, June 5, 2006, and August 7, 2006; and

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

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

**COMPREHENSIVE STUDY OF LANDSCAPING AND LIGHTING DISTRICTS
SERVICE REVIEW
COUNTY SERVICE AREA NO. 3**

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

2. The Commission adopts the statement of determinations set forth in "Exhibit A," which is attached and hereby incorporated by reference.

The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of Napa County, State of California, at a regular meeting held on the 7th day of August, 2006, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

ATTEST: EXECUTIVE OFFICER

Clerk of the Commission

By: _____

EXHIBIT A

COMPREHENSIVE STUDY OF LANDSCAPING AND LIGHTING DISTRICTS SERVICE REVIEW COUNTY SERVICE AREA NO. 3

STATEMENT OF DETERMINATIONS

1. With respect to general policies [Government Code §56430], the Commission determines that:
 - a) A key function of the County Service Area No. 3 is facilitating the provision of structural fire protection and fire prevention in Napa County's "Airport Industrial Area" through an assessment. Funds generated from this assessment are transferred to the County of Napa Fire Department. Determinations relating to the provision of fire protection in the Airport Industrial Area will be addressed as part of LAFCO's scheduled *Comprehensive Study of Fire Services*.

2. With respect to infrastructure needs or deficiencies [Government Code §56430(a) (1)], the Commission determines that:
 - a) The infrastructure system operated and maintained by the County Service Area No. 3 is limited to street lights and landscaping in public areas. The District contracts for these services and includes appropriate levels of monitoring and repair as part of these contracts.

3. With respect to growth and population projections for the affected area [Government Code §56430(a) (2)], the Commission determines that:
 - a) There are approximately 10 non-conforming residential units located within the jurisdictional boundary of the County Service Area No. 3. It is unknown whether all of these units are currently inhabited.

 - b) The population per household projection issued by the California Department of Finance for Napa County is an appropriate indicator to estimate the resident service population of the County Service Area No. 3. Making use of the current per household projection, the estimated resident service population of the District is 26.

Exhibit A

4. With respect to financing constraints and opportunities [Government Code §56430(a) (3)], the Commission determines that:
 - a) The County Service Area No. 3 is dependent on voter approved assessments to fund its service operations. Assessments provide the District with a predictable level of revenue that does not readily adjust to recover increased service costs. Because of this constraint, it is important that the District emphasize preventive maintenance to preserve and extend the effective operation of infrastructure and to protect against capital depreciation.
 - b) Because the County Service Area No. 3 is funded through assessments, the District must continue to engage its constituents to ensure that assessments cover the level of service desired by property owners.

5. With respect to cost avoidance opportunities [Government Code §56430(a) (4)], the Commission determines that:
 - a) Through careful monitoring of its contractual arrangements with service providers, the County Service Area No. 3 makes a concerted effort to avoid unnecessary expenditures.

6. With respect to opportunities for rate restructuring [Government Code §56430(a) (5)], the Commission determines that:
 - a) The County Service Area No. 3 reviews its assessments on an annual basis to ensure that its service operations are appropriately funded.

7. With respect to opportunities for shared facilities [Government Code §56430(a) (6)], the Commission determines that:
 - a) The County Service Area No. 3 should periodically evaluate whether it would be cost-effective to contract for service with other public agencies in the region rather than private providers.

8. With respect to government structure options, including advantages and disadvantages of consolidation or reorganization of service providers [Government Code §56430(a) (7)], the Commission determines that:
 - a) The current government structure of the County Service Area No. 3, by definition a dependent entity governed by the Board of Supervisors, is appropriate.

Exhibit A

9. With respect to evaluation of management efficiencies [Government Code §56430(a) (8)], the Commission determines that:
 - a) Oversight of the County Service Area No. 3's contracts is provided by the staff of the Napa County Airport, who are employees of the Napa County Public Works Department. While this arrangement appears to ensure that a sufficient level of expertise is employed in the management of the District, Public Works should evaluate whether it would be more efficient for the same individual managing the Silverado Community Services District to manage the County Service Area No. 3.

10. With respect to local accountability and governance [Government Code §56430(a) (9)], the Commission determines that:
 - a) The County Service Area No. 3 makes reasonable efforts to maintain public dialogue with its constituents. These efforts help to facilitate local accountability and contribute towards public involvement in local governance.

RESOLUTION NO. ____

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

**COMPREHENSIVE STUDY OF LANDSCAPING AND LIGHTING DISTRICTS
SERVICE REVIEW
SILVERADO COMMUNITY SERVICES DISTRICT**

WHEREAS, the Local Agency Formation Commission of Napa County (hereinafter referred to as “the Commission”) may conduct service reviews of local agencies pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq., hereinafter referred to as “Act”); and

WHEREAS, the Commission adopted a schedule for service reviews on October 11, 2001; and

WHEREAS, pursuant to Government Code Section 56430, the Executive Officer designated a countywide service review of public landscaping and lighting services in Napa County, which includes territory served by the Silverado Community Services District; and

WHEREAS, pursuant to its adopted schedule, the Commission held a public meeting on the “Comprehensive Study of Landscaping and Lighting Districts”, including the review of the Silverado Community Services District, on June 6, 2005; and

WHEREAS, the Executive Officer prepared a written report of this service review that was presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at its public meeting on June 6, 2005 and at meetings of the Commission on October 3, 2005, June 5, 2006, and August 7, 2006; and

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

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

**COMPREHENSIVE STUDY OF LANDSCAPING AND LIGHTING DISTRICTS
SERVICE REVIEW
SILVERADO COMMUNITY SERVICES DISTRICT**

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

2. The Commission adopts the statement of determinations set forth in "Exhibit A," which is attached and hereby incorporated by reference.

The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of Napa County, State of California, at a regular meeting held on the 7th day of August, 2006, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

ATTEST: EXECUTIVE OFFICER

Clerk of the Commission

By: _____

EXHIBIT A

COMPREHENSIVE STUDY OF LANDSCAPING AND LIGHTING DISTRICTS SERVICE REVIEW SILVERADO COMMUNITY SERVICES DISTRICT

STATEMENT OF DETERMINATIONS

1. With respect to general policies [Government Code §56430], the Commission determines that:
 - a) The Silverado Community Service District has four active powers: street lighting, street sweeping, landscape maintenance, and weed abatement (as a form of fire prevention). All other powers enumerated in Community Services District Law are considered latent (inactive) pursuant to California Government Code §61002.

2. With respect to infrastructure needs or deficiencies [Government Code §56430(a) (1)], the Commission determines that:
 - a) The infrastructure system operated and maintained by the Silverado Community Services District is limited to street lights and landscaping in public areas. The District contracts for these services and includes appropriate levels of monitoring and repair as part of these contracts.

3. With respect to growth and population projections for the affected area [Government Code §56430(a) (2)], the Commission determines that:
 - a) The population per household projection issued by the California Department of Finance for Napa County is an appropriate indicator to estimate the resident service population of the Silverado Community Services District. Making use of the current per household projection, the estimated resident service population of the District is 2,835.

4. With respect to financing constraints and opportunities [Government Code §56430(a) (3)], the Commission determines that:
 - a) The Silverado Community Services District is dependent on voter approved assessments to fund its service operations. Assessments provide the District with a predictable level of revenue that does not readily adjust to recover increased service costs. Because of this constraint, it is important that the District emphasize preventive maintenance to preserve and extend the effective operation of infrastructure and to protect against capital depreciation.

Exhibit A

- b) Because the Silverado Community Services District is funded through assessments, the District must continue to engage its constituents to ensure that assessments cover the level of service desired by the community.
5. With respect to cost avoidance opportunities [Government Code §56430(a) (4)], the Commission determines that:
 - a) Through careful monitoring of its contractual arrangements with service providers, the Silverado Community Services District makes a concerted effort to avoid unnecessary expenditures.
6. With respect to opportunities for rate restructuring [Government Code §56430(a) (5)], the Commission determines that:
 - a) The Silverado Community Services District reviews its assessments on an annual basis to ensure that its service operations are appropriately funded.
7. With respect to opportunities for shared facilities [Government Code §56430(a) (6)], the Commission determines that:
 - a) The Silverado Community Services District should periodically evaluate whether it would be cost-effective to contract for service with other public agencies in the region rather than private providers.
8. With respect to government structure options, including advantages and disadvantages of consolidation or reorganization of service providers [Government Code §56430(a) (7)], the Commission determines that:
 - a) Though there are few dependent community service districts in California, the limited powers of the Silverado Community Services District and its close relationship to other public and quasi-public organizations in the “Silverado Urban Area” suggest that existing as a dependent special district governed by the Board of Supervisors is the most cost-effective and efficient governance structure for the District.
 - b) California Government Code §61106 was recently amended to require that an existing community services district obtain approval from LAFCO in order to activate any of its latent powers. This provision provides the Silverado Community Services District flexibility to seek future activation of additional services in the event they are needed within the community while providing for a LAFCO review and approval process.

Exhibit A

9. With respect to evaluation of management efficiencies [Government Code §56430(a) (8)], the Commission determines that:
 - a) Oversight of the Silverado Community Services District's contracts is provided by County of Napa Public Works Department. This arrangement ensures that a sufficient level of expertise is employed in the management of the District.

10. With respect to local accountability and governance [Government Code §56430(a) (9)], the Commission determines that:
 - a) The Silverado Community Services District makes reasonable efforts to maintain public dialogue with its constituents. These efforts help to facilitate local accountability and contribute towards public involvement in local governance.
 - b) Representatives from the Silverado Community Service District regularly attend the quarterly meetings of the Silverado Community Services District Advisory Committee. This committee, which is part of the local homeowners association, enhances community participation in District activities and helps to ensure that service information is being effectively communicated to constituents.



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

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AUGUST 7, 2006
AGENDA ITEM NO. 7c

July 26, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: 2006 CALAFCO Business Meeting: Appointment of Delegate (Action)
The Commission will consider appointing one of its members to serve as a delegate for the 2006 CALAFCO Business Meeting scheduled for September 6, 2006 in San Diego.

Each year, as part of its Annual Conference, the California Association of LAFCOs (CALAFCO) conducts a business meeting at which time the Board of Directors presents issues and matters of interest to the membership. As part of its business meeting, CALAFCO also conducts an election to fill expiring terms on the Board of Directors. At its June 5, 2006 meeting, the Commission elected not to make any nominations for candidacy for the CALAFCO Board of Directors.

In order to participate in the business meeting, CALAFCO requests that each LAFCO appoint a delegate. Commissioners Kay, Kelly, and Wagenknecht are attending the 2006 CALAFCO Conference, which convenes on September 5, 2006 at the Westin Horton Plaza Hotel in San Diego.

RECOMMENDATION

It is recommended that the Commission take the following action:

- 1) Appoint Commissioners Kay, Kelly, or Wagenknecht to serve as LAFCO of Napa County's delegate at the 2006 CALAFCO Business Meeting.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachment:

~~1. 2006 CALAFCO Annual Business Meeting Agenda for September 6, 2006~~

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

Bill Dodd, Chair
Supervisor, 4th District

Guy Kay, Commissioner
Representative of the General Public

Kevin Block, Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Brian Kelly, Alt. Commissioner
Representative of the General Public

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

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Keene Simonds
Executive Officer



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AUGUST 7, 2006
AGENDA ITEM NO. 7d

August 1, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Legislative Report (Action)

The Commission will receive a copy of the most recent legislative report from CALAFCO for the second year of the 2005-2006 session. The Commission will consider the recommendation of staff to adopt positions of support for AB 2158, AB 2223, AB 2259, AB 1602, and AB 3074.

Staff has attached the most recent legislative report from CALAFCO. The report notes that there are five bills that have been introduced during this second year of the 2005-2006 session that have direct impact on LAFCO law or the laws LAFCO helps to administer. CALAFCO has adopted support positions for all five bills.

Staff has prepared the following summary and evaluation of each of the five bills CALAFCO is supporting along with their potential impact on Napa County. Based on this evaluation, it is recommended that the Commission adopt support positions for all five bills and direct staff to prepare letters expressing support to the authors.

Note: The Legislature reconvenes from its summer recess on August 7, 2006. All bills for this session must pass through each house by August 31, 2006. The Governor must sign or veto all passed bills by September 30, 2006.

2005-2006 Second Year Legislative Session

AB 2158 (Evans): Regional Housing Needs Methodology

California Government Code §65584.04 requires that at least two years prior to a scheduled revision of a city or county housing element of its general plan, each council of government or delegate subregion develop a methodology for distributing the existing and projected housing needs to the affected jurisdictions within their assigned region or subregion. This code section includes a list of specific methodology factors. AB 2158 would add to the list of methodology factors adopted sphere of influences for all local cities in the region as well as the adopted policies of the affected LAFCO.

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

Kevin Block, Commissioner
Councilmember, City of Napa

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

Bill Dodd, Chair
Supervisor, 4th District

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Guy Kay, Commissioner
Representative of the General Public

Brian Kelly, Alt. Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

LAFCOs are responsible for coordinating the logical and orderly development of local government agencies through its regulatory (change of organizations) and planning (sphere of influence) powers. Underlying this responsibility is LAFCO's legislative directive to promote the efficient extension of municipal services and prevent the premature conversion of agricultural and open-space lands. Current law does not require coordination between Council of Governments and LAFCO. AB 2158 would enhance coordination by requiring Council of Governments to consider LAFCOs' adopted sphere of influences and policies when assigning housing allocations. Locally, this bill would require the Association of Bay Area Governments to consider the sphere of influences and the policies of the Commission when assigning housing allocations for the six land use authorities in Napa County.

Recommendation: Support

AB 2223 (Salinas): Island Annexations

California Government Code §56375.3 requires that LAFCO approve an annexation to a city of an unincorporated island without a protest hearing if the annexation is initiated by the affected city after January 1, 2000 and before January 1, 2007. AB 2223 would extend the deadline for island annexations to January 1, 2014. The bill would also specify that affected cities or special districts would not be reimbursed for any costs relating to the annexation of an unincorporated island.

A key directive for LAFCO is promoting the orderly development of local governments and jurisdictional boundaries. For various reasons, as cities have grown over the years, unincorporated islands have been left within the boundaries of the cities. Locally, there a number of unincorporated islands located in the City of Napa that have contributed to the inefficient delivery of municipal services to the affected areas. The extension of §53375.3 would extend and make more certain the ability of the City to propose, and/or for the Commission to modify, annexation proposals that are successful in eliminating unincorporated islands.

Recommendation: Support

AB 2259 (Salinas): Services to Previously Unserved Unincorporated Territory

California Government Code §56434 authorizes the Commission to review and approve a proposal that extends services into previously unserved unincorporated territory. This code section also authorizes the Commission to review and approve the creation of new service providers (i.e. private entities) to extend urban development into previously unserved unincorporated territory to ensure that the proposed extension is consistent with LAFCO policies. This code section currently has a sunset date of January 1, 2007. AB 2259 would modify the code section to state that LAFCO is authorized to review and

comment on these type of proposals. This bill would also extend the sunset date to January 1, 2013.

The original intent of §56434 was to provide a mechanism for LAFCOs to participate in the review of proposals that involve the development of unincorporated territory that does not require an annexation to a special district. However, the existing code section implies that LAFCO has an approval power for these types of proposals, which it does not. AB 2259 would clarify that LAFCO is authorized to review and comment on these type of proposals for consistency with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 – the law that LAFCO administers. In terms of local application, this bill would clarify LAFCO's role and responsibility in addressing development projects proposed for unincorporated territory that does not require a change of organization of a local government agency. This clarification would assist LAFCO in reviewing and commenting on any proposed development projects for the Angwin community, which has been discussed as part of the current update to the County of Napa General Plan.

Recommendation: Support

AB 1602 (Laird): Restoration of Vehicle License Fee Revenue for Newly Incorporated Cities and Cities Annexing Inhabited Territory

Existing law partially allocates vehicle license fee (VLF) revenue to cities based on population. Prior to 2004, the law calculated VLF revenues for newly incorporated cities by multiplying the number of registered voters by three for the first seven years. This calculation provided new cities with additional revenue to help with the cost of establishing a new city government. In 2004, California voters deleted this VLF calculation for new cities with the passage of Proposition 1A. AB 1602 would restore special VLF funding for a five year period to new cities incorporated on or after August 5, 2004, and before July 1, 2009. This bill would also provide additional VLF allocations to cities that annex territory based on the population of the annexed area.

The current allocation of VLF revenue does produce a financial disincentive for the incorporation of new cities and the annexation of unincorporated territory. AB 1602 would address this disincentive by providing a more equitable distribution of revenues that recognizes the cost of establishing a new city government as well as annexing territory. Locally, this bill would address the existing disadvantage for the City of Napa to annex any of its unincorporated islands by providing the City with additional VLF revenue to account for increases in its service costs. Additionally, although it is not likely to occur by 2009, this bill would also help fund the start-up costs associated with a new incorporation in Napa County.

Recommendation: Support

AB 3074 (Assembly Local Government Committee): Omnibus Bill

This is the annual omnibus bill sponsored by CALAFCO that proposes several non-substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 as well as to other laws LAFCO helps to administer. This bill would address outdated or incorrect cross-references and provide clarification on certain definitions and processing requirements.

Recommendation: Support

RECOMMENDATION

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

1. Adopt a position of *support* for AB 2158, AB 2223, AB 2259, AB 1602, and AB 3074, and direct the Executive Officer to send letters expressing this position to the authors.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- ~~1. CALAFCO Legislative Report to the Board of Directors, June 30, 2006~~
- ~~2. Legislative Council Digest Summaries with Amended Bill Text~~



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AUGUST 7, 2006
AGENDA ITEM NO. 8a

July 26, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: **Comprehensive Study of Sanitation/Wastewater Treatment Providers
(Discussion)**

The Commission will review draft determinations regarding the sewer service operations for the four municipalities included in the *Comprehensive Study of Sanitation/Wastewater Treatment Providers*. The draft determinations are being presented for a first-reading and address the nine service factors the Commission is required to consider as part of its service review mandate.

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

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

As a continuation of the second phase of the study, staff has prepared draft determinations for the four municipalities included in the study, which are the Cities of American Canyon, Calistoga, St. Helena, and the Town of Yountville. These draft determinations are being presented for a first-reading and are accompanied by overview sections for each agency. Following today's meeting, staff will circulate the draft determinations to each affected agency for their review and comment. Staff anticipates presenting final determinations, with or without revisions, to the Commission for consideration at its October 2, 2006 regular meeting.

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

Kevin Block, Commissioner
Councilmember, City of Napa

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

Bill Dodd, Chair
Supervisor, 4th District

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Guy Kay, Commissioner
Representative of the General Public

Brian Kelly, Alt. Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

CITY OF AMERICAN CANYON

Overview

The City of American Canyon was incorporated in 1992 and operates under a council-manager form of government. American Canyon is approximately 3.6 square miles in size and is located in southern Napa County north of the City of Vallejo (Solano County). American Canyon is governed by a five-member city council that includes a directly elected mayor. The mayor and four council members serve staggered four-year terms and are elected by general vote. A city manager is appointed to oversee and implement the policies adopted by the council.

City of American Canyon	
Incorporation Date	1992
Enabling Legislation	California Gov. Code §34000-45345
Estimated Resident Population	14,306

American Canyon currently provides sewer service to 4,221 residential and 166 non-residential connections. A small portion of these sewer connections are located outside American Canyon. The majority of these outside service connections were previously served by the American Canyon County Water District, which merged with American Canyon at the time of its incorporation. Due to the merger, American Canyon's sewer service area extends north of its incorporated boundary to Fagan Creek and includes the Napa County Airport and surrounding industrial area. The California Department of Finance estimates that American Canyon has a resident population of 14,306.

Written Determinations

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

General Policies:

- a) Determinations adopted by the Commission as part of the *Comprehensive Study of American Canyon* and the *Comprehensive Water Service Study* regarding the City of American Canyon remain valid and appropriate.

Infrastructure Needs or Deficiencies:

- a) The City of American Canyon's sewer system collects and provides tertiary treatment of wastewater before it is discharged into tidal wetlands that adjoin the North Slough. This is an advanced level of sewer service that is regulated by the California Regional Water Quality Control Board.
- b) The sewer system for the City of American Canyon has adequate collection, treatment, and discharge capacities to meet current service demands. It is expected that these capacities are sufficient to accommodate future demands within the timeframe of this review.

The City of American Canyon's sewer system has a daily design capacity of 2.5 million gallons. In 2005, American Canyon's average daily flow amount was approximately 1.34 million gallons.

- c) The City of American Canyon's sewer service operations are guided by a master facilities plan that informs a capital improvement program. This facilities plan provides American Canyon with an appropriate guide to maintain and sequence upgrades to the sewer system to meet current and future service demands.
- d) The City of American Canyon has budgeted approximately 1.6 million dollars over the next two years to make improvements to its sewer collection system. These improvements will help American Canyon address suspected deficiencies concerning excessive storm water intrusion, which will enhance the overall efficiency of the sewer system.

Growth and Population Projections:

- a) The population projections issued by the California Department of Finance are appropriate estimates of the resident population of the City of American Canyon. Making use of the current projection, the estimated resident population of American Canyon is 14,306.
- b) The majority of the City of American Canyon's resident sewer customers are located within its incorporated boundary and are accounted for in the population projection issued by the California Department of Finance.
- c) There are a number of development projects currently under construction in the City of American Canyon. The completion of these projects will contribute to a significant increase in population for American Canyon.

Notable development projects approved by the City of American Canyon that are under construction include the Vintage Ranch (765 unit residential subdivision) and the Napa Junction (216 unit multiple-family complex).

Financing Constraints and Opportunities:

- a) In the fiscal year evaluated (FY03-04), operating expenses for the City of American Canyon's sewer system exceeded revenues. This revenue shortfall is primarily attributed to the operating cost of American Canyon's wastewater treatment plant, which was designed to accommodate system demands at build-out. Until development approaches build-out, it is expected that sewer service costs will continue to exceed revenues.

In FY03-04, the City of American Canyon experienced total expenses (including depreciation) of \$2,733,449 compared to total revenues of \$2,025,932 relating to the operation of its sewer system. This shortfall was funded by operating reserves.

Cost Avoidance Opportunities:

- a) The City of American Canyon emphasizes preventive maintenance with respect to the operation of its sewer system. American Canyon's emphasis on preventive maintenance helps to preserve and extend the effective operation of its sewer system and protects against capital depreciation.

Opportunities for Rate Restructuring:

- a) Sewer service operations for the City of American Canyon are predominately funded by monthly usage charges. As a result, it is necessary for American Canyon to continually monitor the cost of its sewer service operations to ensure the usage charges recover these costs while helping to fund reserves.
- b) The City of American Canyon's largest segment of sewer service customers are single-family residential users, which are currently charged a flat monthly rate of \$33.60. This charge represents the median sewer rate for single-family residences among the five incorporated communities in Napa County.
- c) As revenues increase from its recycled water service program, the City of American Canyon should identify appropriate reinvestment opportunities to its sewer system. In this way, American Canyon will recognize the funding contribution of sewer service customers to the recycled water system.

Opportunities for Shared Facilities:

- a) The City of American Canyon participates in a number of cost-sharing arrangements with other local government agencies. These arrangements, which include pooled insurance and purchasing programs, enable American Canyon to share operational costs with other agencies in a manner that enhances regional service coordination.
- b) The City of American Canyon and the Vallejo Sanitation and Flood Control District have an agreement to accept one another's excessive wastewater flows through interconnections between their respective sewer systems. This agreement provides American Canyon with a viable service alternative in the event of an interruption to its sewer system.
- c) The City of American Canyon should continue to consult with the Napa County Mosquito Abatement District regarding the operation and expansion of its sewer system. This will help to control vectors and vector-borne diseases in American Canyon and its vicinity.

Government Structure Options:

- a) The City of American Canyon is the only public agency authorized to provide sewer service within its incorporated boundary. There are no viable or warranted reorganization options concerning American Canyon and its sewer service operations.
- b) The City of American Canyon's sewer service area extends outside of its incorporated boundary to include unincorporated territory that overlaps with the jurisdictional boundary of County Service Area No. 3. County Service Area No. 3 has elected not to provide sewer service, and has expressed no intentions of doing so in the foreseeable future.
- c) It has been the practice of LAFCO to recognize that the City of American's sewer service area extends outside its incorporated boundary to include the former jurisdictional boundary of the American Canyon County Water District. LAFCO, American Canyon, and the County of Napa should establish a local policy that formalizes this practice while addressing the provisions of California Government Code §56133 that restricts an agency from serving outside its adopted sphere of influence.

Evaluation of Management Efficiencies:

- a) The City of American Canyon provides a summary of past and projected revenues and expenditures relating to its sewer service operations as part of its annual budget. American Canyon's budget process is conducted in an open and transparent manner and provides a clear directive towards staff with regard to prioritizing agency resources.
- b) The City of American Canyon is in excellent standing with the California Regional Water Quality Control Board with respect to complying with all applicable regulatory standards regarding its sewer service operations. American Canyon's status with the Regional Water Quality Control Board reflects the effective and efficient management of its sewer system.
- c) The City of American Canyon would benefit from adopting a policy to dedicate a specific amount or percentage of wastewater revenues to reserves. This policy would help to ensure that sufficient working capital is available for American Canyon to fund planned improvements and protect against unanticipated shortfalls in revenues.

Local Governance and Accountability:

- a) The City of American Canyon is governed by a mayor and four council members that are elected by and accountable to voters residing in American Canyon.
- b) The City of American Canyon makes reasonable efforts to maintain public dialogue with its constituents regarding the operation of its sewer system. These efforts strengthen American Canyon's accountability and contribute towards public involvement in local government.
- c) As part of its sewer service operations, the City of American Canyon participates in the restoration of approximately 500 acres of tidal wetlands by discharging tertiary treated wastewater into the North Slough. American Canyon's participation in this restoration project serves the public's interest by helping to enhance the health and quality of the local environment.
- d) The City of American Canyon's sewer service operations are maintained and managed by a responsive and professional staff. These characteristics enhance accountability and cultivate strong working relationships with members of the public as well as other local agencies.

CITY OF CALISTOGA

Overview

The City of Calistoga was incorporated in 1886 and operates under a council-manager form of government. Calistoga is approximately 2.6 square miles in size and is located at the northwestern border of the Napa Valley. Calistoga is governed by a five-member city council that includes a directly elected mayor. The mayor serves a two-year term while the four council members serve staggered four-year terms. Both the mayor and council members are elected by general vote. A city manager is appointed to oversee and implement the policies adopted by the council.

City of Calistoga	
Incorporation Date	1886
Enabling Legislation	California Gov. Code §34000-45345
Estimated Resident Population	5,223

Calistoga currently provides sewer service to 1,046 residential and 199 non-residential connections. All sewer connections are located within Calistoga's incorporated boundary. The California Department of Finance estimates that Calistoga has a resident population of 5,223.

Written Determinations

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

General Policies:

- a) Determinations adopted by the Commission as part of the *Comprehensive Water Service Study* regarding the City of Calistoga remain valid and appropriate.

Infrastructure Needs or Deficiencies:

- a) The City of Calistoga's sewer system collects and provides tertiary treatment of wastewater before it is discharged into the Napa River or used for landscape irrigation. This is an advanced level of sewer service that is regulated by the California Regional Water Quality Control Board.

- b) The sewer system for the City of Calistoga has adequate collection, treatment, and discharge capacities to meet current service demands. It is expected that these capacities are sufficient to accommodate future demands within the timeframe of this service review.

The City of Calistoga's sewer system has a daily design capacity of 0.84 million gallons. In 2005, Calistoga's average daily flow amount was approximately 0.74 million gallons.

- c) The City of Calistoga's sewer service operations are guided by a master facilities plan that informs a capital improvement program. This facilities plan provides Calistoga with an appropriate guide to maintain and sequence upgrades to the sewer system to meet current and future service demands.

Growth and Population Projections:

- a) The population projections issued by the California Department of Finance are appropriate estimates of the resident population of the City of Calistoga. Making use of the current projection, the estimated resident population of Calistoga is 5,223.
- b) The City of Calistoga has adopted policies that collectively restrict and sequence population growth to no more than 1.35% per year by establishing an annual allocation system for all development projects. This allocation system, which is intended to preserve public service levels and maintain community character, helps to ensure that future sewer service demands will increase at a nominal rate.

Financing Constraints and Opportunities:

- a) In the fiscal year evaluated (FY03-04), operating expenses for the City of Calistoga's sewer system exceeded revenues. Calistoga has subsequently made a concerted effort to examine its sewer service operations to avoid future shortfalls as reflected by its recent completion of a wastewater revenue program.

In FY03-04, the City of Calistoga experienced total expenses (including depreciation) of \$1,791,852 compared to total revenues of \$1,638,391 relating to the operation of its sewer system. The resulting shortfall was funded by operating reserves.

Cost Avoidance Opportunities:

- a) The City of Calistoga is in the process of developing a preventative maintenance program as part of its sewer service operations. The implementation of a preventive maintenance program will help Calistoga preserve and extend the effective operation of its sewer system and protect against capital depreciation.

Opportunities for Rate Restructuring:

- a) Sewer service operations for the City of Calistoga are predominately funded by monthly usage charges. These charges, which vary between residential and non-residential customers, are scheduled to be increased over the next three years to more effectively recover operational costs and to increase funding for reserves.
- b) The City of Calistoga's largest segment of sewer service customers are single-family residential users, which are currently charged a flat monthly rate of \$39.75. This charge is above the median sewer usage rate for single-family residences within the five incorporated communities in Napa County.

The median monthly sewer usage rate for single-family residences among the five incorporated communities in Napa County is \$33.60.

Opportunities for Shared Facilities:

- a) The City of Calistoga participates in a number of cost-sharing arrangements with other local government agencies. These arrangements, which include pooled insurance and purchasing programs, enable Calistoga to share operational costs with other agencies in a manner that enhances regional service coordination.
- b) The City of Calistoga should continue to consult with the Napa County Mosquito Abatement District regarding the operation and expansion of its sewer system. This will help to control vectors and vector-borne diseases in Calistoga and its vicinity.

Government Structure Options:

- a) The City of Calistoga is the only public agency authorized to provide sewer service within its incorporated boundary. There are no viable or warranted reorganization options concerning Calistoga and its sewer service operations.

Evaluation of Management Efficiencies:

- a) The City of Calistoga provides a summary of past and projected revenues and expenditures relating to its sewer service operations as part of its annual budget. Calistoga's budget process is conducted in an open and transparent manner and provides a clear directive towards staff with regard to prioritizing agency resources.
- b) The City of Calistoga is in excellent standing with the California Regional Water Quality Control Board with respect to complying with all applicable regulatory standards regarding its sewer service operations. Calistoga's relationship with the Regional Water Quality Control Board reflects the effective and efficient management of its sewer system.
- c) The City of Calistoga has a policy that dedicates 20% of its sewer operating expenses to reserves. This policy reflects prudent management by providing Calistoga with sufficient working capital to fund infrastructure improvements and protect against unanticipated shortfalls in revenues.

Local Governance and Accountability:

- a) The City of Calistoga is governed by a mayor and four council members that are elected by and accountable to voters residing in Calistoga.
- b) The City of Calistoga makes reasonable efforts to maintain public dialogue with its constituents regarding the operation of its sewer system. These efforts strengthen Calistoga's accountability and contribute towards public involvement in local government.
- c) The City of Calistoga's sewer service operations are maintained and managed by a responsive and professional staff. These characteristics enhance accountability and cultivate strong working relationships with members of the public as well as other local agencies.

CITY OF ST. HELENA

Overview

The City of St. Helena was incorporated in 1876 and operates under a council-manager form of government. St. Helena is approximately 5.1 square miles in size and is located in the Napa Valley between the City of Calistoga and Town of Yountville. St. Helena is governed by a five-member city council that includes a directly elected mayor. The mayor serves a two-year term while the four council members serve staggered four-year terms. Both the mayor and council members are elected by general vote. A city manager is appointed to oversee and implement the policies adopted by the council.

City of St. Helena	
Incorporation Date	1876
Enabling Legislation	California Gov. Code §34000-45345.
Estimated Resident Population	6,006

St. Helena currently provides sewer service to 1,480 residential and 175 non-residential connections. All sewer connections are located within St. Helena's incorporated boundary. The California Department of Finance estimates that St. Helena has a resident population of 6,006.

Written Determinations

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

General Policies:

- a) Determinations adopted by the Commission as part of the *Comprehensive Water Service Study* regarding the City of St. Helena remain valid and appropriate.

Infrastructure Needs or Deficiencies:

- a) The City of St. Helena's sewer system collects and provides secondary treatment of wastewater before it is discharged into the Napa River or sprayed on City-owned land. This is an elevated level of sewer service that is regulated by the California Regional Water Quality Control Board.

- b) The sewer system for the City of St. Helena is nearing capacity with regard to meeting existing service demands. Improvements are needed to help solidify the ability of St. Helena to adequately collect, treat, and discharge existing service demands as well as to accommodate future service demands.

The City of St. Helena's sewer system has a daily design capacity of 5.0 million gallons. In 2005, St. Helena's average daily flow amount was approximately 0.48 million gallons.

- c) The City of St. Helena is in the process of developing a comprehensive recycled water program for the purpose of providing tertiary treatment of wastewater for unrestricted irrigation use. The development of a recycled water program will require a substantial capital investment in new wastewater treatment facilities.
- d) The City of St. Helena would benefit by preparing a comprehensive sewer facilities plan. This plan should evaluate the adequacy of existing facilities to meet present and future system demands and offer recommendations as part of a long-term capital improvement program.
- e) The ability of the City of St. Helena to effectively quantify its capacity to serve new customers would be measurably strengthened by preparing a comprehensive sewer facilities plan.

Growth and Population Projections:

- a) The population projections issued by the California Department of Finance are appropriate estimates of the resident population of the City of St. Helena. Making use of the current projection, the estimated resident population of St. Helena is 6,006.
- b) The City of St. Helena has adopted a policy that restricts and sequences annual residential growth to no more than 2.0%. This policy, which limits the annual number of available residential building permits to nine, helps to ensure that future sewer service demands will increase at a nominal rate.

Financing Constraints and Opportunities:

- a) In the fiscal year evaluated (FY02-03), operating expenses for the City of St. Helena's sewer system exceeded revenues. St. Helena should make a concerted effort to examine its sewer service operations to rectify its cost-to-income relationship to avoid future shortfalls.

In FY02-03, the City of St. Helena experienced total expenses (including depreciation) of \$1,070,984 compared to total revenues of \$832,239 relating to the operation of its sewer system. The resulting shortfall was funded by operating reserves and contributions from the St. Helena General Fund.

Cost Avoidance Opportunities:

- a) The City of St. Helena emphasizes preventive maintenance with respect to the operation of its sewer system. St. Helena's emphasis on preventive maintenance helps to preserve and extend the effective operation of its sewer system and protects against capital depreciation.

Opportunities for Rate Restructuring:

- a) Sewer service operations for the City of St. Helena are predominately funded by bimonthly usage charges. This necessitates that St. Helena continually monitor the cost of its sewer service operations to ensure the usage charges recover these costs while helping to fund reserves.
- b) The City of St. Helena's largest segment of sewer service customers are single-family residential users, which are currently charged a flat bimonthly rate of \$46.59. This rate, which is scheduled to increase by 10% annually through 2009, is less than the median sewer rate for single-family residences among the five incorporated communities in Napa County.

The median monthly usage sewer rate for single-family residences among the five incorporated communities in Napa County is \$33.60. (If spread out over two months, St. Helena's usage sewer rate is \$23.30 per month.)

- c) As part of a planned improvement to its sewer system, the City of St. Helena is in the process of developing a recycled water service program. As revenues develop from a recycled water program, St. Helena should identify appropriate reinvestment opportunities to its sewer system. In this way, St. Helena will recognize the funding contribution of its sewer service customers to the recycled water system.

Opportunities for Shared Facilities:

- a) The City of St. Helena participates in a number of cost-sharing arrangements with other local government agencies. These arrangements, which include pooled insurance and purchasing programs, enable St. Helena to share operational costs with other agencies in a manner that enhances regional service coordination.

- b) The City of St. Helena should continue to consult with the Napa County Mosquito Abatement District regarding the operation and expansion of its sewer system. This will help to control vectors and vector-borne diseases in St. Helena and its vicinity.

Government Structure Options:

- a) The City of St. Helena is the only public agency authorized to provide sewer service within its incorporated boundary. There are no viable or warranted reorganization options concerning St. Helena and its sewer service operations.

Evaluation of Management Efficiencies:

- a) The City of St. Helena provides a summary of past and projected revenues and expenditures relating to its sewer service operations as part of its annual budget. St. Helena's budget process is conducted in an open and transparent manner and provides a clear directive towards staff with regard to prioritizing agency resources.
- b) The City of St. Helena is in excellent standing with the California Regional Water Quality Control Board with respect to complying with all applicable regulatory standards regarding its sewer service operations. St. Helena's status with the Regional Water Quality Control Board reflects the effective and efficient management of its sewer system.
- c) The City of St. Helena has a policy that dedicates 15% of its sewer operating expenses to reserves. This policy reflects prudent management by providing St. Helena with sufficient working capital to fund infrastructure improvements and protect against unanticipated shortfalls in service revenues.

Local Governance and Accountability:

- a) The City of St. Helena is governed by a mayor and four council members that are elected by and accountable to voters residing in St. Helena.
- b) The City of St. Helena makes reasonable efforts to maintain public dialogue with its constituents regarding the operation of its sewer system. These efforts strengthen St. Helena's accountability and contribute towards public involvement in local government.
- c) The City of St. Helena's sewer service operations are maintained and managed by a responsive and professional staff. These characteristics enhance accountability and cultivate strong working relationships with members of the public as well as other local agencies.

TOWN OF YOUNTVILLE

Overview

The Town of Yountville was incorporated in 1965 and operates under a council-manager form of government. Yountville is approximately 1.5 square miles in size and is located in the Napa Valley north of the City of Napa. Yountville is governed by a five-member town council that includes a directly elected mayor. The mayor serves a two-year term while the four council members serve staggered four-year terms. Both the mayor and council members are elected by general vote. A town administrator is appointed to oversee service operations and implement the policies adopted by the council.

Town of Yountville	
Incorporation Date	1965
Enabling Legislation	California Gov. Code §34000-45345
Estimated Resident Population	3,257

Yountville currently provides sewer service to 590 residential and 74 non-residential connections. All sewer connections are located within Yountville's incorporated boundary. This includes a single service connection to the State of California's Veterans Home, which has a resident population of approximately 1,200. Yountville and the State of California share equal ownership in the wastewater treatment plant, but maintain separate collection systems. The California Department of Finance estimates that Yountville has a resident population of 3,257.

Written Determinations

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

General Policies:

- a) Determinations adopted by the Commission as part of the *Comprehensive Water Service Study* regarding the Town of Yountville remain valid and appropriate.

Infrastructure Needs or Deficiencies:

- a) The Town of Yountville's sewer system collects and provides secondary treatment of wastewater before it is discharged to the Napa River or used for restricted landscape irrigation. This is an elevated level of sewer service that is regulated by the California Regional Water Quality Control Board.
- b) The sewer system for the Town of Yountville has adequate collection, treatment, and discharge capacities to meet current service demands. It is expected that these capacities are sufficient to accommodate future demands within the timeframe of this service review.

The Town of Yountville's sewer system has a daily design capacity of 0.55 million gallons. In 2005, Yountville's average daily flow amount was approximately 0.42 million gallons.

- c) The Town of Yountville would benefit by preparing a comprehensive sewer facilities plan. This plan should evaluate the adequacy of existing facilities to meet present and future system demands and offer recommendations as part of a long-term capital improvement program.
- d) The ability of the Town of Yountville to effectively quantify its capacity to serve new customers would be measurably strengthened by preparing a comprehensive sewer facilities plan.
- e) The Town of Yountville is in the process of developing a comprehensive recycled water program to provide tertiary treatment of wastewater for unrestricted irrigation uses. The expansion of Yountville's recycled water program will require a substantial capital investment in new wastewater treatment facilities.

Growth and Population Projections:

- a) The population projections issued by the California Department of Finance are appropriate estimates of the resident population of the Town of Yountville. Making use of the current projection, the estimated resident population of Yountville is 3,257.
- b) Approximately one-third of the Town of Yountville's resident population resides at the State of California's Veterans Home. It is expected that the resident population at the Veterans Home will remain stagnant within the foreseeable future.

- c) Growth within the Town of Yountville has been constrained over the last several decades by persistent concerns regarding its available water supply. The recent lifting of an eight-year moratorium on water service connections signals that these supply concerns have been addressed and that Yountville is prepared to serve new development.

Financing Constraints and Opportunities:

- a) In the fiscal year evaluated (FY03-04), operating expenses for the Town of Yountville's sewer system exceeded revenues. Yountville should make a concerted effort to examine its sewer service operations to rectify its cost-to-income relationship to avoid future shortfalls.

In FY03-04, the Town of Yountville experienced total expenses (including depreciation) of \$744,900 compared to total revenues of \$611,881 relating to the operation of its sewer system. Yountville funded this shortfall with operating reserves and contributions from its General Fund.

- b) The ability of the Town of Yountville to generate revenues for its sewer system is constrained by its relatively small resident population. This population size diminishes Yountville's ability to establish economies of scale with respect to spreading out service costs for the benefit of its constituents.
- c) The Town of Yountville is scheduled to prepare a feasibility study for the upgrade of the wastewater treatment plant to provide tertiary treatment for unrestricted irrigation uses. This project underscores the need for Yountville to develop additional revenue in order to fund all associated improvements.

Cost Avoidance Opportunities:

- a) The Town of Yountville emphasizes preventive maintenance with respect to the operation of its sewer system. Yountville's emphasis on preventive maintenance helps to preserve and extend the effective operation of its sewer system and protects against capital depreciation.

Opportunities for Rate Restructuring:

- a) Sewer service operations for the Town of Yountville are predominately funded by monthly usage charges. This necessitates that Yountville continually monitor the cost of its sewer service operations to ensure the usage charges recover these costs while helping to fund reserves.

- b) The Town of Yountville's largest segment of sewer service customers are single-family residential users, which are currently charged a flat monthly rate of \$38.19. This rate is above the median sewer rate for single-family residences among the five incorporated communities in Napa County.

The median monthly usage sewer rate for single-family residences among the five incorporated communities in Napa County is \$33.60.

Opportunities for Shared Facilities:

- a) The Town of Yountville participates in a number of cost-sharing arrangements with other local government agencies. These arrangements, which include pooled insurance and purchasing programs, enable Yountville to share operational costs with other agencies in a manner that enhances regional service coordination.
- b) The Town of Yountville and the State of California maintain joint-ownership of the wastewater treatment plant serving Yountville and the Veterans Home. This relationship provides cost-savings for both agencies and is an example of the benefits of shared costs and resources.
- c) The Town of Yountville should continue to consult with the Napa County Mosquito Abatement District regarding the operation and expansion of its sewer system. This will help to control vectors and vector-borne diseases in Yountville and its vicinity.

Government Structure Options:

- a) The Town of Yountville is the only public agency authorized to provide sewer service within its incorporated boundary. There are no viable or warranted reorganization options concerning Yountville and its sewer service operations.

Evaluation of Management Efficiencies:

- a) The Town of Yountville provides a summary of past and projected revenues and expenditures relating to its sewer service operations as part of its annual budget. Yountville's budget process is conducted in an open and transparent manner and provides a clear directive towards staff with regard to prioritizing agency resources.

- b) The Town of Yountville is in excellent standing with the California Regional Water Quality Control Board with respect to complying with all applicable regulatory standards regarding its sewer service operations. Yountville's status with the Regional Water Quality Control Board reflects the effective and efficient management of its sewer system.

- c) The Town of Yountville would benefit from adopting a policy to dedicate a specific amount or percentage of wastewater revenues to reserves. This policy would help to ensure that sufficient working capital is available for Yountville to fund planned improvements and protect against unanticipated shortfalls in revenues.

Local Governance and Accountability:

- a) The Town of Yountville is governed by a mayor and four council members that are elected by and accountable to voters residing in Yountville.

- b) The Town of Yountville makes reasonable efforts to maintain public dialogue with its constituents regarding the operation of its sewer system. These efforts strengthen Town of Yountville's accountability and contribute towards public involvement in local government.

- c) The Town of Yountville's sewer service operations are maintained and managed by a responsive and professional staff. These characteristics enhance accountability and cultivate strong working relationships with members of the public as well as other local agencies.