



Local Agency Formation Commission of Napa County
Subdivision of the State of California

1754 Second Street, Suite C
Napa, California 94559
Phone: (707) 259-8645
www.napa.lafco.ca.gov

We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

Agenda Item 9c (Action)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer *BF*

MEETING DATE: February 2, 2026

SUBJECT: Proposed Amendment to Contract with RSG Relating to the City of St. Helena Municipal Service Review

RECOMMENDATION

Staff recommends the Commission approve the proposed amendment to its contract with RSG relating to the preparation of the City of St. Helena Municipal Service Review, included as Attachment 1.

SUMMARY

The Commission's existing contract with RSG to prepare the scheduled City of St. Helena Municipal Service Review (MSR) has a maximum total cost of \$40,900. Following a series of high level discussions related to the City's public sewer system, possible outside service agreements, and inclusion of the City's General Plan study areas as sphere of influence study areas, City staff requested a significant amount of more work be done on a preliminary administrative draft report prepared by RSG. This resulted in a proposal being submitted by RSG to expand the scope of the existing contract to include the additional requests from the City, included as Exhibit A-1 to Attachment 1.

The proposal from RSG involves an increase in the total do-not-exceed amount of \$19,900 and would result in a new total amount of \$60,800. Staff believes the proposal is reasonable as it would address shortcomings to date with respect to identifying meaningful outcomes in the MSR that will be valuable to the City and its community members. Further, the Commission currently has approximately \$34,000 budgeted, and presently unassigned, within its Consulting Services expense account. With all of this in mind, staff recommends the Commission approve the proposed contract amendment, which would involve authorizing staff and Counsel to sign the draft amendment included as Attachment 1.

ATTACHMENT

- 1) Proposed Amendment to Contract with RSG

Beth Painter, Chair
Councilmember, City of Napa

Paul Dohring, Commissioner
Councilmember, City of St. Helena

David Oro, Alternate Commissioner
Councilmember, City of American Canyon

Belia Ramos, Vice Chair
County of Napa Supervisor, 5th District

Anne Cottrell, Commissioner
County of Napa Supervisor, 3rd District

Joelle Gallagher, Alternate Commissioner
County of Napa Supervisor, 1st District

Kenneth Leary, Commissioner
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

**AMENDMENT No. 1 TO PROFESSIONAL SERVICES AGREEMENT FOR
CONSULTANT SERVICES**
(LAFCO of Napa County and RSG, Inc.)

This Amendment No. 1 (“Amendment”) to Professional Services Agreement for Consultant Services (“Agreement”) is made on this 2nd day of February, 2026 at Napa, California, by and between the Local Agency Formation Commission of Napa County (“LAFCO of Napa County”) and RSG, Inc., a California corporation (“Consultant”).

This Amendment modifies the original Agreement between LAFCO of Napa County and the Consultant dated April 15, 2025 in the following fashion:

- A. LAFCO of Napa County and Consultant desire to amend the Agreement by modifying section 3.1 – “Scope of Services” as set forth in Consultant’s November 14, 2025 proposal to LAFCO of Napa County attached hereto as Exhibit A-1 and incorporated herein by this reference.

- B. LAFCO of Napa County and Consultant desire to amend the Agreement by modifying section 3.4 – “Maximum Amount” of the Agreement to read as follows:

3.4 “Maximum Amount”: The highest total compensation and costs payable to Consultant by LAFCO of Napa County under this Agreement. The Maximum Amount under this Agreement is Sixty Thousand Eight Hundred Dollars (\$60,800.00).

- C. LAFCO of Napa County and Consultant desire to amend the Agreement by modifying section 3.6 – “Termination Date” of the Agreement to read as follows:

3.6 “Termination Date”: October 14, 2026.

- D. **Integration.** This Amendment amends, as set forth herein, the Agreement and except as specifically amended hereby the Agreement shall remain in full force and effect. To the extent there is any conflict between this Amendment and the Agreement, the terms and provisions of this Amendment shall control. This Amendment and the Agreement, including any exhibits attached to the Agreement and this Amendment, integrate all the terms and conditions of the Parties’ agreement and supersede all negotiations with respect hereto.

Amendment No. 1 to Professional Services Agreement for Consultant Services
LAFCO of Napa County & **RSG, Inc.**

TO EFFECTUATE THIS AGREEMENT, the parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

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

**“Consultant”
RSG, Inc.**

By: _____

By: _____

Date: _____

Date: _____

By: _____

Date: _____

Attest:

By: _____

Date: _____

Approved as to form:

By: _____

Gary B. Bell, Commission Counsel

**Via Electronic Mail**

November 14, 2025

Brendon Freeman, Executive Officer
Local Agency Formation Commission of Napa County
1754 Second Street, Suite C
Napa, California 94559

SCOPE OF SERVICES AND FEE PROPOSAL – CITY OF ST. HELENA MUNICIPAL SERVICE REVIEW

Dear Mr. Freeman,

The purpose of this letter is to request a contract amendment to our professional services agreement (Agreement PSA No. 250401D) with the Local Agency Formation Commission of Napa County (“Napa LAFCO”), for services related to the City of St. Helena Municipal Service Review (“MSR”). Napa LAFCO retained RSG to collect data, conduct research, prepare maps, and prepare draft MSR reports in support of preparing an MSR in compliance with Cortese-Knox-Hertzberg Act.

The Agreement, includes a contract term that expires on April 14, 2026, and also established a not-to-exceed budget of \$40,900 to complete the scope of work. This letter also serves as a Budgetary Notification, per the Agreement, that RSG has reached 80 percent of the not-to-exceed budget. As of September 30, 2025, RSG had invoiced \$31,499, or approximately 77 percent of the not-to-exceed budget. Since September 30, 2025, approximately \$2,400 has been billed to the project.

Initially, RSG’s work program for the MSR in our proposal presumed that the MSR would be completed by October 2025, but due to several issues including unanticipated communication between the City, LAFCO, and RSG about potential changes to the sphere of influence, potential annexations, and out of area service extensions, we will need additional time, budget, and scope to expand the work program of the MSR. In addition, in consultation with City management and the LAFCO Executive Officer, RSG understands that the parties would also like to address governance of the St. Helena Municipal Sewer District.

In light of these developments, we are requesting a contract amendment to reflect an increase in budget, an adjustment to the scope of work, and an extension of the contract term.

The revised scope of work will include the following:

1. Data request and review of documentation related to the St. Helena Municipal Sewer District, including reviewing documents provided by the City and

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County. Among the anticipated areas of review, LAFCO has asked that RSG assist with establishing, based on facts and history, whether the sewer district meets the definition of a special district and if so address it within the MSR. The pertinent legal context for this review includes, but is not limited to the following statutes:

- a. County Sanitation Districts, Health and Safety Code Section 4700 et seq.,
 - b. Public Utility Districts, Public Utilities Code Sections 15501 et seq., and
 - c. Sanitary Districts, Health and Safety Code Sections 6400 et seq.
2. Ascertain, in consultation with LAFCO, and LAFCO legal counsel to the extent necessary, the present disposition of the sewer district based on documentation provided and formulate an analysis of the agency as well as any necessary MSR and sphere of influence determinations and recommendations.
 3. Address, to the extent appropriate, any governance recommendations pertaining to the City and the St. Helena Municipal Sewer District
 4. Address boundary issues related to extension of services provided by the City outside the boundaries of the City and Sewer District, to the extent they may differ, and collaborate with LAFCO and the City management on the establishment of clear and logical boundaries for purposes of the MSR and SOL.
 5. The original scope includes two rounds of review of the administrative and public review draft MSR with both the City and Napa LAFCO. Following these reviews, RSG will update the draft MSR and respond to any comments received during these stages. This portion of the original scope of work was truncated in October 2025. As a result of the revised scope including analysis and preparation of determinations and governance recommendations pertaining to the sewer district, RSG will effectively prepare a revised administrative draft MSR prior to receiving any comments from LAFCO or the City. The proposed budget amendment does not include the costs associated with this task.
 6. As outlined in the Agreement and original scope of work, RSG will present the findings and recommendations at a LAFCO public hearing and the final MSR will incorporate feedback from the Commission. This was also a component of the original scope of work, which is yet to be completed. The proposed budget amendment does not include the costs associated with this task.

To complete these requested services and accommodate delays, by the letter, RSG is requesting a contract amendment that would do the following:

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1. Extend the term of the agreement by six months, to October 14, 2026, which we believe is ample time to complete the remaining work on the project outlined above,
2. Revise the scope of work to include the review of documentation and preparation of determinations related to the St. Helena Municipal Sewer District, and additional rounds of document review with the City and Napa LAFCO, and
3. Increase the total not-to-exceed budget by \$19,900 to recover losses accumulated from delays and cover the costs of the additional services sought by Napa LAFCO.

Please provide us the 1st Amendment to the Contract in a form suitable to LAFCO so that we may proceed with these services. Should you have any questions, please do not hesitate to contact me.

Sincerely,
RSG, Inc.

A handwritten signature in black ink, appearing to read "Jim Simon", written over a light-colored rectangular background.

Jim Simon
President/Principal

cc: Brandon Fender, RSG