



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

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

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**Agenda Item 6d (Public Hearing)**

**TO:** Local Agency Formation Commission

**PREPARED BY:** Brendon Freeman, Executive Officer

**MEETING DATE:** December 5, 2016

**SUBJECT:** Sphere of Influence Update for the Congress Valley Water District

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**RECOMMENDATION**

It is recommended the Commission take the following actions:

- 1) Open the public hearing and take testimony;
- 2) Close the public hearing;
- 3) Receive and file the Sphere of Influence (SOI) Update for the Congress Valley Water District (Attachment One);
- 4) Adopt the draft resolution affirming the Congress Valley Water District's SOI with no changes and finding this action is exempt from CEQA (Attachment Two).

**SUMMARY**

The Commission will review and consider taking action on an SOI Update for CVWD. Additional information regarding the required factors for review pursuant to Government Code (G.C.) Section 56425 is included in the SOI Update. The report includes information and determinations that support a recommendation to affirm CVWD's SOI.

**BACKGROUND AND DISCUSSION**

CVWD was formed in 1949 to provide water service to the unincorporated community of Congress Valley. CVWD's SOI was adopted in 1985 and comprehensively updated in 2008. CVWD's jurisdictional boundary is approximately 1,438 acres and its SOI is approximately 1,610 acres. CVWD currently provides water service to 95 active connections. CVWD's service population is approximately 241 residents.

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Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Brendon Freeman  
Executive Officer

In April 2014 the Commission completed the Central County Region Municipal Service Review, which included boundary and service information as well as determinations for CVWD. The Central County Region Municipal Service Review is available on the Commission's website:

[http://www.napa.lafco.ca.gov/uploads/documents/MSR\\_CentralCounty\\_FinalReport\\_2014.pdf](http://www.napa.lafco.ca.gov/uploads/documents/MSR_CentralCounty_FinalReport_2014.pdf)

The Central County Region Municipal Service Review identified an issue in which the water supply agreement between CVWD and the City of Napa specifies that the District will voluntarily dissolve and turn over all assets to the City at the conclusion of the agreement in 2017. The terms of the agreement cannot accomplish the dissolution; instead the CVWD Board of Directors would need to propose dissolution to LAFCO. The Commission would approve or deny the proposed dissolution pursuant to G.C. Sections 56035 and 56375.

The Central County Region Municipal Service Review also identified a potential problem with the water supply agreement and its provision for dissolution of CVWD given that the City of Napa may lack a legal basis for continuing provision of water service if the District is dissolved. Under the law at the time the Central County Region Municipal Service Review was completed, the Commission would be unable to approve the dissolution of CVWD as called for in the water supply agreement without being able to designate an appropriate public agency to assume the service responsibilities of the District or without another basis for the City's extension of service outside its boundaries.

Recent special legislation that may be relevant to the discussion of future water service provision within CVWD includes Assembly Bill 402 (Dodd), which was enacted on January 1, 2016 and codified as G.C. Section 56133.5. Under G.C. Section 56133.5, the Commission is granted additional authority to approve a request by a city or special district to provide new or extended services outside the agency's jurisdictional boundary and SOI. Previously, this type of outside service request would first require the agency to demonstrate an existing or impending threat to public health or safety. Government Code Section 56133.5 allows the Commission, in the absence of a health or safety threat finding, to approve this type of request to support existing or planned uses involving public or private properties if the Commission first makes certain determinations and if the request is consistent with locally adopted policy.<sup>1</sup> Toward this end, the Commission amended its *Policy on Outside Service Agreements* in April 2016 to allow for the local application of G.C. Section 56133.5. If CVWD is dissolved in the future, the City of Napa could submit an application to LAFCO for an outside service agreement that would allow the City to assume the formal role of water service provider for properties with active connections in Congress Valley.

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<sup>1</sup> In addition to the requirement for local policy consistency, the Commission would be required to make the following determinations at a noticed public hearing prior to outside service approval: (1) the proposed service extension or services deficiency was identified and evaluated in a municipal service review; (2) the proposed service extension will not result in growth inducing impacts or adverse impacts on open space or agricultural lands; and (3) inclusion of the area to be served in the agency's sphere of influence is not feasible or desirable based on the Commission's adopted policies.

The SOI Update for CVWD is predicated on adhering to the policy interest of the Commission to consider the District's role in providing water service in support of rural residential development in Congress Valley. This involves, notably, considering the community's current and future need for water service from CVWD relative to the District's ability to provide service efficiently and in a manner consistent with sensible land uses based on the adopted policies and preferences of the Commission. The SOI Update for CVWD, accordingly, identifies and evaluates the addition of two study areas totaling 93.3 acres into CVWD's SOI. The two study areas are described below with aerial maps included as attachments to this report.

- ***Buhman Avenue Area***

The Buhman Avenue Area consists of three unincorporated parcels located along Buhman Avenue south of Congress Valley Road. The Buhman Avenue Area is approximately 26.3 acres in size and entirely within CVWD's defined water service area. The County of Napa has assigned an *Agriculture, Watershed, and Open Space* General Plan land use designation and an *Agricultural Watershed* zoning standard for the Buhman Avenue Area. One of the three parcels includes an occupied single-family residence. The other two parcels are entirely undeveloped. The property owner of all three parcels has requested their inclusion within the District's SOI (Attachment Three). The property owner's request identifies a groundwater deficiency involving the existing residence that includes groundwater level and water quality inadequacies. CVWD has also provided a written request for the Buhman Avenue Area to be included in the District's SOI (Attachment Four).

It is important to note that two of the parcels within the Buhman Avenue Area are 10 acres or more in size, potentially allowing for the future development of a winery. If the property owner does not currently have adequate groundwater, connection to CVWD's water distribution system could potentially remove an existing barrier to winery development. In the event that the Commission was to add the Buhman Avenue Area to CVWD's SOI, and based on the potential removal of a barrier to intensified development within the area, additional environmental analysis in the form of an initial study and negative declaration would likely need to be prepared to satisfy the requirements of the California Environmental Quality Act (CEQA).

- ***Old Sonoma Road Area***

The Old Sonoma Road Area consists of 34 unincorporated parcels located along Old Sonoma Road south of Congress Valley Road. The Old Sonoma Road Area is approximately 67 acres in size and outside of CVWD's defined water service area. The County of Napa has assigned an *Agricultural Resource* General Plan land use designation and *Agricultural Watershed, Commercial Limited, and Planned Development* zoning standards for the Old Sonoma Road Area. Four of the parcels within the Old Sonoma Road Area totaling approximately 23.8 acres comprise the Carneros Inn, which currently has a need for a long-term water service arrangement. 28 of the properties totaling 3.3 acres include a total of 24

single-family residences and are collectively referred to as “Carneros Homes.” The remaining two properties total 39.9 acres and are generally undeveloped with the exception of four vacant structures that include a single-family residence, barns, and storage. In order for CVWD to provide water service to any portion of the Old Sonoma Road Area, the District and the City of Napa would need to amend the water supply agreement to specifically allow for the connection of commercial land uses as well as include a new water service area map. Further, in the event that the Commission was to add the Old Sonoma Road Area to CVWD’s SOI, additional environmental analysis in the form of an initial study and negative declaration would need to be prepared to satisfy the requirements of CEQA. It is also important to note that, similar to the Buhman Avenue Area, three of the parcels within the Old Sonoma Road Area are 10 acres or more in size, potentially allowing for the future development of a winery. If the property owners do not currently have adequate groundwater, connection to CVWD’s water distribution system could potentially remove an existing barrier to winery development.

### ***Policy Considerations***

It is important to note that inclusion of either study area within CVWD’s SOI would arguably be inconsistent with the Commission’s adopted policies regarding lands designated as agriculture and their potential inclusion within special district SOIs. Specifically, the Commission’s General Policy Determinations Section III(D)(3) states:

*Land designated agricultural or open-space by the applicable city or County general plan shall not be approved for inclusion within any special district’s sphere of influence for purposes of urban development through the extension of essential public services. Such designations shall be recognized by the Commission as designating the land as non-urban in character in regard to the existing use of the area or its future development potential. The Commission may consider exceptions to this policy based on evidence provided by the affected special district demonstrating all of the following:*

- a) The expansion is necessary in order to provide potable water or sewer to the territory to respond to a documented public health or safety threat.*
- b) The affected special district can provide adequate potable water or sewer service to the affected territory without extending any mainline more than 1,000 feet.*
- c) The expansion will not promote the premature conversion of agricultural or open-space land to urban use.*

## **CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

The staff recommendation to affirm CVWD's existing SOI with no changes would be exempt from further review under CEQA pursuant to California Code of Regulations Section 15061(b)(3). This finding would be based on the Commission determining with certainty that the affirmation of CVWD's existing SOI with no changes would have no possibility of significantly effecting the environment given no new land use or municipal service authority is granted.

## **ALTERNATIVES FOR COMMISSION ACTION**

Staff has identified two alternatives for Commission consideration with respect to the SOI Update for CVWD. These alternatives each require the Commission to first open the public hearing and take testimony. The two alternatives are summarized below.

### **Alternative Action One (Recommended):**

Take the following actions:

- 1) Receive and file the SOI Update for CVWD (Attachment One);
- 2) Adopt the draft resolution affirming CVWD's SOI with no changes and finding this action is exempt from CEQA (Attachment Two).

### **Alternative Action Two:**

Consider providing direction to staff with respect to possible further development of the SOI Update and continue the public hearing to the February 6, 2017 meeting.

## **ATTACHMENTS**

- 1) Sphere of Influence Update for CVWD
- 2) Draft Resolution Affirming CVWD's SOI and Making CEQA Findings
- 3) Letter from John Stewart Regarding SOI (Dated September 7, 2016)
- 4) Letter from CVWD Regarding SOI (Dated September 26, 2016)
- 5) Aerial Map of Buhman Avenue Area
- 6) Aerial Map of Old Sonoma Road Area



**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY**  
Political Subdivision of the State of California

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

**CONGRESS VALLEY WATER DISTRICT  
SPHERE OF INFLUENCE REVIEW AND UPDATE**  
Prepared in accordance with Government Code Section 56425

December 2016



*LAFCO of Napa County*  
**Overseeing the**  
*logical formation and development*  
**of cities and special districts.**

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- Greg Pitts, Vice Chair, City Member
- Juliana Inman, Commissioner, City Member
- Brian J. Kelly, Commissioner, Public Member
- Brad Wagenknecht, Commissioner, County Member
- Joan Bennett, Alternate Commissioner, City Member
- Keith Caldwell, Alternate Commissioner, County Member
- Gregory Rodeno, Alternate Commissioner, Public Member

**Staff / Administrative Office**

- Brendon Freeman, Executive Officer
- Jennifer Gore, Commission Counsel
- Kathy Mabry, Commission Secretary

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## EXECUTIVE SUMMARY

This report is presented as part of a process mandated by Section 56425 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). This report considers whether changes to the sphere of influence (SOI) of the Congress Valley Water District (CVWD) are warranted to plan the orderly development of the District. CVWD's SOI was originally established by the Local Agency Formation Commission (LAFCO) of Napa County in 1985 and comprehensively updated in 2008. The principal objective of this report is to identify and evaluate areas that warrant consideration for inclusion or removal from CVWD's sphere as part of a comprehensive review. Underlying this objective is to encourage the orderly development of CVWD in a manner that is consistent with the provisions of CKH and the Commission's adopted policies. This includes considering the basic policy of the Commission that CVWD is a rural service provider and that its services support rural residential and agricultural development in Congress Valley.<sup>1</sup>

This periodic review and update is partially based on the Commission's Central County Region Municipal Service Review which details services provided by CVWD as well as the District's ability to continue to provide and extend those services. The Central County Region Municipal Service Review is available on the Commission's website and can be accessed by clicking the link provided below:

[http://www.napa.lafco.ca.gov/uploads/documents/MSR\\_CentralCounty\\_FinalReport\\_2014.pdf](http://www.napa.lafco.ca.gov/uploads/documents/MSR_CentralCounty_FinalReport_2014.pdf)

Affirming CVWD's SOI with no changes appears appropriate. The recommended SOI affirmation is based on the location of CVWD's existing water distribution system, the Commission's adopted policies relating to inclusion of lands designated as agriculture within a special district's SOI, and the requirements of the California Environmental Quality Act (CEQA). Specifically, The Commission's General Policy Determinations Section III(D)(3) states, with limited exceptions, land designated agricultural or open-space by the applicable city or County general plan shall not be approved for inclusion within any special district's sphere of influence for purposes of urban development through the extension of essential public services. Additionally, any future action involving the expansion of CVWD's SOI would involve the Commission making findings consistent with the requirements of CEQA. Absent an available categorical or statutory exemption, this would likely involve at a minimum the preparation of an initial study and adoption of a negative declaration.

## OVERVIEW

CVWD was formed in 1949 to provide water service to the unincorporated community of Congress Valley; a rural residential area located immediately west of the City of Napa. CVWD's formation was engendered by area landowners in response to diminishing groundwater supplies principally attributed at the time to the development and irrigation of vineyards throughout the surrounding areas. The completion of formation proceedings immediately preceded CVWD entering into an agreement with the City of Napa for its water supply in conjunction with the District constructing a distribution system with an intertie to the City. The distribution system was rebuilt in 1987 and coincided with a new 30-year water supply agreement that designates a water service area for CVWD provides the District with up to 100 acre-feet of potable water annually through 2017. The agreement stipulates that

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<sup>1</sup> LAFCO Resolution No. 85-2, Section 2(a).

CVWD agrees to dissolve and turn over all assets to the City in July 2017. LAFCO was not a party to the agreement even though the Commission's approval will be necessary to several aspects of its implementation and the continuation of service by the City thereafter. CVWD and the City of Napa are currently in the process of discussing amendments to the water supply agreement to potentially extend the term for five years. The amended agreement could potentially specify that CVWD, the City of Napa, the County of Napa, and LAFCO shall convene to collectively determine the appropriate long-term service arrangement for Congress Valley. This may include determining whether it would be appropriate for CVWD to formally initiate dissolution proceedings and transition the District's service responsibilities to the City of Napa prior to the sunset date of the water supply agreement.

CVWD currently has an estimated resident service population of 241 spanning an approximate 2.2 square mile jurisdictional area. CVWD is organized as an independent special district with a directly elected five-member board of directors that serve staggered four-year terms. A part-time administrator oversees the CVWD's activities, including providing accounting services and coordinating service requests with Napa's Water Division. CVWD's adopted 2016-2017 budget includes \$112,600 in total operating expenses. CVWD's current unreserved fund balance totals \$704,108, which is sufficient to cover approximately 75 months of operating expenses. CVWD's governance structure, finances, municipal service provision, and Commission determinations are described in more detail on pages 80 to 92 in the *Central County Region Municipal Service Review*.

### ***Sphere of Influence Establishment***

CVWD's SOI was established by the Commission in 1985. The original SOI spanned 1,119 acres or 1.8 square miles and was the result of the Commission emphasizing three planning factors: existing service obligations, the projected distribution system capacity, and need for future service. The original SOI included all existing jurisdictional lands with the exception of two parcels located at the western and southern border of CVWD, which were determined to be outside the range and capacity of the distribution system as it then existed. Certain parcels outside CVWD were also included based on their close proximity to the distribution system.

### ***Sphere of Influence Update in 2008***

The Commission adopted its first comprehensive update to CVWD's SOI in 2008.<sup>2</sup> This update resulted in a net increase to CVWD's SOI of 491 acres. The additions to the SOI comprised two distinct areas. The first area – approximately 316 acres in size – consisted of lands already within CVWD's jurisdictional boundary that had been previously excluded from the SOI due to the capacity limitations associated with the District's old distribution system. The second area – approximately 175 acres in size – consisted of lands directly adjacent to the distribution system.<sup>3</sup>

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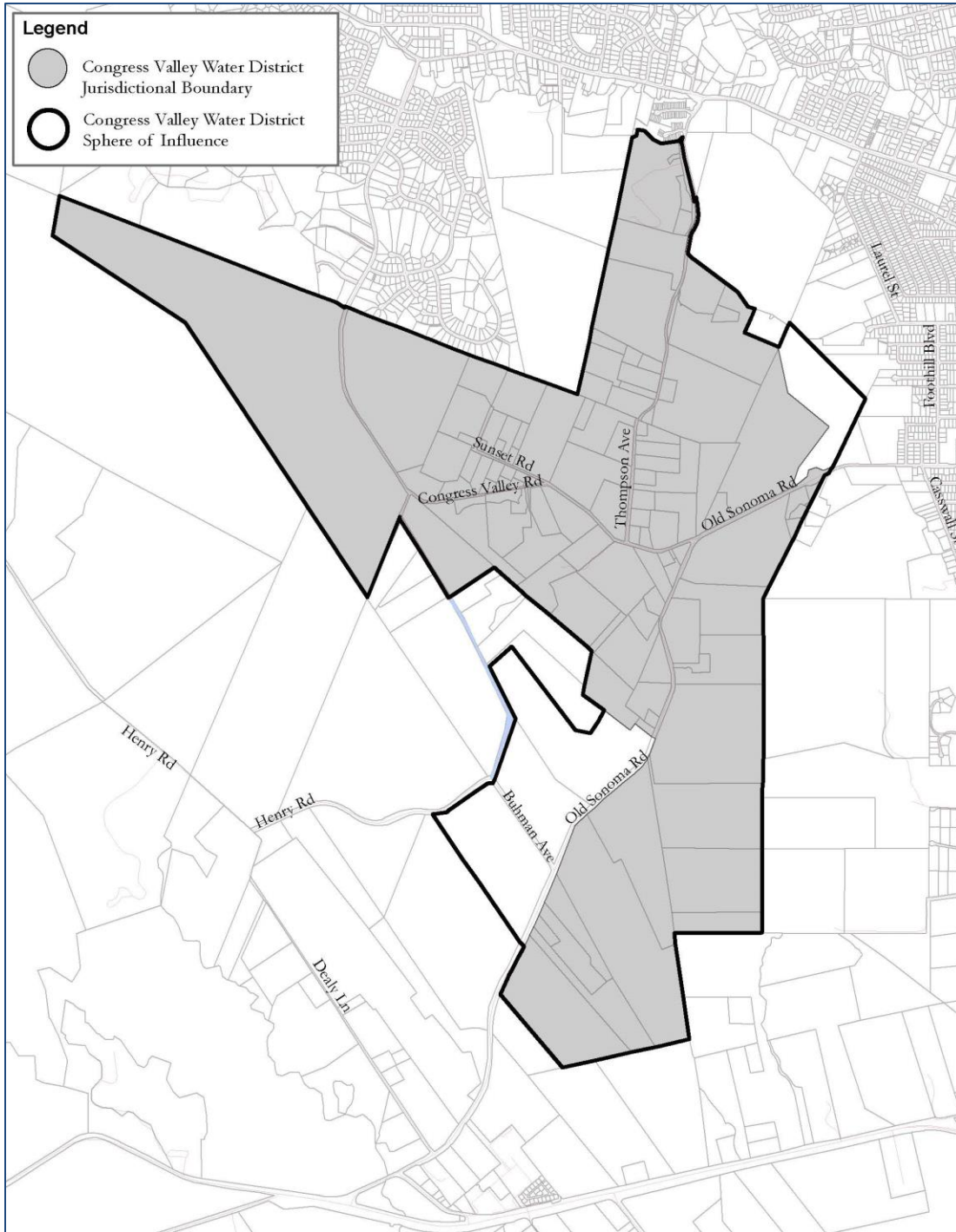
<sup>2</sup> The Commission approved one amendment prior to the 2008 update, but it was later terminated. The approval was made in 1995 and involved two parcels located on the northeast side of Buhman Avenue south of its intersection with Congress Valley Road. Approval was conditioned on the affected property owners entering into an outside service agreement with CVWD. The outside service agreement was not executed within the one year deadline established by the Commission and the amendment was therefore terminated.

<sup>3</sup> All but 37 acres included in the second area added to the sphere were also included in the "service area" established as part of CVWD's contract with Napa in 1987. Accordingly, the Commission also took action as part of the update to formally encourage CVWD and Napa to review their contract and consider amending the defined service area to include the addition of the affected 37 acres located on the hilltop of Old Sonoma Road.



### Current Composition

CVWD’s SOI remains entirely unchanged from the 2008 update and presently encompasses 2.5 square miles or 1,610 acres. Of this amount, there are a total of four non-jurisdictional parcels covering 172 acres currently within the SOI that are eligible for annexation. A map depicting CVWD’s current jurisdictional boundary and SOI is provided below.



## ANALYSIS

CVWD operates under the land use authority of the County of Napa, which has designated all lands within the District's SOI as *Agriculture, Watershed, and Open Space* with a zoning standard of *Agricultural Watershed*. Lands located within CVWD's existing SOI share common economic and social interdependencies that are generally distinct from areas outside the SOI. Unincorporated lands within and adjacent to CVWD are primarily characterized by agricultural and rural residential uses. The remaining lands adjacent to CVWD are incorporated and under the land use authority of the City of Napa. These incorporated lands are generally undeveloped with the exception of moderately-dense residential uses in the "Browns Valley" section of the City, which is located along the northwest border of CVWD. The City's adopted rural urban limit boundary does not include any lands located in CVWD or within its SOI.

California Government Code (G.C.) Section 56425 requires the Commission to review and update each local agency's SOI every five years as needed. It has been the practice of the Commission to review and update each local agency's SOI in a manner that emphasizes a probable five-year service area. CVWD's existing SOI appears to designate an appropriate service area for the District in a manner that provides for the present needs of its constituents and is consistent with the land use policies of the County of Napa.

### ***Assembly Bill 402***

As previously noted, the water supply agreement stipulates that CVWD will initiate dissolution proceedings in 2017 and turn over all assets and service responsibilities to the City of Napa. The potential problem with the agreement and its provision for dissolution of CVWD is that the City would currently lack a legal basis for continuing provision of water service if CVWD is dissolved, and therefore LAFCO may be unable to approve a proposal for dissolution. The Central County Region Municipal Service Review identified the possibility of new legislation that would alter the limitations placed on outside service agreements under G.C. Section 56133. Toward this end, Assembly Bill (AB) 402 was signed by the Governor in 2015 and became effective on January 1, 2016. AB 402 is codified under G.C. Section 56133.5 and created a five-year pilot program for Napa and San Bernardino LAFCOs that allows these two Commissions to authorize cities and special districts within their respective counties to provide services outside their boundaries and SOIs.<sup>4</sup> A key prerequisite to utilizing AB 402 is for LAFCO to identify and evaluate the extension of service or services deficiency as part of a municipal service review prior to authorizing a new outside service agreement under this statute.<sup>5</sup> With this in mind, the next municipal service review for CVWD should be completed prior to 2021 and identify and evaluate areas outside the District's SOI that have a need for service or a service deficiency for purposes of allowing the Commission to potentially utilize AB 402.

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<sup>4</sup> AB 402 will be repealed in 2021.

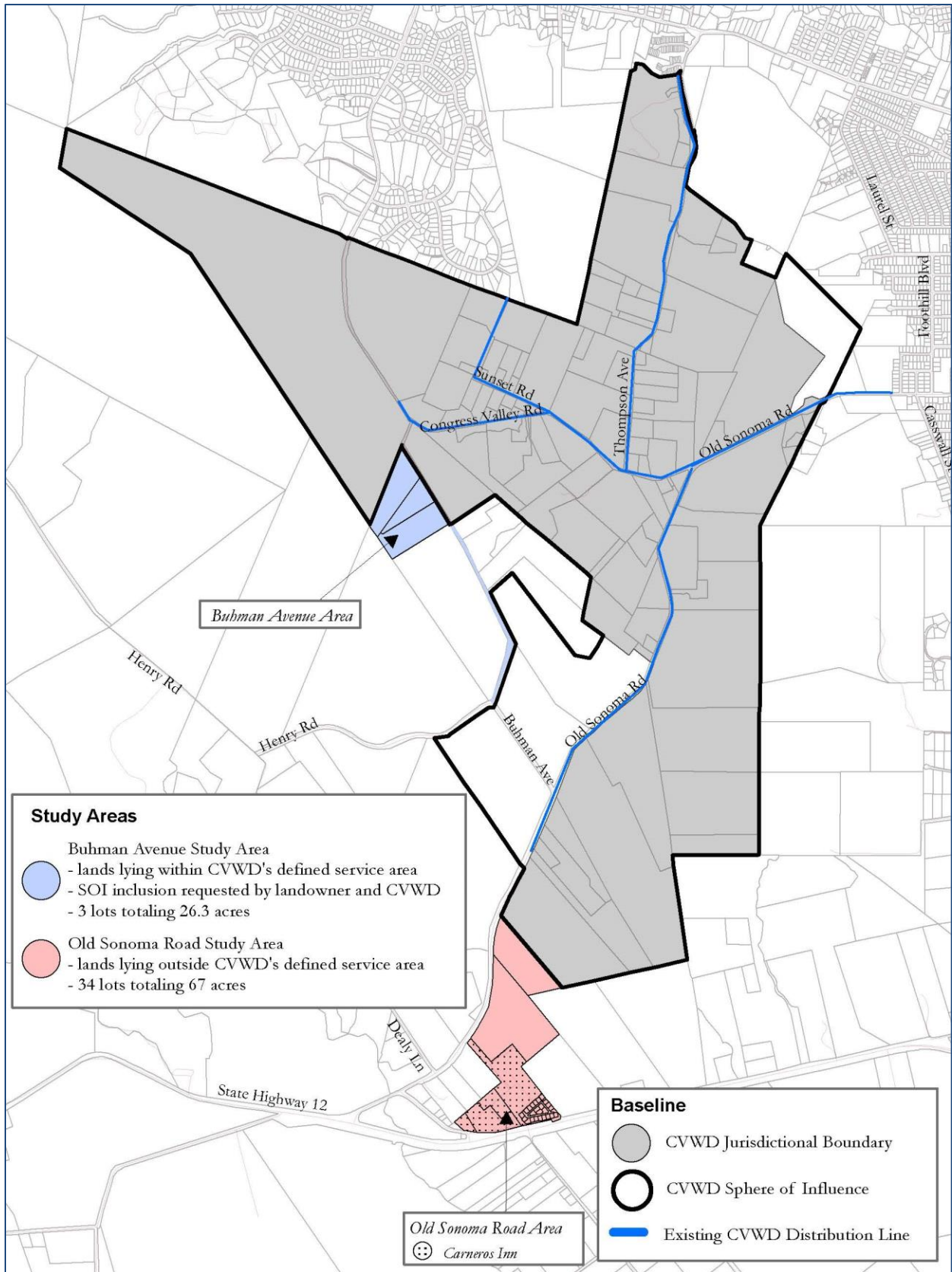
<sup>5</sup> AB 402 also requires LAFCO to determine the extension of service will not result in either (1) adverse impacts on open space or agricultural lands or (2) growth inducing impacts. Further, AB 402 requires LAFCO to determine that a sphere of influence change involving the subject territory and its affected agency is not feasible under the provisions of CKH or desirable based on the adopted policies of the Commission.

### *Study Areas*

Two study areas were developed by staff in the course of considering areas to add to CVWD's SOI as part of this comprehensive SOI Update. The study areas were selected based on consistency with at least two of the following factors: (1) requests from property owners and CVWD to add the properties to the District's SOI; (2) known water service deficiencies for properties in the vicinity of CVWD's SOI; and (3) consistency with CVWD's defined service area. Inclusion of one or more study areas would allow for annexation of the affected lands to CVWD as well as connection to the District's water distribution system. Analysis of each study area is organized to address the five planning factors the Commission is required to consider anytime it makes an SOI determination under G.C. Section 56425(e). These planning factors are:

- 1) Present and planned land uses
- 2) Present and probable need for public facilities and services
- 3) Present adequacy and capacity of public services
- 4) Existence of any social or economic communities of interest
- 5) Present and probable need for public services for disadvantaged unincorporated communities

Recommendations are offered for each study area with respect to whether a modification to CVWD's SOI is appropriate at this time. A map of depicting CVWD's SOI and the two study areas is included on the following page.



### ***Buhman Avenue Area***

This area consists of three unincorporated parcels located along Buhman Avenue south of Congress Valley Road. The Buhman Avenue Area is approximately 26.3 acres in size and is entirely within CVWD's defined water service area. The County of Napa has assigned an *Agriculture, Watershed, and Open Space* General Plan land use designation and an *Agricultural Watershed* zoning standard for the Buhman Avenue Area. One of the three parcels includes a single-family residence located at 2205 Buhman Avenue. The other two parcels are entirely undeveloped. The Commission excluded the Buhman Avenue Area from CVWD's SOI at the time of its establishment in 1985 after concluding that it was outside the range and capacity of the existing distribution system.<sup>6</sup> The property owner of all three parcels as well as CVWD have requested inclusion of the Buhman Avenue Area within the District's SOI. The



property owner's request identifies a groundwater deficiency involving the existing residence that includes groundwater level and water quality inadequacies. The property owner has communicated that a future connection to CVWD's water distribution system would involve a private lateral extension and therefore no mainline extensions would occur.

It is important to note that two of the parcels within the Buhman Avenue Area are 10 acres or more in size, potentially allowing for the future development of a winery.<sup>7</sup> If the property owner does not currently have adequate groundwater, connection to CVWD's water distribution system could potentially remove an existing barrier to winery development. In the event that the Commission was to add the Buhman Avenue Area to CVWD's SOI, and based on the potential removal of a barrier to intensified development within the area, additional environmental analysis in the form of an initial study and negative declaration would likely need to be prepared to satisfy the requirements of the California Environmental Quality Act (CEQA).

<sup>6</sup> Two parcels totaling approximately 15 acres and adjacent to the Buhman Avenue Area were added to CVWD's SOI in 1995 with a condition requiring the property owner to either annex the subject territory to CVWD or enter into an outside service agreement within one year. However, the conditions were not satisfied within the one year deadline and these parcels were removed from CVWD's SOI in 1996.

<sup>7</sup> The minimum parcel size required for development of a winery under the County of Napa's land use authority is 10 acres. In order for a winery to be approved and developed, the property owner would be required to demonstrate the availability of an adequate supply of water.

### Present and Planned Land Use

One of the three parcels within the Buhman Avenue Area includes a single-family residence located at 2205 Buhman Avenue. The other two parcels are entirely undeveloped. The County of Napa General Plan designates the Buhman Avenue Area as *Agriculture, Watershed and Open Space*. The County has zoned the area as *Agricultural Watershed*. These designations are consistent with the present and planned uses of the area. The expansion of the sphere of influence to include the Buhman Avenue Area would enable the future annexation and potentially facilitate development of the area in a manner consistent with the County of Napa's contemplated land use allowances within the area.

### Present and Probable Need for Public Facilities and Services

The Buhman Avenue Area currently receives a rural level of public services from the County of Napa. These services include police protection, fire protection, and road maintenance, all of which are considered adequate to meet the needs of the area. There is a present need for public water service for the Buhman Avenue Area based on groundwater deficiencies involving an existing residence. There are no plans to extend an urban level of other public services into the area.

### Present Capacity and Adequacy of Public Services

CVWD can adequately extend service to the Buhman Avenue Area with minimal infrastructure improvements in a manner that would not impact service to existing customers. Future connection of the Buhman Avenue Area to CVWD's water distribution system would involve a private lateral and would not require a mainline extension.

### Social and Economic Communities of Interest

The Buhman Avenue Area has strong social and economic ties to CVWD. The Buhman Avenue Area is contiguous to, and shares similar land uses with, District parcels. This includes the existence of an occupied rural residence located at 2205 Buhman Avenue.

### Present and Probable Need for Public Services for Disadvantaged Unincorporated Communities

No disadvantaged unincorporated communities meeting the definition under State law have been identified within CVWD's jurisdictional boundary, sphere of influence, or adjacent areas.

## Recommendation

It is recommended that the Commission continue to exclude the Buhman Avenue Area from CVWD's SOI. Inclusion within the SOI would be inconsistent with the Commission's adopted policies regarding lands designated as agriculture and their potential inclusion within special district SOIs. Specifically, the Commission's General Policy Determinations Section III(D)(3) states:

*Land designated agricultural or open-space by the applicable city or County general plan shall not be approved for inclusion within any special district's sphere of influence for purposes of urban development through the extension of essential public services. Such designations shall be recognized by the Commission as designating the land as non-urban in character in regard to the existing use of the area or its future development potential. The Commission may consider exceptions to this policy based on evidence provided by the affected special district demonstrating all of the following:*

- a) The expansion is necessary in order to provide potable water or sewer to the territory to respond to a documented public health or safety threat.*
- b) The affected special district can provide adequate potable water or sewer service to the affected territory without extending any mainline more than 1,000 feet.*
- c) The expansion will not promote the premature conversion of agricultural or open-space land to urban use.*

There are no documented public health or safety threats involving lands within the Buhman Avenue Area. If a public health or safety threat is documented in the future, it would be appropriate for the property owner to transmit the documentation to the Commission in conjunction with (1) a proposal for concurrent SOI amendment and annexation or (2) a request for an outside service agreement.<sup>8</sup> Further, to ensure consistency with the referenced policy, it would be appropriate for the property owner and CVWD to submit information confirming the District can provide adequate water service without extending a mainline more than 1,000 feet prior to the Commission taking formal action to expand CVWD's SOI to include the Buhman Avenue Area. It would also be appropriate for the property owner to submit information to the Commission regarding planned or contemplated land uses for the undeveloped properties prior to an expansion of CVWD's SOI.

It is important to note any future action involving the expansion of CVWD's SOI and/or extension of water service to the Buhman Avenue Area would involve the Commission making findings consistent with the requirements of CEQA. Absent an available categorical or statutory exemption, this would likely involve at a minimum the preparation of an initial study and adoption of a negative declaration.

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<sup>8</sup> G.C. Section 56133 specifies that requests for outside service agreements must be submitted by the agency that will provide the municipal service. Alternatively, proposals for SOI amendments and annexations may be initiated by the property owner.

### *Old Sonoma Road Area*

This area consists of 34 unincorporated parcels located along Old Sonoma Road south of Congress Valley Road. The Old Sonoma Road Area is approximately 67 acres in size and is outside of CVWD's defined water service area. The County of Napa has assigned an *Agricultural Resource* General Plan land use designation and *Agricultural Watershed*, *Commercial Limited*, and *Planned Development* zoning standards for the Old Sonoma Road Area. Four of the parcels within the Old Sonoma Road Area totaling approximately 23.8 acres comprise the Carneros Inn, which currently has a need for a long-term water service arrangement. 28 of the properties totaling 3.3 acres include a total of 24 single-family residences and are collectively referred to as "Carneros Homes." The remaining two properties total 39.9 acres and are generally undeveloped with the exception of four vacant structures that include a single-family residence, barns, and storage.



In order for CVWD to provide water service to any portion of the Old Sonoma Road Area, the District and the City of Napa would need to amend the water supply agreement to specifically allow for the connection of commercial land uses as well as include a new water service area map. Further, in the event that the Commission was to add the Old Sonoma Road Area to CVWD's SOI, additional environmental analysis in the form of an initial study and negative declaration would need to be prepared to satisfy the requirements of CEQA.

It is also important to note that, similar to the Buhman Avenue Area, three of the parcels within the Old Sonoma Road Area are 10 acres or more in size, potentially allowing for the future development of a winery. If the property owners do not currently have adequate groundwater, connection to CVWD's water distribution system could potentially remove an existing barrier to winery development.



### Present and Planned Land Use

Four of the parcels within the Old Sonoma Road Area comprise the Carneros Inn. 28 of the parcels totaling 3.3 acres include a total of 24 single-family residences and are collectively referred to as “Carneros Homes.” The remaining two parcels are generally undeveloped with the exception of four vacant structures that include a single-family residence, barns, and storage. The County of Napa General Plan designates the Old Sonoma Road Area as *Agricultural Resource*. The County has zoned the area as (1) *Agricultural Watershed* for rural residential parcels, (2) *Commercial Limited* for the Carneros Inn, and (3) *Planned Development* for the 24 single-family residences (Carneros Homes). The expansion of the sphere of influence to include the Old Sonoma Road Area in support of existing commercial and residential land uses would be inconsistent with the area’s agricultural land use designation under the County of Napa General Plan.

### Present and Probable Need for Public Facilities and Services

The Old Sonoma Road Area currently receives a rural level of public services from the County of Napa. These services include police protection, fire protection, and road maintenance, all of which are considered adequate to meet the needs of the area. There is a present need for public water service for the developed portions of the Old Sonoma Road Area. However, expansion of the sphere of influence to include the Old Sonoma Road Area would be inconsistent with the specifications of CVWD’s water supply contract, which only allows for domestic, agricultural, and winery connections. There are no plans to extend an urban level of other public services into the area.

### Present Capacity and Adequacy of Public Services

CVWD can potentially extend service to the Old Sonoma Road Area with minimal infrastructure improvements in a manner that would not impact service to existing customers. However, additional planning and environmental review is needed to inform the extent of infrastructure improvements that would be needed as well as associated environmental impacts.

### Social and Economic Communities of Interest

The Old Sonoma Road Area does not currently share social and economic ties to CVWD. The area includes a hotel, restaurant, and high density single-family residences. Additionally, the Old Sonoma Road Area generally does not share similar land uses with CVWD parcels.

### Present and Probable Need for Public Services for Disadvantaged Unincorporated Communities

No disadvantaged unincorporated communities meeting the definition under State law have been identified within CVWD’s jurisdictional boundary, sphere of influence, or adjacent areas.

### Recommendation

It is recommended that the Commission continue to exclude the Old Sonoma Road Area from CVWD's SOI. Inclusion within the SOI would be inconsistent with the Commission's aforementioned adopted policies regarding lands designated as agriculture and their potential inclusion within special district SOIs. Inclusion within the SOI would also be inconsistent with the defined service area in CVWD's water supply agreement.

It is important to note that any future action involving the expansion of CVWD's SOI and/or extension of water service to the Old Sonoma Road Area would involve the Commission making findings consistent with the requirements of CEQA. Absent an available categorical or statutory exemption, this would likely involve at a minimum the preparation of an initial study and adoption of a negative declaration.

In recognition of an existing need for water service involving the Carneros Inn properties, it would be appropriate for the Commission and the County of Napa to pursue an alternative that would allow for the Carneros Inn properties to obtain a reliable and long-term water supply. One potential process to extend public water service to the Old Sonoma Road Area would involve implementing AB 402 as described previously in this report. This process would require identifying and evaluating the extension of water service to the Carneros Inn properties as part of a future municipal service review for CVWD. This process would also likely require CVWD and the City of Napa to amend the water service agreement to allow for water service to be provided to commercial properties.

**RESOLUTION NO. \_\_\_\_\_****RESOLUTION OF THE  
LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
MAKING DETERMINATIONS****CONGRESS VALLEY WATER DISTRICT  
SPHERE OF INFLUENCE UPDATE**

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

**WHEREAS**, the Napa Local Agency Formation Commission is required to periodically review and update adopted spheres of influence for each city and special district within Napa County under Government Code Section 56425; and

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

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

**WHEREAS**, the Commission heard and fully considered all the evidence presented at a public meeting held on December 5, 2016; and

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

**NOW, THEREFORE**, the Napa Local Agency Formation Commission **DOES HEREBY RESOLVE, DETERMINE AND ORDER**, based upon the information contained in the Executive Officer’s report, correspondence from affected agencies and information received during the public hearings, as follows:

1. The sphere of influence of the Congress Valley Water District is hereby updated with no changes as shown in Exhibit One.
2. The Commission, as lead agency, finds the approved affirmation of Congress Valley Water District’s sphere of influence is exempt from further review under the California Environmental Quality Act pursuant to California Code of Regulations Section 15061(b)(3). This finding is based on the Commission determining with certainty the update will have no possibility of significantly effecting the environment given no new land use or municipal service authority is granted.

3. Pursuant to California Government Code Section 56425 of the Government Code, the Commission adopts the statement of determinations as shown in Exhibit Two.
4. The effective date of this sphere of influence update shall be the date of adoption set forth below.

The foregoing resolution was duly and regularly adopted by the Commission at a meeting held on December 5, 2016 by the following vote:

AYES:           Commissioners       \_\_\_\_\_

NOES:           Commissioners       \_\_\_\_\_

ABSENT:        Commissioners       \_\_\_\_\_

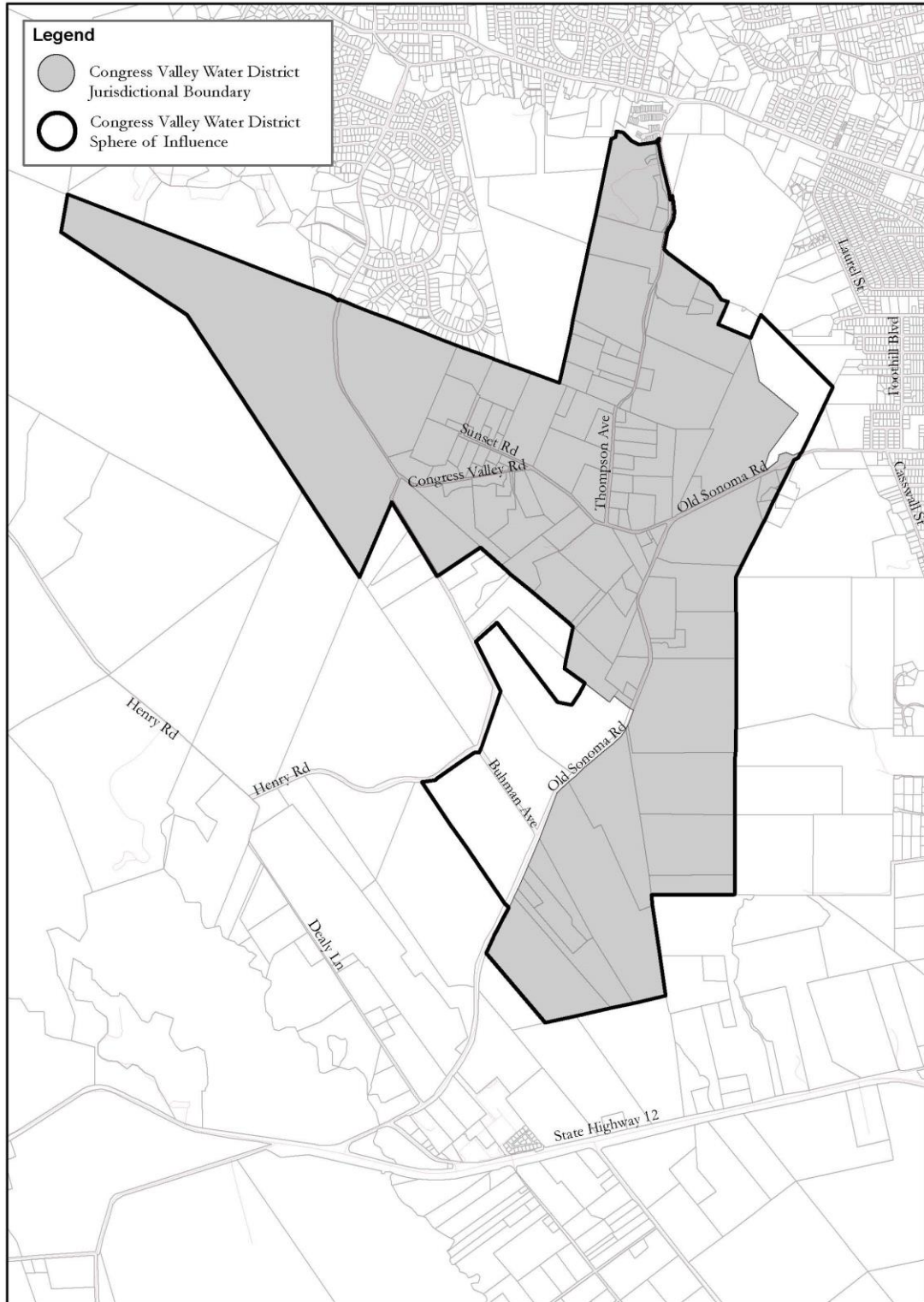
ABSTAIN:       Commissioners       \_\_\_\_\_

ATTEST:        Brendon Freeman  
                  Executive Officer

Recorded by: \_\_\_\_\_  
                  Kathy Mabry  
                  Commission Secretary

# EXHIBIT ONE

## Congress Valley Water District

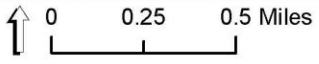


**Legend**

- Congress Valley Water District Jurisdictional Boundary
- Congress Valley Water District Sphere of Influence



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



*\* Prepared by LAFCO Staff  
December 5, 2016*

## EXHIBIT TWO

### STATEMENT OF DETERMINATIONS

#### CONGRESS VALLEY WATER DISTRICT SPHERE OF INFLUENCE UPDATE

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

The County of Napa General Plan designates all lands within the Congress Valley Water District's sphere of influence as *Agriculture, Watershed and Open Space*. The County has zoned all lands within the Congress Valley Water District's sphere of influence as *Agricultural Watershed*. These designations are consistent with the present and planned land uses in the Congress Valley Water District's sphere of influence.

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

Lands within the Congress Valley Water District's sphere of influence currently receive a rural level of public services from the County of Napa. These services include police protection, fire protection, and road maintenance, and are considered adequate to meet the needs of the area. There are no existing plans to extend an urban level of public services into the Congress Valley Water District. The present need for public water service is limited to lands within the Congress Valley Water District's jurisdictional boundary and sphere of influence. These lands currently receive a rural residential level of public water service from the District. The probable need for public water service includes lands within the Congress Valley Water District's sphere of influence and outside the District's jurisdictional boundary. These lands are eligible for annexation and could be connected to the District's water distribution system when a public water service need has been established.

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

The Congress Valley Water District presently provides public water service to the majority of lands within its sphere of influence. The District can adequately extend service to the remaining portion of its sphere of influence without constructing significant infrastructure or impacting service to existing customers.

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

Lands within the Congress Valley Water District's sphere of influence share strong social and economic ties that are distinct from neighboring communities. Lands within the Congress Valley Water District's sphere of influence include similar rural land uses.

**5. Present and probable need for public services for disadvantaged unincorporated communities**

No disadvantaged unincorporated communities meeting the definition under State law have been identified anywhere in Napa County.

September 7, 2016

Board of Directors  
Congress Valley Water District  
C/O Kiersten Bjorkman, Secretary  
Napa, CA 94559

RE: Requesting inclusion within the District of five parcels along Buhman

President and Members of the Board:

I am writing to you, representing both Rob Sinskey and the heirs of Virginia Forloine, to request inclusion of five Assessors Parcels within the Congress Valley Water District.

On behalf of Virginia Forloine, my wife's late aunt, I am writing to you to ask to have her three parcels, located on Buhman Avenue, included in your service area. They are APN's 47-030-021, 023, and 024. The address of the residence is 2205 Buhman Avenue.

Virginia was a lifelong resident of Napa County, and she and her late husband, Clint, lived on one of the three parcels, having built on the parcel in the early 1970's. The residence is served by a very shallow well and a spring on those parcels. During many summers, both the well and the spring run dry. Additionally, there is a water quality problem, both bacteriologically and physically. In the past, they have inquired about connecting to the Congress Valley water system, but waterlines were never installed along their portion of Buhman Avenue.

I have taken it upon myself to locate a reliable, adequate, and wholesome water supply for that house, and the other two parcels.

On behalf of Rob Sinskey, who lives directly across Buhman Avenue, I am requesting that his two parcels be included with the Congress Valley Water District as well. His parcels are 047-030-036 and 047-030-037. He is in much the same situation, namely poor groundwater area and no waterline in his portion of Buhman Avenue.

Within the last week or so, I have met with the Engineers at the City Water Department to talk about water service to these five parcels. We talked generally about the need and about possible strategies for service.

And, during the past several weeks, I have been in conversations with Brendan Freeman, Executive Officer of LAFCO, about the process that would need to be followed to include these five parcels within your District boundary.

My sense is that the Congress Valley Water District needs to weigh in on my request for inclusion before these other conversations can go much further.

Pretty much all of Congress Valley is notoriously groundwater short. That is why the District was formed mid last century, and that is why the water system was refurbished in the mid 1980's. These two families are in need of some help in addressing their water supply problems. Your District is the agency that can help implement solutions to their water needs.

My request is that you support, and request, having your Sphere of Influence and your District Boundary adjusted to include those five parcels.

Again, we appreciate your assistance, and look forward to working with you and your staff on this issue. If you have any questions, it is best to reach me on my cell phone, 707.738.4600.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Stewart". The signature is fluid and cursive, with the first name "John" being the most prominent.

John W. Stewart, PE  
2111 Las Amigas Road  
Napa, CA 94559



**Congress Valley Water District**  
**P. O. Box 3023**  
**(707) 256-0344**

**RECEIVED**  
**OCT 12 2016**  
**NAPA COUNTY**  
**LAFCO**

September 26, 2016

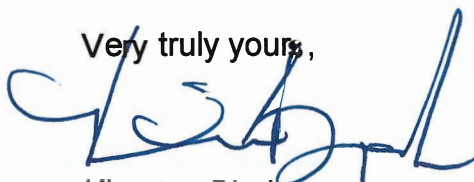
Local Agency Formation Commission of Napa County  
1030 Seminary Street, Suite B  
Napa, CA 94559

Attn: Brendon Freeman, Executive Officer

It was approved at the regularly scheduled Congress Valley Water District meeting held September 12, 2016 to formally request LAFCO to adjust the District's Sphere of Influence to include properties along Buhman Ave, APN's 47-030-021, 023 and 024.

Let me know if you have any questions.

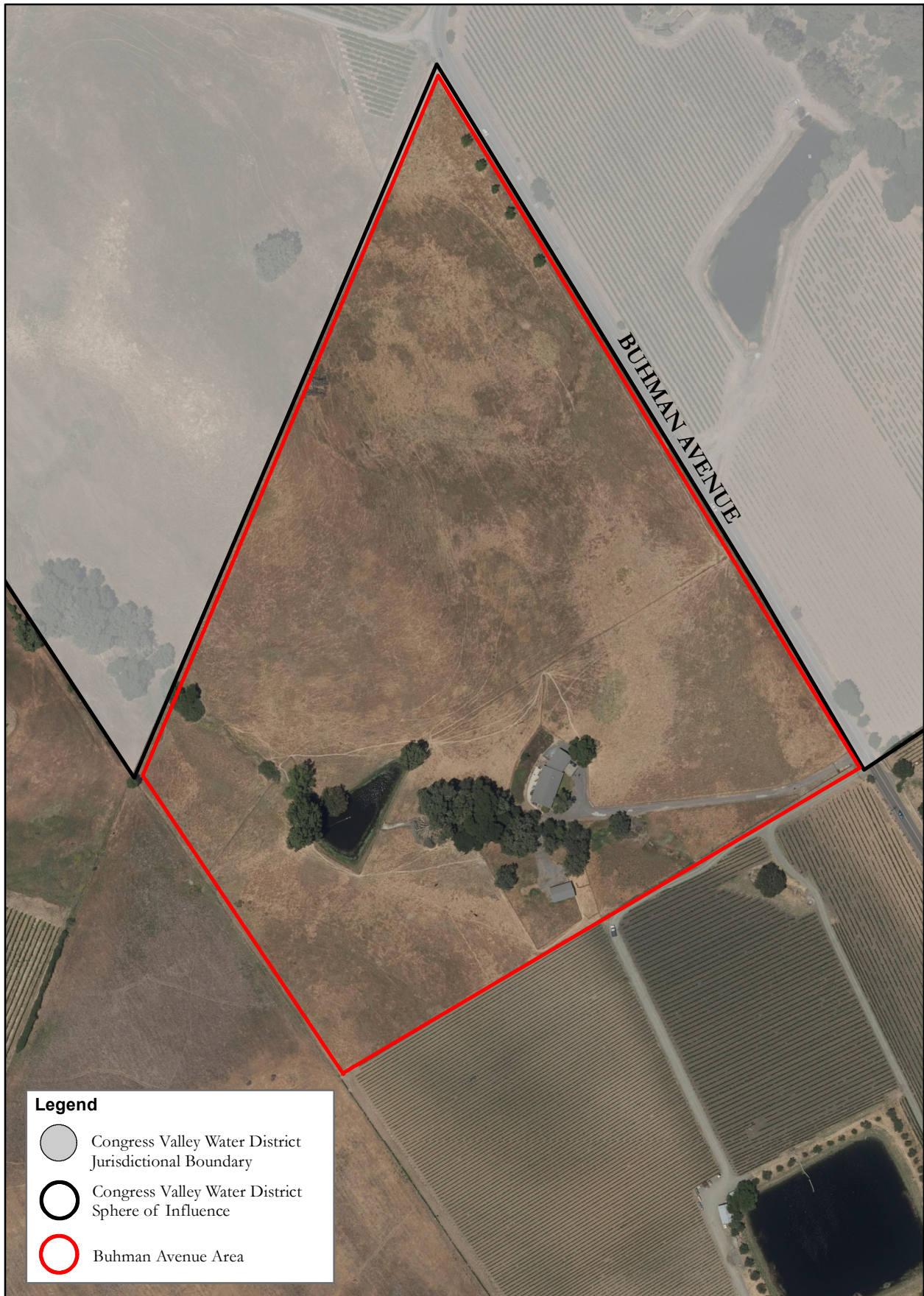
Very truly yours,



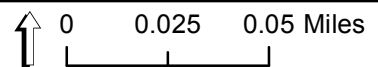
Kiersten Bjorkman  
Secretary  
815-5240  
[kierstenlarae@yahoo.com](mailto:kierstenlarae@yahoo.com)

cc: John Stewart, Phil Brun, City of Napa Water Dept., LAFCO commissioners

# Congress Valley Water District Sphere of Influence Study Area



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



\* Prepared by LAFCO Staff  
November 2016

# Congress Valley Water District Sphere of Influence Study Area

