



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

August 5, 2013
Agenda Item No. 6a (Public Hearing)

July 29, 2013

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Brendon Freeman, Analyst

SUBJECT: Spanish Flat Water District Sphere of Influence Update

The Commission will consider taking two separate actions relating to the agency's scheduled sphere of influence update on the Spanish Flat Water District. The first proposed action is for the Commission to formally receive and file a final report on the sphere update. The second proposed action is for the Commission to adopt a draft resolution enacting the final report's central recommendation to affirm and expand the District's sphere designation to include additional land identified as Study Area A.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH") directs Local Agency Formation Commissions (LAFCOs) to establish, amend, and update spheres of influence ("spheres") for all cities and special districts. LAFCOs use spheres to designate the territory it independently believes represents the appropriate future service areas and jurisdictional boundaries of the affected agencies. Importantly, all jurisdictional changes and outside service extensions must be consistent with the affected agencies' spheres with limited exceptions. Sphere updates are prepared in concurrence with municipal service reviews and now performed for all local agencies every five years.

A. Discussion

Staff has prepared a final report representing LAFCO of Napa County's ("Commission") scheduled sphere update on Spanish Flat Water District (SFWD); the governmental entity responsible for providing water and sewer services for the unincorporated Spanish Flat and Berryessa Pines communities and their estimated 404 residents. The basic objective of the report – which was initially presented in draft form at the June 3rd meeting for discussion and review – is to independently identify and evaluate areas warranting consideration for inclusion or removal from SFWD's sphere relative to the policies and goals codified in CKH and adopted by the Commission. The report supersedes the last comprehensive sphere update for SFWD adopted by the Commission in December 2007. The report also draws on information collected and analyzed in the Commission's recently completed municipal service review on the Lake Berryessa region, which included evaluating the availability, adequacy, and capacity of services provided by SFWD.

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County of Napa Supervisor, 1st District

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Representative of the General Public

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Councilmember, City of St. Helena

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County of Napa Supervisor, 4th District

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

Keene Simonds
Executive Officer

B. Summary/Analysis

Policy Focus

The final report and its analysis on potential sphere modifications for SFWD is predicated on adhering to the policy interest of the Commission to consider the District's prescribed role in providing water and sewer services in support of development in the Spanish Flat and Berryessa Pines communities. This involves, notably, considering the communities' need for SFWD services relative to the District's ability to provide these services efficiently and in a manner consistent with sensible land uses based on the adopted policies and preferences of the Commission. The report, accordingly, identifies and evaluates the addition of two distinct study areas totaling 13.2 acres of non jurisdictional lands into SFWD's sphere. Both study areas lie within the Berryessa Pines community and are described below with an enlarged map attached.

- Study Area "A" represents non jurisdictional lands immediately adjacent to SFWD's existing sphere and currently receive water and sewer from SFWD through grandfathered outside service agreements.
- Study Area "B" represents non jurisdictional lands immediately adjacent to SFWD's existing sphere and presently used and designated for urban type uses.

Central Conclusions

The final report – and identical to the earlier draft – concludes there is substantive merit for the Commission to add all of Study Area A into SFWD's sphere as part of this scheduled update given the overall consistency with the factors prescribed for consideration by the Legislature. Most notably, adding Study Area A conforms to the Legislature's increasing emphasis on the sphere's role in demarking an agency's existing and probable service area. The report's conclusions, however, are less certain with respect to Study Area B by noting there appears to be equal merit to either add or continue to exclude the affected lands from the sphere depending on the collective preferences of members. The principal justification to include Study Area B applies if it is the Commission's collective preference to emphasize the connectivity between present and planned urban land uses as well as social and economic ties that exist with SFWD. The principal justification, conversely, to continue to exclude Study Area B from the sphere applies if it is the Commission's collective preference to emphasize the apparent lack of need or interest as of date on the part of the affected landowner to establish water and/or sewer service from SFWD.

Public Comments

A notice of review on the earlier draft report prepared on SFWD's sphere update and presented at the June 3rd meeting was circulated on June 11th. The notice summarized the report's key conclusions and invited written comments through July 8th as well as to provide verbal testimony at the public hearing set for August 5th. The notice was posted on the Commission's website and mailed to – among others – SFWD as well as all landowners within the two subject subareas. The following comment was received.

- Al Wynrib, Affected Landowner in Study Area A
Mr. Wynrib telephonically contacted staff on June 17th in response to receiving the notice of review on the sphere update. Mr. Wynrib is the landowner and occupant of 505 Putah Creek Road; one of two lots comprising Study Area A. Mr. Wynrib confirmed his property currently receives water and sewer from SFWD and reported the District has an easement on his property to access two cleanouts for the sewer system. Mr. Wynrib added he does not oppose the addition of his property into the sphere.

Changes from Draft to Final Report

The final report is substantively identical to the draft presented at the June meeting. Changes are limited to incorporating the preceding information regarding an existing SFWD easement within Study Area A as well as documenting earlier zoning standards for the Berryessa Pines community as requested by Commission.

C. Recommendation

As provided in the final report, it is recommended the Commission update and expand SFWD's existing sphere to include all of Study Area A to facilitate the annexation of the affected lands to the District and formalize the existing provision of water and sewer service under LAFCO law. It is not recommended the Commission add Study Area B to the sphere given – above all else – public water and/or sewer service within the affected lands does not appear needed now or within the next five years based on available information. However, given directives and adopted policies, it is recommended the Commission make a policy statement declaring any future urban intensification within Study Area B be accompanied by inclusion into SFWD's sphere given the District's prescribed role in the community. This recommended policy statement is memorialized as part of the accompanying and attached draft resolution.

Specific actions requested of the Commission include (a) formally accepting and filing the final report and (b) adopting the draft resolution updating the sphere as recommended.

D. Alternatives for Action

The following alternative actions are available to the Commission.

Alternative Action One (Recommended):

Approve by motion to (a) accept and file the final report as presented and (b) adopt the draft resolution confirming the determinative statements therein in updating SFWD's sphere as specified by members.

Alternative Action Two:

Approve by motion a continuance to a future meeting and provide direction to staff with respect to additional information requests as needed.

E. Procedures for Consideration

This item has been agendized as a noticed public hearing. The following procedures are recommended with respect to the Commission's consideration of this item:

- 1) Receive verbal report from staff;
- 2) Open the public hearing (mandatory); and
- 3) Discuss item and consider action on recommendations.

Respectfully submitted,

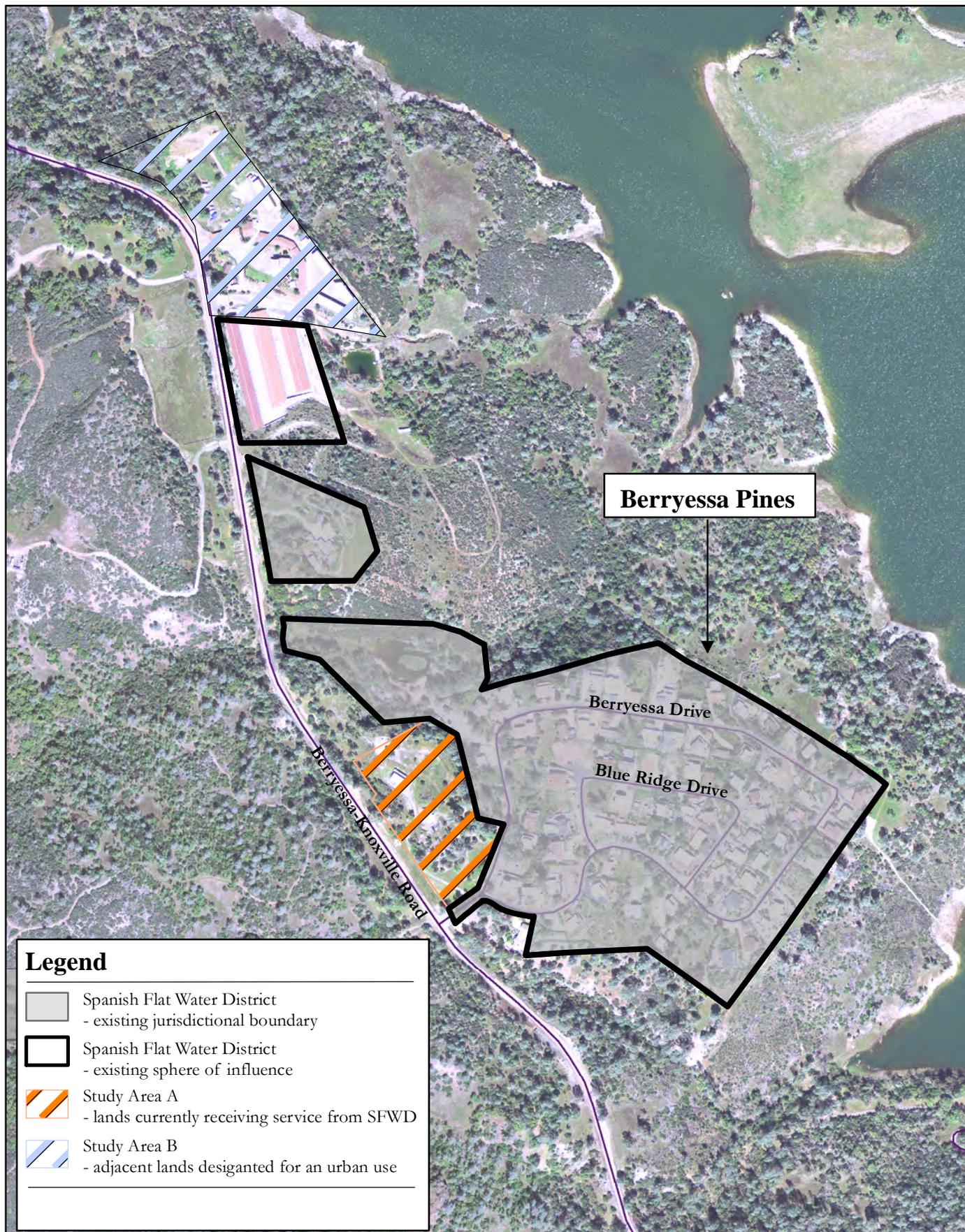
Keene Simonds
Executive Officer

Brendon Freeman
Analyst

Attachments:

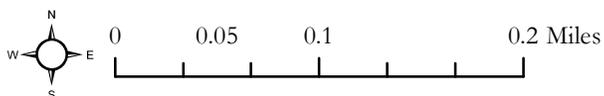
1. Map of Study Areas
2. Final Report on Sphere Update
3. Draft Resolution to Update Sphere

Spanish Flat Water District Study Areas for Sphere Update



Legend

-  Spanish Flat Water District
- existing jurisdictional boundary
-  Spanish Flat Water District
- existing sphere of influence
-  Study Area A
- lands currently receiving service from SFWD
-  Study Area B
- adjacent lands designated for an urban use





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

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

**SPANISH FLAT WATER DISTRICT
SPHERE OF INFLUENCE REVIEW AND UPDATE**

Final Report
August 2013



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

Commissioners

Brad Wagenknecht, Chair, County Member
Brian J. Kelly, Vice Chair, Public Member
Joan Bennett, Commissioner, City Member
Bill Dodd, Commissioner, County Member
Gregory Pitts, Commissioner, City Member
Juliana Inman, Alternate Commissioner, City Member
Mark Luce, Alternate Commissioner, County Member
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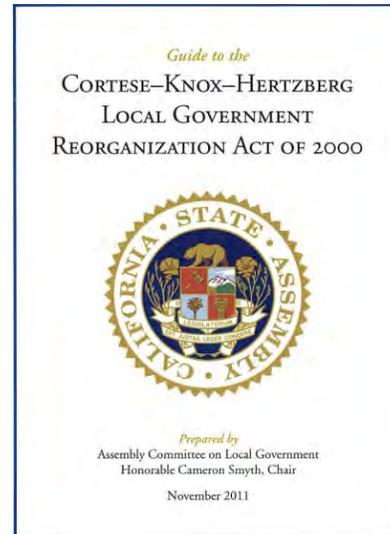
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I. INTRODUCTION

1.0 Local Agency Formation Commissions

1.1 Authority and Objectives

Local Agency Formation Commissions (LAFCOs) were established in 1963 as political subdivisions of the State of California and are currently responsible for providing regional growth management services under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”).¹ LAFCOs are located in all 58 counties in California and are delegated regulatory and planning powers to coordinate and oversee the logical formation and development of local governmental agencies and their municipal service areas. Towards this end, LAFCOs are commonly referred to as the Legislature’s “watchdog” for local governance issues. Underlying LAFCOs’ regulatory and planning powers is to fulfill specific objectives outlined by the California Legislature under Government Code (G.C.) Section 56301, which states:



“Among the purposes of the commission are discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing governmental services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances. One of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities.”

1.2 Regulatory Responsibilities

LAFCOs’ principal regulatory responsibility involves approving or disapproving all jurisdictional changes involving the establishment, expansion, and reorganization of cities and special districts within their jurisdictions.² LAFCOs are also provided broad discretion to condition jurisdictional changes as long as they do not directly regulate land use, property development, or subdivision requirements. LAFCOs generally exercise their regulatory authority in response to applications submitted by local agencies, landowners, or registered voters. Recent amendments to CKH, however, now empower and encourage LAFCOs to initiate on their own jurisdictional changes to form, merge, and dissolve special districts consistent with current and future community needs. The following table provides a complete list of LAFCOs’ regulatory authority as of January 1, 2013.

LAFCOs’ Regulatory Authority	
<ul style="list-style-type: none"> • City Incorporations and Disincorporations • District Formations and Dissolutions • City and District Consolidations • City and District Outside Service Extensions 	<ul style="list-style-type: none"> • City and District Annexations • City and District Detachments • Merge/Establish Subsidiary Districts • District Service Activations or Divestitures

¹ Reference California Government Code Section 56000 et seq.

² CKH defines “special district” to mean any agency of the State formed pursuant to general law or special act for the local performance of governmental or proprietary functions within limited boundaries. All special districts in California are subject to LAFCO with the following exceptions: school districts; community college districts; assessment districts; improvement districts; community facilities districts; and air pollution control districts.

1.3 Planning Responsibilities

LAFCOs inform their regulatory actions through two central and interrelated planning responsibilities: (a) making sphere of influence (“sphere”) determinations and (b) preparing municipal service reviews. Sphere determinations have been a central planning function of LAFCOs since 1971 and effectively serve as the Legislature’s version of “urban growth boundaries” with regard to delineating the appropriate interface between urban and non urban uses. Municipal service reviews, in contrast, are a relatively new planning responsibility enacted in 2001 as part of CKH and are intended to inform – among other activities – sphere determinations. The Legislature mandates, notably, all sphere changes be accompanied by preceding municipal service reviews to help ensure LAFCOs are effectively aligning governmental services with current and anticipated community needs. An expanded summary of the function and role of these two planning responsibilities follows.

Sphere Determinations

LAFCOs establish, amend, and update spheres for all cities and special districts to designate the territory it independently believes represents the appropriate and probable future service area and jurisdictional boundary of the affected agency. Importantly, all jurisdictional changes, such as annexations and detachments, must be consistent with the spheres of the affected local agencies with limited exceptions.³ Further, an increasingly important role involving sphere determinations relates to their use by regional councils of governments as planning areas in allocating housing need assignments for counties and cities, which must be addressed by the agencies in their housing elements.

LAFCO must review and update as needed each local agency’s sphere every five years. In making a sphere determination, LAFCO is required to prepare written statements addressing five specific planning factors listed under G.C. Section 56425. These mandatory factors range from evaluating current and future land uses to the existence of pertinent communities of interest. The intent in preparing the written statements is to orient LAFCO in addressing the core principles underlying the sensible development of each local agency consistent with the anticipated needs of the affected community. The five mandated planning factors are summarized in the following table.

Sphere Determinations: Mandatory Written Statements

1. Present and planned land uses in the area, including agricultural and open space.
2. Present and probable need for public facilities and services in the area.
3. Present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.
4. Existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.
5. If the city or district provides water, sewer, or fire, the present and probable need for those services of any disadvantaged unincorporated communities within the existing sphere.

³ Exceptions in which jurisdictional boundary changes do not require consistency with the affected agencies’ spheres include annexations of State correctional facilities or annexations to cities involving city owned lands used for municipal purposes.

Municipal Service Reviews

Municipal service reviews are comprehensive studies of the availability, range, and sufficiency of governmental services provided within a defined geographic area. LAFCOs generally prepare municipal service reviews to explicitly inform subsequent sphere determinations as required by the Legislature. LAFCOs also prepare municipal service reviews irrespective of making any specific sphere determinations in order to obtain and furnish information to contribute to the overall orderly development of local communities.

Municipal service reviews vary in scope and can focus on a particular agency or governmental service. LAFCOs may use the information generated from municipal service reviews to initiate other actions under their authority, such as forming, consolidating, or dissolving one or more local agencies. All municipal service reviews – irregardless of their intended purpose – culminate with LAFCOs preparing written statements addressing seven specific service factors listed under G.C. Section 56430. This includes, most notably, infrastructure needs or deficiencies, growth and population trends, and financial standing. The seven mandated service factors are summarized in the following table.

Municipal Service Reviews: Mandatory Written Statements

1. Growth and population projections for the affected area.
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to affected spheres of influence.⁴
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies.
4. Financial ability of agencies to provide services.
5. Status and opportunities for shared facilities.
6. Accountability for community service needs, including structure and operational efficiencies.
7. Matters relating to effective or efficient service delivery as required by LAFCO policy.

1.4 Mandated Composition

LAFCOs are generally governed by an eight-member board comprising three county supervisors, three city councilmembers, and two representatives of the general public.⁵ Members are divided between “regulars” and “alternates” and must exercise their independent judgment on behalf of the interests of residents, landowners, and the public as a whole. LAFCO members are subject to standard disclosure requirements and must file annual statements of economic interests. LAFCOs have sole authority in administering its legislative responsibilities and its decisions are not subject to an outside appeal process.

All LAFCOs are independent of local government with the majority employing their own staff; an increasingly smaller portion of LAFCOs, however, choose to contract with their local county government for staff support services. All LAFCOs, nevertheless, must appoint their own Executive Officers to manage agency activities and provide written recommendations on all regulatory and planning actions before the members. All LAFCOs must also appoint their own legal counsel.

⁴ This determination was added to the municipal service review process by Senate Bill 244 effective January 1, 2012. The definition of “disadvantaged unincorporated community” is defined under G.C. Section 56330.5 to mean inhabited territory that constitutes all or a portion of an area with an annual median household income that is less than 80 percent of the statewide annual median household income; the latter amount currently totaling \$57,287.

⁵ Several LAFCOs also have three members from independent special districts within their county.

1.5 Prescriptive Funding

CKH prescribes local agencies fund LAFCOs' annual operating costs. Counties are generally responsible for one-half of LAFCO's annual operating costs with the remainder proportionally allocated among cities based on a calculation of tax revenues and population.⁶ LAFCOs are also authorized to collect fees to offset local agency contributions.

2.0 LAFCO of Napa County

LAFCO of Napa County ("Commission") was first established in 1963 as a department within the County of Napa. Consistent with pre CKH provisions, the County was entirely responsible for funding the Commission's annual operating costs over the first three decades. Further, the duties of the Executive Officer were first performed by the County Administrator and later delegated to the County Planning Director beginning in 1990.

CKH's enactment in 2001 changed the Commission's funding to assign one-half of its operating costs to the County with the other one-half assigned to the Cities of American Canyon, Calistoga, Napa, St. Helena, and the Town of Yountville. CKH's enactment also facilitated a number of organizational changes highlighted by the Commission entering into a staff support services agreement with the County; an agreement allowing the Commission, among other things, to appoint its own Executive Officer. The Commission's current member roster is provided below.

Napa LAFCO's Commission Roster		
Appointing Agency	Regular Members	Alternative Members
County of Napa Supervisors	Bill Dodd Brad Wagenknecht	Mark Luce
City Selection Committee: Mayors	Joan Bennett Gregory Pitts	Juliana Inman
Commissioners: City and County	Brian J. Kelly	Gregory Rodeno

Staffing for the Commission currently consists of 2.5 full-time equivalent employees. This includes a full-time Executive Officer and Analyst along with a part-time Secretary.⁷ Legal services are provided by the County Counsel's Office. All other staffing related services, such as accounting, human resources, information technology, are provided by the County as needed and generally charged on an hourly basis. The Commission's adopted budget for 2013-2014 totals \$0.448 million with an audited unreserved/undesignated fund balance of \$0.119 million.

⁶ The funding formula for LAFCOs with special district representation provides that all three appointing authorities (county, cities, and special districts) are responsible for one-third of LAFCOs' annual operating costs.

⁷ The Commission contracts with the County for staff support services. The Executive Officer and all support personnel are County employees. The Commission, however, appoints and removes the Executive Officer on its own discretion.

II. EXECUTIVE SUMMARY

1.0 Overview

This report represents the Commission's scheduled sphere update for the Spanish Flat Water District (SFWD); the governmental entity responsible for providing water and sewer services to the Spanish Flat and Berryessa Pines communities. The underlying objective of the report is to review SFWD's existing sphere relative to current legislative directives, local policies, and member preferences in justifying whether to (a) change or (b) maintain the designation as part of the current update cycle required by the Legislature. This report supersedes the last sphere update on SFWD adopted on December 3, 2007. The report draws on information collected and analyzed in the Commission's recently completed municipal service review on the Lake Berryessa region, which includes the evaluation of availability, adequacy, and capacity of services provided by SFWD.

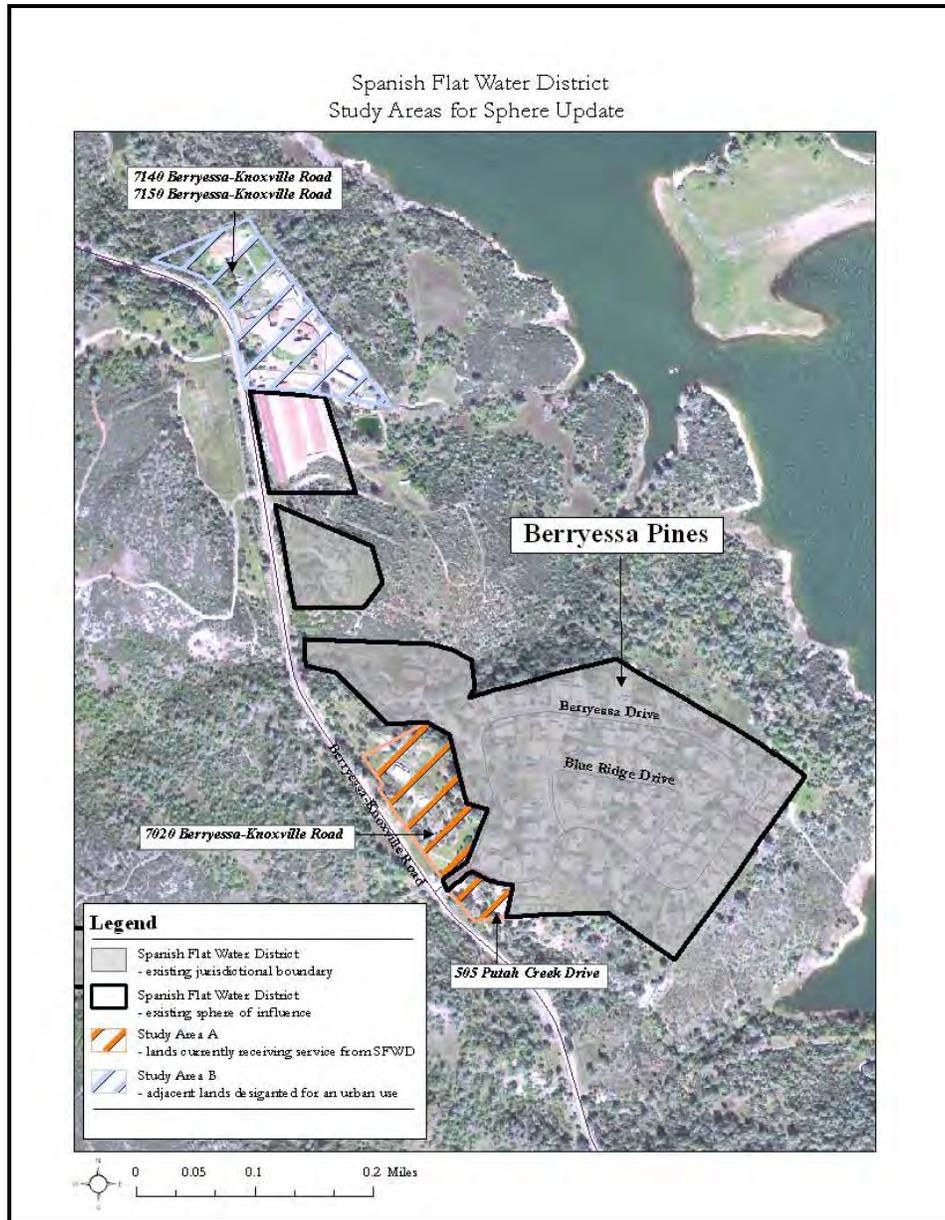
2.0 Conclusions

2.1 *Role of SFWD*

SFWD covers close to 1,200 jurisdictional acres and serves a critical role in supporting existing and planned development along the western Lake Berryessa shoreline legacy communities of Spanish Flat and Berryessa Pines and their estimated 404 residents by providing needed public water and sewer services. These services, pertinently, would otherwise likely be unavailable to the affected communities and their residents given the lack of alternative service providers in the region. SFWD also serves an important and expanding role as the sole governing board purposefully tasked with representing the landowners and residents in the Spanish Flat and Berryessa Pines communities. Further, and as detailed in the earlier municipal service review, SFWD has proven adept in maximizing its available resources in meeting constituent needs despite operating within relatively finite service areas that have not developed as initially planned coupled with the challenges of addressing increasing regulatory standards.

2.2 *Policy Focus*

This report and its analysis on potential sphere modifications for SFWD is predicated on adhering to the policy interest of the Commission to consider the District's prescribed role in providing water and sewer services in support of development in the Spanish Flat and Berryessa Pines' communities. This involves, notably, considering the communities' need for SFWD services relative to the District's ability to provide these services efficiently and in a manner consistent with sensible land uses as vetted through the adopted policies of the Commission. The report, accordingly, identifies and evaluates the addition of two distinct study areas totaling 13.2 acres of non jurisdictional lands into SFWD's sphere. Study Area "A" represents non jurisdictional lands that currently receive water and sewer from SFWD through outside service agreements. Study Area "B" represents non jurisdictional lands immediately adjacent to the existing sphere and designated for an urban type use under the County General Plan. Both study areas lie near the Berryessa Pines' service area and are depicted in the following map.



2.3 General Findings

The report concludes there is substantive merit for the Commission to add Study Area A into SFWD’s sphere as part of this scheduled update. The addition of the affected 5.3 acres is merited, in particular, given the overall consistency with the factors prescribed for consideration by the Legislature anytime the Commission makes a sphere determination. This includes – above others – assigning deference to the current need and adequacy of services SFWD is already providing to the two subject lots in the study area through earlier outside service extensions; a deference conforming to the Legislature’s increasing emphasis on the sphere’s demarcating an agency’s existing and probable service area.

In contrast to the preceding analysis, the report concludes there is equal merit for the Commission to either add or continue to exclude Study Area B from SFWD's sphere based on the collective preferences of members. The principal justification to include the affected 7.9 acres applies if it is the Commission's collective preference to emphasize the connectivity between present and planned land uses as well as social and economic ties that exist with SFWD. Prominently, assigning deference to these factors in adding the study area to the sphere would follow the justification the Commission previously exercised in adding similarly situated lands to SFWD's sphere that lie immediately south of the affected lands in the early 1990s. The principal justification, conversely, to continue to exclude the study area from the sphere applies if it is the Commission's collective preference to emphasize the apparent lack of need or interest on the part of the affected landowner to establish water and/or sewer service from SFWD as of date.

2.4 Recommendation

It is recommended the Commission affirm and expand SFWD's existing sphere designation to include all of Study Area A for reasons outlined in the preceding section and further detailed in the following report. It is not recommended the Commission add Study Area B to the sphere at this time given public water and/or sewer service within the affected lands does not appear needed now or within the next five years based on available information. Nonetheless, and as part of an approving resolution for the update, it is recommended the Commission affirm its policy interest and state any future urban intensification authorized by the County of Napa within Study Area B be termed by inclusion into SFWD's sphere given the District's prescribed role in the community.

The following written statements support the preceding recommendation as required under G.C. Section 56425.

- **Present and Planned Land Uses in the Area**
The Commission determines the County of Napa's adopted land use policies appropriately provide for the present and planned residential and commercial uses characterizing the majority of the recommended sphere. These present and planned urban type uses are compatible with SFWD water and sewer services. There are no agricultural lands and limited open-space lands within the recommended sphere as defined under LAFCO law.
- **Present and Probable Need for Public Services in the Area**
The Commission determines there is a present need for SFWD's water and sewer services throughout the recommended sphere to support the existing and continued development of the Berryessa Pines and Spanish Flat communities and their estimated combined 400 plus residents. These services are also needed in anticipation and support of the expected redevelopment and opening of the former Spanish Flat Resort site.

- **Present Capacity and Adequacy of Public Services**
The Commission determines SFWD has sufficient supplies and capacities to adequately accommodate anticipated water and sewer service demands within the recommended sphere of influence in the timeframe of this update. This determination is predominately drawn on information independently collected and analyzed by the Commission as part of its recent municipal service review on the Lake Berryessa region.

- **Existence of Relevant Social or Economic Communities of Interest**
The Commission determines the affected territory located within the recommended sphere of influence has established strong social and economic interdependencies with SFWD distinct from neighboring areas and agencies. These ties are affirmed and strengthened by this update.

- **Present and Probable Need for Water, Sewer, or Fire Protection for Any Disadvantaged Unincorporated Communities in the Area**
The Commission determines no lands within the recommended sphere of influence for SFWD qualify as disadvantaged unincorporated communities under LAFCO law.

III. AGENCY PROFILE

1.0 Background

1.1 Formation Proceedings

SFWD was formed in 1963 as an independent special district governed by an elected five-member board consisting of local landowners.⁸ SFWD's formation was approved by the Commission following the filing of a petition by a prominent area landowner – Wesley Plunkett – to provide public sewer and water services in support of existing and planned development in the legacy community of Spanish Flat along the western shoreline of Lake Berryessa. Actual development within Spanish Flat at the time of SFWD's formation was limited and included six single-family residences and a 48-unit mobile-home court with a combined estimated population of 70. A small number of non-residential uses were also present in the intended service area and anchored by a retail shopping site – Village Center – that had been recently developed in conjunction with the construction of a nearby recreational resort – Spanish Flat Resort – under contract with the County of Napa as part of an initial management plan for Lake Berryessa.⁹

Spanish Flat Water District 4340 Spanish Flat Loop Road Spanish Flat, California 94558	
Date Formed:	1963
Enabling Legislation:	Water Code 34000-38501
Services Provided:	Water Sewer
Estimated Population	404

1.2 Initial Expectations

Voter confirmation of SFWD's formation coincided with the approval of separate bond measures enabling the District to purchase, improve, and expand private water and sewer systems that were previously serving Spanish Flat.¹⁰ The expansion of the utility systems, markedly, were specifically planned to accommodate the earlier approval of a 53-lot subdivision to be known as the "Woodlands."¹¹ It was also anticipated SFWD's service area would further intensify over the next two decades consistent with development expectations for the Lake Berryessa region. This included an expectation Spanish Flat would eventually include 1,000 residential units accommodating both permanent and seasonal uses with an expected fulltime resident population of approximately 2,000.

⁸ SFWD operates under the authority of California Water Code Sections 34000-38500. The law was enacted in 1951 for purpose of providing landowners an alternate method to establish, fund, and operate water, sewer, and drainage services. All non tax or fee measures within SFWD are subject only to landowner voting; a system that provides each landowner one vote for each dollar this his or her property is assigned. All tax or fee measures within SFWD are subject to register voter approval pursuant to Proposition 218.

⁹ The Spanish Flat Resort was one of the original seven concessionaire sites contracted by the County to provide public recreational and commercial services at Lake Berryessa beginning in 1959. The contracts for all seven concessionaires were later transferred to the Bureau in the mid 1970s. (Lake Berryessa is a man-made water body developed by the United States Bureau of Reclamation as part of the "Solano Project." Markedly, the Solano Project originally intended to provide Napa, Yolo, and Solano Counties with an equal share of water for agricultural and domestic uses by damming Putah Creek in the Berryessa Valley. Napa and Yolo, however, both decided against participating in the project, leaving Solano County as the sole participant and holds the majority of water rights to Lake Berryessa. The Monticello Dam was completed in 1957 and the formation of Lake Berryessa reached its operating level by 1964.)

¹⁰ SFWD also entered into an agreement with the Napa County Flood Control and Water Conservation District for an annual raw water entitlement of 200 acre-feet from Lake Berryessa. The agreement currently extends through 2024.

¹¹ The Woodlands subdivision was approved by the County Planning Commission in 1962.

1.3 Post Formation Activities

Actual new development within Spanish Flat – and similar to other communities in the region – has fallen substantially short of initial expectations. To date, the Woodlands subdivision remains the only substantive new development within Spanish Flat since SFWD’s formation in 1963. SFWD’s service area, nonetheless, has experienced moderate growth following formation as a result of two separate boundary changes. The first of the two boundary changes was approved by the Commission in 1976 and involved the annexation of the 225 acre Spanish Flat Resort for purposes of providing retail water service; sewer service for the site remained privately operated following annexation. The second of the two boundary changes was approved by the Commission in 1977 and involved the annexation of a non-contiguous 99-lot subdivision to the north of Spanish Flat known as “Berryessa Pines.” Notably, the annexation of Berryessa Pines was petitioned by the affected landowners in order for SFWD to assume water and sewer service responsibilities for a failing private utility company, which had experienced several operating problems in the preceding years leading to a moratorium on new service connections.¹² The moratorium was eventually lifted following SFWD’s annexation and construction of a new intake system to Lake Berryessa, which was financed by a voter-approved special assessment as part of a capital improvement program for Berryessa Pines.¹³



Activities within SFWD’s two service areas have remained fairly dormant since the late 1970s with two notable and relatively recent exceptions. First, SFWD recently funded several facility improvements to both its water and sewer systems in the Spanish Flat and Berryessa Pines communities. This includes funding nearly \$1.5 million to construct new water treatment plants for both service areas; funding for which were financed through State grants and low-interest loans with the latter secured by 20-year assessment districts approved by voters in 2005. Second, approximately one-fifth of the SFWD’s operating revenues were lost with the Spanish Flat Resort being closed by the Bureau as part of a new visitor-services redevelopment plan for all seven concessionaire sites operating in the region.

¹² At the time of the moratorium, only 53 of the 99 lots in Berryessa Pines had been developed with single-family residences. The subdivision has subsequently been developed to date to include 77 lots.

¹³ SFWD also annexed approximately 170 acres of non-contiguous territory near the Rancho Monticello Resort in 1965. This annexation was intended to facilitate the development a residential subdivision similar to Berryessa Pines. The site, however, remains undeveloped.

1.4 Current Operations

SFWD is currently staffed by 2.5 full-time equivalent employees divided between two fulltime facility operators and a part time office manager. At the time of the municipal service review, the operating budget for both service areas totaled \$0.31 million and produced an annual per resident cost of \$767; the latter representing the lowest ratio among the three water/sewer special districts serving the Lake Berryessa region. However, and similar to the three other special districts in the region, it was also reported at the time of the municipal service review SFWD had a negative unrestricted fund balance of (\$0.26 million) due to recent operating shortfalls paired with emergency repairs to its sewer treatment facilities from 2006.

2.0 Service Area Demographics

2.1 Current and Projected Population

It is estimated the current resident population within SFWD's two service areas totals 404 based on the number of residential units connected to the District.¹⁴ There are an additional 62 undeveloped lots remaining within SFWD; all of which could potentially accommodate one single-family residence under the County's existing land use policies. If these lots were developed, the estimated buildout resident population within the existing jurisdictional boundary would total 563.

2.2 Other Demographic Information

The following demographic information applicable to SFWD and its two service areas is drawn from the most recent survey prepared by the United States Census Bureau for the Lake Berryessa region. Notably, this data indicates SFWD residents are more likely to work outside Napa County and have on average measurably longer commute times than their countywide counterparts.

Category	SFWD Service Areas (Lake Berryessa Region)	Napa County (All Areas)
Median Household Income	\$72,500	\$68,641
Owner-Occupied Residence	69.8%	63.3%
Working Age (25-64)	56.7%	52.8%
Unemployment Rate	9.6%	8.0%
Persons Below Poverty Rate	4.0%	9.8%
Persons Working in Napa County	72.2%	76.7%
Persons Working Outside Napa County	27.8%	23.3%
Commute Work Time: > 60 minutes	16.0%	9.4%

Source: American Community Survey, 2007-2011

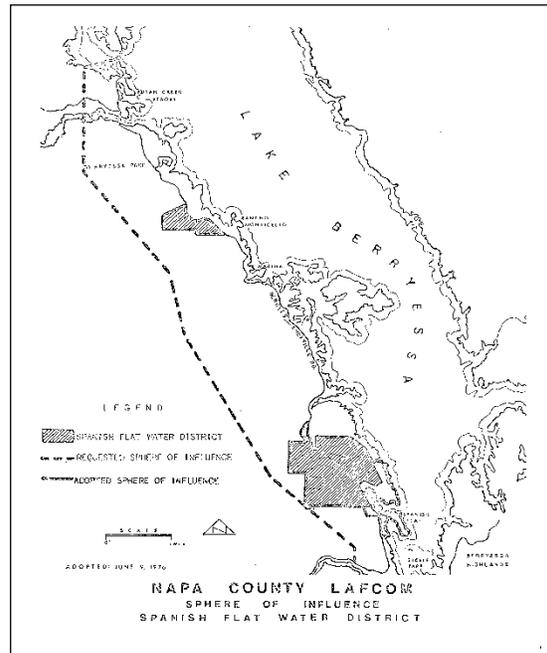
¹⁴ It is estimated Berryessa Pines and Spanish Flat service areas have 203 and 201, respectively, total residents.

3.0 Sphere of Influence

3.1 Establishment

SFWD's sphere was initially established by the Commission in June 1976 to include approximately 1,194 acres and covering the District's entire existing jurisdictional boundary along with the Spanish Flat Resort in anticipation of its near-term annexation. Notably, the approved sphere designation represented a significant reduction in size from the request submitted by SFWD to cover nearly all of the western Lake Berryessa shoreline; a request premised on the District's continued expectation at the time of pending commercial and residential growth in the area. To this end, the administrative records suggest a compromise was reached in which the Commission limited the inclusion of non-jurisdictional land within the sphere to the Spanish Flat Resort with the intention of revisiting the sphere to consider additional expansions in the near future.

Initial Sphere Designation



3.2 Amendments and Updates

The Commission has approved two applicant-requested amendments to SFWD's sphere since its establishment in 1976. The first amendment was approved in 1978 as part of the concurrent annexation of Berryessa Pines. The second amendment was approved in 1992 and involved the addition of a recreational storage facility north of Berryessa Pines along Berryessa Knoxville Road.

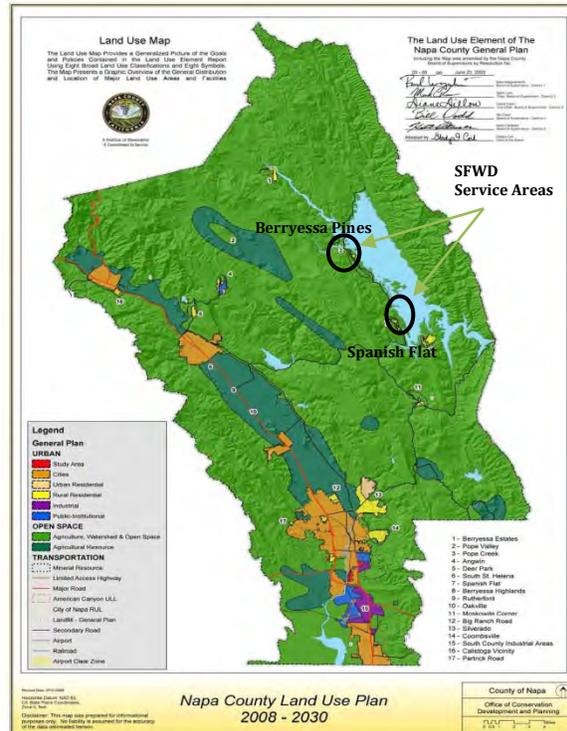
The Commission updated SFWD's sphere with no changes in December 2007. The update was the first comprehensive review of SFWD's sphere following its establishment in 1976 and was prompted by CKH's requirement for LAFCOs to review and update all spheres by 2008 and every five years thereafter. Pertinently, the review noted changes to the sphere may be appropriate to include nearby lands designated for urban use and/or currently used as public recreational sites. The review ultimately concluded, however, it would be appropriate to defer considering any sphere changes until further evaluation of potential reorganization options for the entire region was completed. The Commission subsequently revisited reorganization options for the region as part of a most recent municipal service review. The Commission concluded, among other items, reorganization of SFWD does not appear warranted given the District Board's effective management of its resources in meeting the current needs of its constituents.

3.3 Current Features

SFWD’s sphere presently encompasses 2.1 square miles or 1,334 acres. This amount means there are 149 total jurisdictional acres encompassing five lots within SFWD’s sphere that are eligible for annexation or outside service extensions. Furthermore, and unlike other special districts in the region, there are no jurisdictional lands within SFWD lying outside its sphere.

4.0 Planning Factors

SFWD’s entire jurisdictional boundary is unincorporated and subject to the land use policies and regulations of the County with the notable exception of the 241 shoreline acres owned by the Bureau.¹⁵ SFWD’s two service areas – Spanish Flat and Berryessa Pines – are both identified under the County General Plan as two of the 17 distinct unincorporated communities in Napa County. It is estimated the combined resident population within SFWD (404) accounts for only 1.5% of the overall unincorporated population (26,381). Both service areas are accessed by State Highway 128 with the closest incorporated area being St. Helena, which is 18 street miles to the west of Berryessa Pines. Both service areas lie in the St. Helena Unified School District.



4.1 Internal Land Use Designations

All lands within SFWD are divided between one of two distinct designations under the County General Plan: *Rural Residential* and *Agriculture, Watershed, and Open Space*. The *Rural Residential* designation is categorized as an “urban use” and applies to approximately one-tenth of the jurisdictional lands and includes all of the Berryessa Pines service area and the Woodlands and Village Center in the Spanish Flat service area.¹⁶ This designation is intended to predominately accommodate low density residential uses with a minimum lot density requirement of 10 acres; a threshold that effectively precludes any further land divisions based on existing lot sizes. The remaining nine-tenths of jurisdictional lands of the Spanish Flat service area lies under the *Agriculture, Watershed, and Open Space* designation and subject to a minimum lot density requirement of 160 acres.¹⁷ No further jurisdictional lands subject to this designation can be further divided based on existing lot sizes.

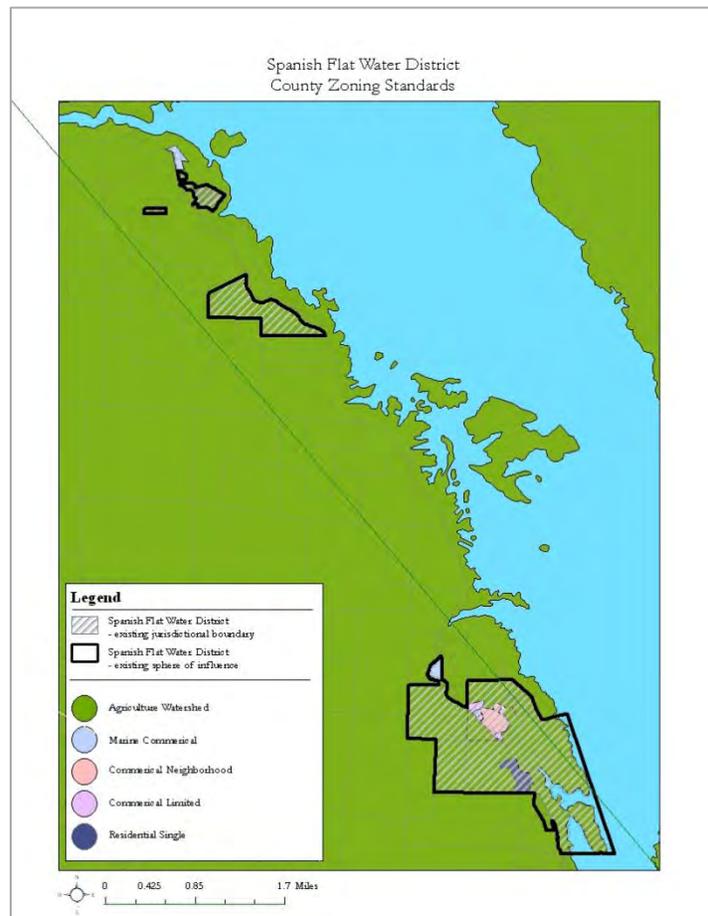
¹⁵ Federal and State owned lands are exempt from local land use policies and regulations.
¹⁶ Contemplated *Rural Residential* uses include single-family dwellings, day care centers, large residential care homes, existing major medical care facilities, private schools, agriculture, stables, and tourist-serving commercial and mixed uses.
¹⁷ Contemplated *Agriculture, Watershed, and Open Space* uses include agriculture, processing of agricultural products, and single-family residences with or without detached second units.

4.2 External Land Use Designations

Nearly all lands adjacent to SFWD are designated for non-urban uses under the County General Plan as *Agriculture, Watershed, and Open Space* and subject to a 160 acre minimum lot density with two exceptions; both of which involve lands designated as *Rural Residential*. The first exception involves an approximate 13 acre site – one-third of which already lies within the sphere – located north of the Berryessa Pines service area that is presently used as a boat and recreational vehicle storage facility. The second exception involves an approximate five acre site – all of which already lies in the sphere – located north of the Spanish Flat service area and is also presently used as a boat and recreational vehicle storage facility.

4.3 Zoning Context

Nearly all lands within and adjacent to SFWD are currently zoned *Agricultural Watershed* and provide further land use prescriptions consistent with *the Agriculture Watershed and Open Space* designation. This includes affirming a 160 acre minimum lot standard. These lands were previously zoned *Water Recreation* up and until 1973, which did not specify minimum lot sizes and permissive in terms of allowing for commercial/residential subdivisions; a zoning that directly accommodated the approval and development of the Berryessa Pines and Woodlands subdivisions. The remaining lands not currently zoned *Agricultural Watershed* in and around SFWD are predominately fixed to developed lands along Spanish Flat Loop Road and assigned either as *Commercial Limited, Commercial Neighborhood, or Marine Commercial*. The majority of the lands along Spanish Flat Loop Road are also assigned an affordable housing overlay beginning in the mid 2000s. Current zoning standards are shown below.



IV. DISCUSSION

1.0 Objectives

The basic objective of this report is to identify and evaluate areas warranting consideration for inclusion or removal from SFWD's sphere as part of a scheduled update. Underlying this effort is to designate the sphere in a manner the Commission *independently* believes will facilitate the sensible and timely development of the District consistent with the objectives of the Legislature codified in CKH (emphasis added). Specific goals under this legislation include discouraging urban sprawl, preserving open-space and prime agricultural lands, and providing for the efficient extension of governmental services.

The Commission's "Policy Determinations" were comprehensively updated in 2011 and provide general prescription in fulfilling its legislative objectives paired with responding appropriately to local conditions and circumstances. The Policy Determinations highlight the Commission's commitment to avoid the premature conversion of important agricultural or open-space lands for urban uses through a series of restrictive allowances. This includes a broad determination to exclude all lands designated as agricultural or open-space from city and district spheres for purposes of accommodating urban development with limited exceptions. An additional determination states the Commission's support for Measure "P" by assigning deference to the County General Plan as it relates to determining agricultural and open-space land use designations.¹⁸

2.0 Timeframe

State law currently requires LAFCOs review and update as needed each local agency's sphere by January 1, 2008 and every five years thereafter. Accordingly, it has been the practice of the Commission to update each local agency's sphere in a manner emphasizing a probable five to ten year annexation or outside service area; actual approvals, however, are subject to separate reviews with particular emphasis on determining whether the timing of the proposed action is appropriate.¹⁹ This update's analysis is consistent with this practice.

¹⁸ Measure P – formerly Measure J – was initially enacted by Napa County voters in 1990 and prohibits the County from amending agricultural or open-space land use designations for urban uses without electorate approval through 2050. Measure P only applies to unincorporated lands designated for an agricultural or open space use prior to 2008.

¹⁹ LAFCOs are directed to consider 16 specific factors under G.C. Section 56668 anytime it reviews a proposed boundary change (i.e. annexation) for purposes of informing the appropriateness of the action. Additionally, it is Commission policy to discourage annexations to cities and districts involving undeveloped or underdeveloped lands without a known project or development plan.

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V. STUDY CATEGORIES

1.0 Criteria

This report and its analysis on potential sphere modifications for SFWD is predicated on the policy interest of the Commission to consider the District's prescribed role in providing water and sewer services in support of development in the Spanish Flat and Berryessa Pines' communities. This involves, notably, considering the communities' need for SFWD services relative to the District's ability to provide these services efficiently and in a manner consistent with sensible land uses. Information collected and analyzed in the recent municipal service review on the Lake Berryessa region is incorporated herein.

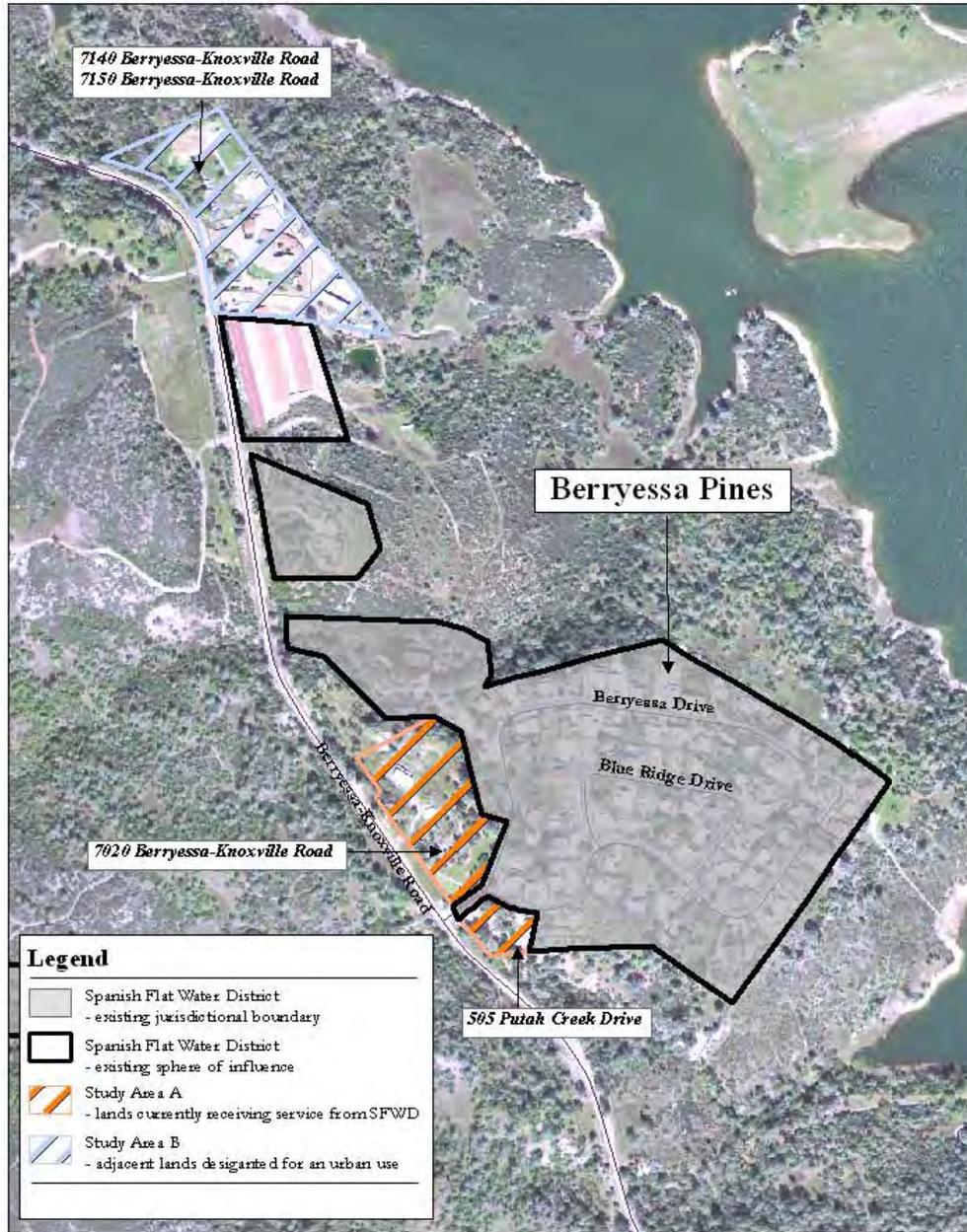
Specific criteria considerations in devising study areas are outlined below.

- Jurisdictional lands should lie within SFWD's sphere unless specific circumstances suggest exclusion may be appropriate as a means to encourage detachment proceedings.
- Non jurisdictional lands currently receiving services from SFWD should lay within the sphere unless specific circumstances suggest exclusion may be appropriate as a means to encourage service discontinuance.
- Non jurisdictional lands located outside SFWD's sphere may be considered for inclusion if services appear needed within the next five to ten years to accommodate existing or planned urban type uses.

2.0 Selection

Based on the criteria outlined in the preceding paragraph, two study areas have been selected for evaluation in this report for possible inclusion into SFWD's sphere. Study Area "A" represents non jurisdictional lands that currently receive water and sewer from SFWD through outside service agreements. Study Area "B" represents non jurisdictional lands immediately adjacent to the existing sphere and designated for an urban type use under the County General Plan. Both study areas lie near the Berryessa Pines' service area and are depicted in the following map.

Spanish Flat Water District Study Areas for Sphere Update



3.0 Evaluation Factors

The evaluation of the two study areas selected for review as part of this report are organized to focus on addressing the five factors the Commission is required to consider anytime it makes a sphere determination under CKH. These five factors are: (a) present and planned uses; (b) present and probable need for public facilities and services; (c) present adequacy and capacity of public services; (d) existence of any social or economic communities of interest; and (e) if the agency provides water, sewer, or fire protection, present and probable need for these services for any disadvantaged unincorporated communities.

Conclusions are offered for each study area relative to evaluating the preceding factors along with incorporating the policies of the Commission in administering LAFCO law in Napa County. This includes, in particular, considering the merits of any proposed changes relative to the Commission's four basic and interrelated policies with respect to determining the appropriate constitution of a special district's sphere as summarized below.

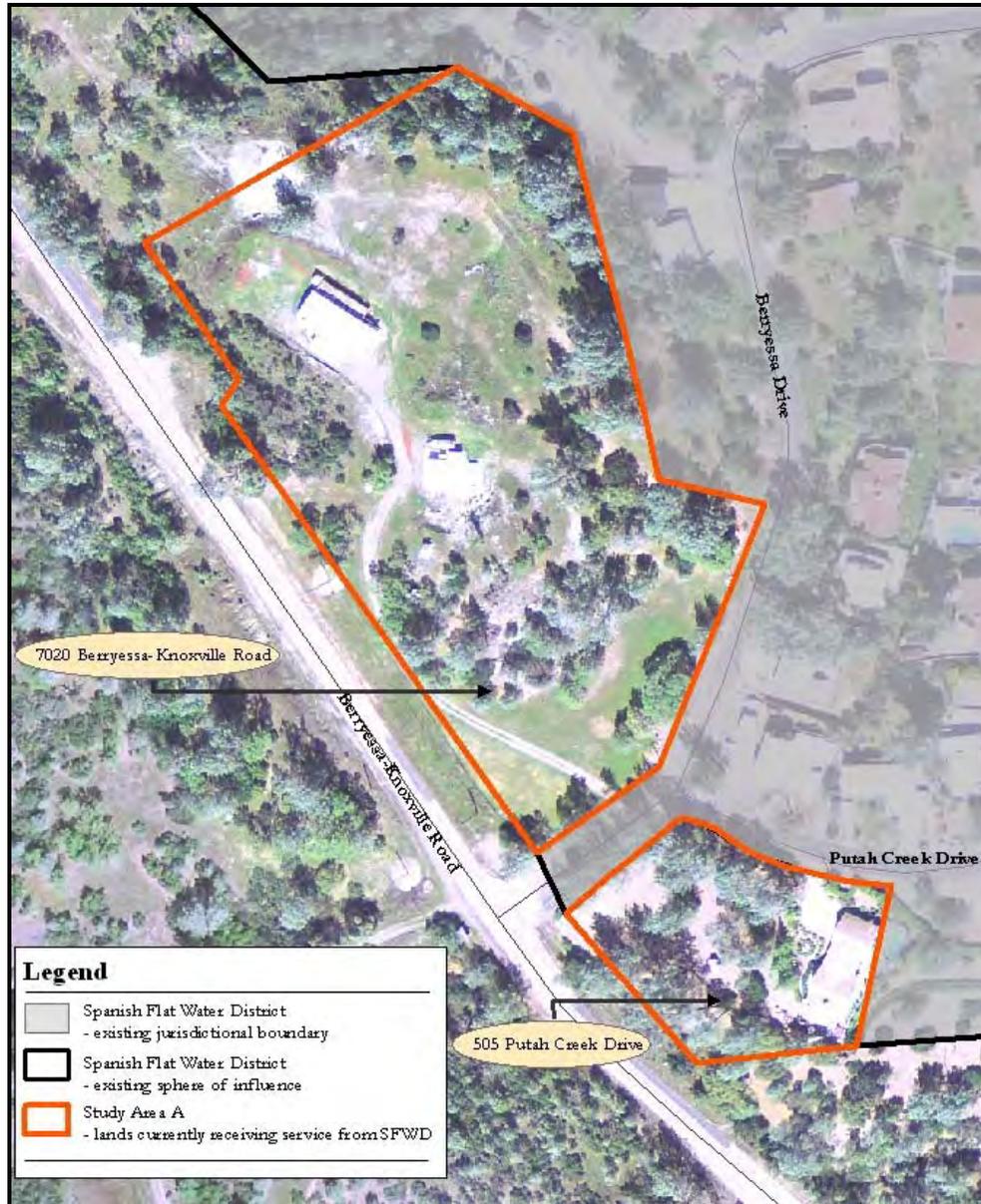
- The location of a special district's sphere shall serve to promote appropriate urban uses as independently determined by the Commission with limited exceptions.
- A special district's sphere should reflect existing and planned service capacities based on information independently analyzed by the Commission.
- Lands designated for agricultural or open-space uses shall not be included in a special district's sphere for purposes of facilitating urban development unless special and merited circumstances exist as determined by the Commission.
- A special district's sphere shall guide annexations within a five-year planning period. Inclusion of land within a sphere, however, shall not be construed to indicate automatic approval of a subsequent annexation proposal; annexations will be considered on their own merits with deference assigned to timing.

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VI. ANALYSIS

1.0 Study Area A

This study area totals 5.3 acres in size and consists of two non-contiguous and non-jurisdictional lots that have been selected for review given they currently receive domestic water and sewer services from SFWD through earlier outside service agreements.²⁰ The subject lots – which both lie immediately adjacent to the Berryessa Pines subdivision and front Berryessa-Knoxville Road – are separated from one another by an approximate 60 foot width panhandle section of SFWD as depicted in the following map.



²⁰ SFWD reports both outside service agreements associated with the study area were entered into prior to January 1, 2001 and therefore are grandfathered with respect to complying with the provisions of G.C. Section 56133.

Present and Planned Uses

The study area's two subject lots are both developed with single-family residences. The larger of the two lots is located at 7020 Berryessa-Knoxville Road and 4.2 acres in size (019-070-009). This larger lot includes an approximate 1,800 square foot residence built in 1992 along with a detached garage/granny unit. The smaller of the two lots is located at 505 Putah Creek Drive and 1.1 acres in size (019-271-042). This smaller lot includes an approximate 2,000 square foot residence built in 1987 as well as an easement for SFWD to access a cleanout for the District's sewer system located on the edge of the property line. These present uses effectively represent the maximum extent both lots can be developed under the County's existing policies given their designation and zoning assignments of *Agricultural Watershed and Open Space* and *Agriculture Watershed*, respectively; assignments that require 160 acre lot minimums.²¹ However, and distinct from the majority of similarly designated lands in the unincorporated area, the subject lots are explicitly exempt from Measure P given they were previously assigned as *Rural Residential* prior to the County General Plan Update completed in 2008.

Land Use Assignments/Policies	
County Land Use Designation	Agricultural Watershed and Open Space (Non Measure P)
County Zoning Standard	Agriculture Watershed
Minimum Lot Requirement	160 Acres

Present and Probable Need for Public Facilities and Services

The study area's two subject lots already receive water and sewer services from SFWD byway of earlier outside service agreements established near the time of their respective construction and prior to the enactment of G.C. Section 56133. These existing service connections directly support current residential uses within both subject lots. Information collected during the municipal service review and supplemented by additional analysis performed as part of this update indicates these outside service extensions were requested by the landowners as alternatives to the costs and related uncertainties tied to establishing onsite groundwater and septic systems.²²

Present Adequacy and Capacity of Public Services

A detailed review of the adequacy and capacity of SFWD's water and sewer services was performed in the Commission's recently completed municipal service review on the Lake Berryessa region. The municipal service review indicates SFWD has established adequate water supply, treatment, and storage capacities to meet existing and projected buildout demands within the Berryessa Pines' service area; the former of which includes the two subject lots given their current connectivity to both the water and sewer systems. The municipal service review also suggests SFWD's sewer collection and storage systems appear sufficient to accommodate existing and projected buildout demands within the Berryessa Pines' service area with the pertinent qualifier that specific capacity levels are not empirically documented.

²¹ Additional intensity may be allowed under County policies to allow one attached/detached second unit on the existing lot with a maximum coverage of 1,200 square feet.

²² It is reasonable to assume the average daily water demand generated within the study area is approximately 480 gallons given the current average per residential unit demand calculated for the Berryessa Pines subdivision. It is also reasonable to assume the average dry-weather daily sewer flow for the study area totals 384 gallons; an amount that equals four-fifths of the projected average day water demand.

Existence of Any Social or Economic Communities of Interest

The existing provision of SFWD water and sewer to the study area's two subject lots establishes distinct economic ties to the lands relevant to the Commission's policy objectives. Markedly, without these services, it is uncertain whether the existing single-family residences would remain inhabitable given the perceived challenges tied to developing local groundwater and septic systems due to topography and lot size restrictions. The immediate proximity to the Berryessa Pines subdivision – accentuated by the need to enter the subdivision to access both subject lots – also highlights relevant and shared social ties with SFWD.

Present and Probable Need for Water, Sewer, or Fire Protection for Any Disadvantaged Unincorporated Communities

The study area does not qualify as a disadvantaged unincorporated area under LAFCO law based on available information. No further analysis is required.

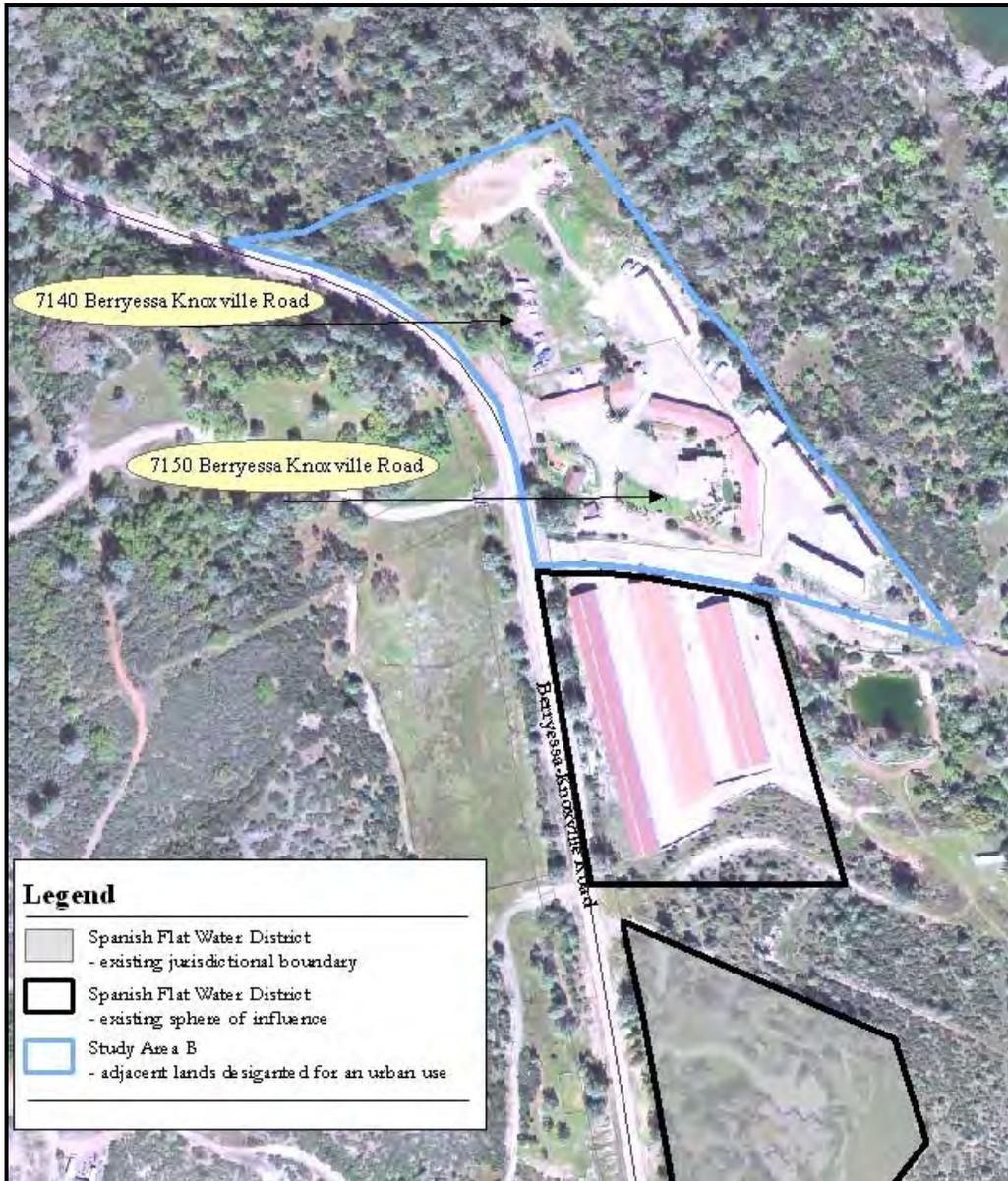
GENERAL CONCLUSIONS / STUDY AREA A

The addition of the study area to SFWD's updated sphere appears sufficiently merited given the overall consistency with the factors prescribed for consideration by the Legislature. This includes assigning deference to the need and adequacy of services currently provided to the subject lots as well as recognizing the existing economic and social ties between the lands and SFWD. Adding the subject lots, moreover, would also conform to the Legislature's increasing emphasis on the role of the sphere in demarcating an agency's existing and probable service area.

Irrespective of the preceding comments, continuing to exclude the study area from SFWD's sphere would be appropriate if it is the preference of the Commission to emphasize General Policy III/D/3. This policy statement directs the membership to exclude lands from special district spheres designated for agricultural use in facilitating urban type uses unless merited otherwise by special circumstances. Towards this end, staff believes special circumstances reasonably exist for the Commission to waive the policy and proceed with adding the study area to the sphere if it is the preference of members. This includes noting the addition of the study area would not change the baseline in which there already exist single-family residences receiving water and sewer services from SFWD byway of earlier outside service agreements. Further, and separate from the majority of the unincorporated area, the study area's agricultural designation is relatively new and not subject to the provisions of Measure P. This suggests a different and lower threshold can be reasonably considered in adding the subarea to the sphere without adversely affecting the Commission's standing commitment to protecting agricultural lands.

2.0 Study Area B

This study area totals 7.9 acres in size and involves two non-jurisdictional lots that have been selected for review given they are immediately adjacent to SFWD’s sphere and designated for an urban type use by the County. The two subject lots – one consisting of an entire property and the second consisting of a portion of a property – are contiguous and front Berryessa-Knoxville Road as depicted in the following map. The Commission previously denied a request from the affected landowner to add the subject lots to the sphere in 2002 given the larger of the two lots’ then-agricultural designation.



Present and Planned Uses

The study area's two subject lots are interchangeably used by the same landowner as part of a commercial boat and recreational vehicle storage facility (Lakeview Boat Storage). The larger of the two lots is located at 7140 Berryessa-Knoxville Road (019-280-006). The affected portion is 6.5 acres in size with the remainder of the lot to the south already located within the SFWD's sphere as part of an earlier amendment.²³ This larger lot – and specifically the portion subject to this review – includes four enclosed storage structures each approximately 1,000 square feet in size. The smaller of the two lots is located at 7150 Berryessa-Knoxville Road and 2.1 acres in size (019-280-004). This smaller lot includes approximately 6,000 square feet of enclosed storage structures along with an administrative office and detached single-family residence. These present uses conform to the County's existing policies given their designation and zoning assignments for both subject lots of *Rural Residential* and *Marine Commercial*, respectively.²⁴

Land Use Assignments/Policies	
County Land Use Designation	Rural Residential
County Zoning Standard	Marine Commercial
Minimum Lot Requirement	10 Acres

Present and Probable Need for Public Facilities and Services

The study area's two subject lots are currently dependent on private water and septic systems to support existing uses as described in the preceding section. Actual demands associated with the existing uses are projected to be modest and generally limited to the single-family residence located on the smaller of the two subject lots at 7150 Berryessa-Knoxville Road.²⁵ No information is presently available with regard to discerning whether there are any deficiencies associated with these private systems. It is reasonable to assume, nonetheless, the existing private systems are generally sufficient given the affected landowner has not sought connection to SFWD for his land immediately to the south of the subject lots despite its existing inclusion within the District sphere.

²³ The remaining portion of the larger of the two subject lots was added to SFWD's sphere by the Commission in December 1992. The Commission added this remaining portion – which is approximately 3.5 acres in size – as part of a deliberate effort to enable the landowner to seek and receive County approval to redesignate the lands to *Rural Residential* without requiring a Measure P vote for purposes of expanding the boat storage operations already established at 7150 Berryessa-Knoxville Road. (Lands designated for agricultural use under the County General Plan may be directly redesignated by the Board of Supervisors without a countywide vote so long as certain findings can be made, including inclusion of the land within the boundary or sphere of a special district that provides either water or sewer services.)

²⁴ The larger of the two subject lots at 7140 Berryessa-Knoxville Road was redesignated from *Agricultural Watershed and Open Space* to *Rural Residential* in 2002 following voter approval under Measure P. The smaller of the two lots was designated *Rural Residential* in the 1960s.

²⁵ It is reasonable to assume the average daily water demand at 7150 Berryessa-Knoxville Road is approximately 240 gallons; an amount that represents the current average per unit daily demand in the Berryessa Pines subdivision. It is also reasonable to assume the average dry-weather daily sewer flow is 192 gallons; an amount that equals four-fifths of the projected average day water demand.

Present Adequacy and Capacity of Public Services

A detailed review of the adequacy and capacity of SFWD's water and sewer services was performed in the Commission's recently completed municipal service review on the Lake Berryessa region. The municipal service review indicates SFWD has established adequate water supply, treatment, and storage capacities to meet existing and projected buildout demands within the Berryessa Pines' service area. The municipal service review also suggests SFWD's sewer collection and storage systems appear sufficient to accommodate existing and projected buildout demands within the Berryessa Pines' service area with the pertinent qualifier that specific capacity levels are not empirically documented. Given this earlier analysis, and based on projected and referenced demands, it would be reasonable to assume extending water and sewer services to the subject lots could be adequately accommodated by SFWD given existing capacities without impacts to current customers. The ability of the landowner, however, to assume the costs associated with extending the necessary infrastructure to the subject lots is uncertain at this time.

Existence of Any Social or Economic Communities of Interest

The previous action by the Commission to include adjacent land to the sphere directly associated with the two subject lots establishes social and economic ties relevant to the Commission's policy objectives. The existing inclusion of the adjacent land, notably, signals the Commission's standing interest in orienting SFWD's sphere to include and support planned urban uses within the community; the latter of which now applies to the subject lots given their recent redesignation by the County for urban type uses. It also appears reasonable to conclude the existing uses within the subject lots – boat and recreational vehicle storage – serve a social and economic need benefiting both Berryessa Pines and the region as a whole in terms of accommodating low-intensity recreation.

Present and Probable Need for Water, Sewer, or Fire Protection for Any Disadvantaged Unincorporated Communities

The study area does not qualify as a disadvantaged unincorporated area under LAFCO law based on available information. No further analysis is required.

GENERAL CONCLUSIONS / STUDY AREA B

There appears to be equal merit for the Commission to update SFWD with or without the study area depending on the membership's preferences. Adding the study area would be appropriate if it is the Commission's preference to emphasize present and planned land uses as well as social and economic ties; both of which were previously assigned deference in adding the adjacent land to the south of the study area in the early 1990s. In contrast, and drawing from the preceding analysis, it would be appropriate for the Commission to continue to exclude the study area if it is the membership's preference to emphasize the apparent lack of need or interest on the part of the affected landowner to establish water and/or sewer service from SFWD.

RESOLUTION NO. ____

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

**SPANISH FLAT WATER DISTRICT
SPHERE OF INFLUENCE UPDATE 2013**

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 updating the spheres of influence of the local governmental agencies whose jurisdictions are within Napa County as provided under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the Commission’s Executive Officer prepared a comprehensive review of the sphere of influence of the Spanish Flat Water District pursuant to said schedule and California Government Code Section 56425; and

WHEREAS, the Executive Officer prepared a written report of the review, including his recommendation to update the current sphere of influence designation with specified additions; 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 hearing held on August 5, 2013; and

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

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

1. This sphere of influence update has been appropriately informed by the Commission’s earlier municipal service review on the Lake Berryessa region; a study that included an independent evaluation of the level and range of governmental services provided by Spanish Flat Water District and formally accepted by the Commission on April 4, 2011.
2. Spanish Flat Water District’s sphere of influence is updated with the addition of approximately 5.3 acres in the Berryessa Pines community identified in the corresponding report by the Executive Officer as Study Area A and shown in Exhibit “One.”

3. The Commission, as lead agency, finds the approved update to Spanish Flat Water District's sphere of influence is exempt from further review under the California Environmental Quality Act pursuant to Title 14 of the 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 affecting the environment given no new land use or municipal service authority is granted. This finding is based on its independent judgment and analysis. The Executive Officer is the custodian of the records upon which this determination is based and such records are located at the Commission office located at 1030 Seminary Street, Suite B, Napa, California.
4. Spanish Flat Water District provided written confirmation during the review of its sphere of influence that its services are currently limited to water and sewer. Accordingly, the Commission deems the requirement for a statement of services prescribed under Government Code Section 56425(i) complete.
5. This sphere of influence update is effective immediately and assigned the following distinctive short-term designation:

**SPANISH FLAT WATER DISTRICT
SPHERE OF INFLUENCE UPDATE 2013**

6. Pursuant to Government Code Section 56425, the Commission makes the statements of determinations in the attached Exhibit "Two."
7. The Executive Officer shall revise the official records of the Commission to reflect this update of the sphere of influence.
8. The Commission declares any future urban intensification authorized by the County of Napa within the lands identified as Study Area B in Exhibit One should be explicitly conditioned on inclusion within the sphere for purposes of facilitating either annexation or an outside service extension.
9. The next sphere of influence review and update on the Spanish Flat Water District will be prepared by the Commission by August 5, 2018 as required under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

The foregoing resolution was duly and regularly adopted by the Commission at a meeting held on August 5, 2013 by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSENT: Commissioners _____

ABSTAIN: Commissioners _____

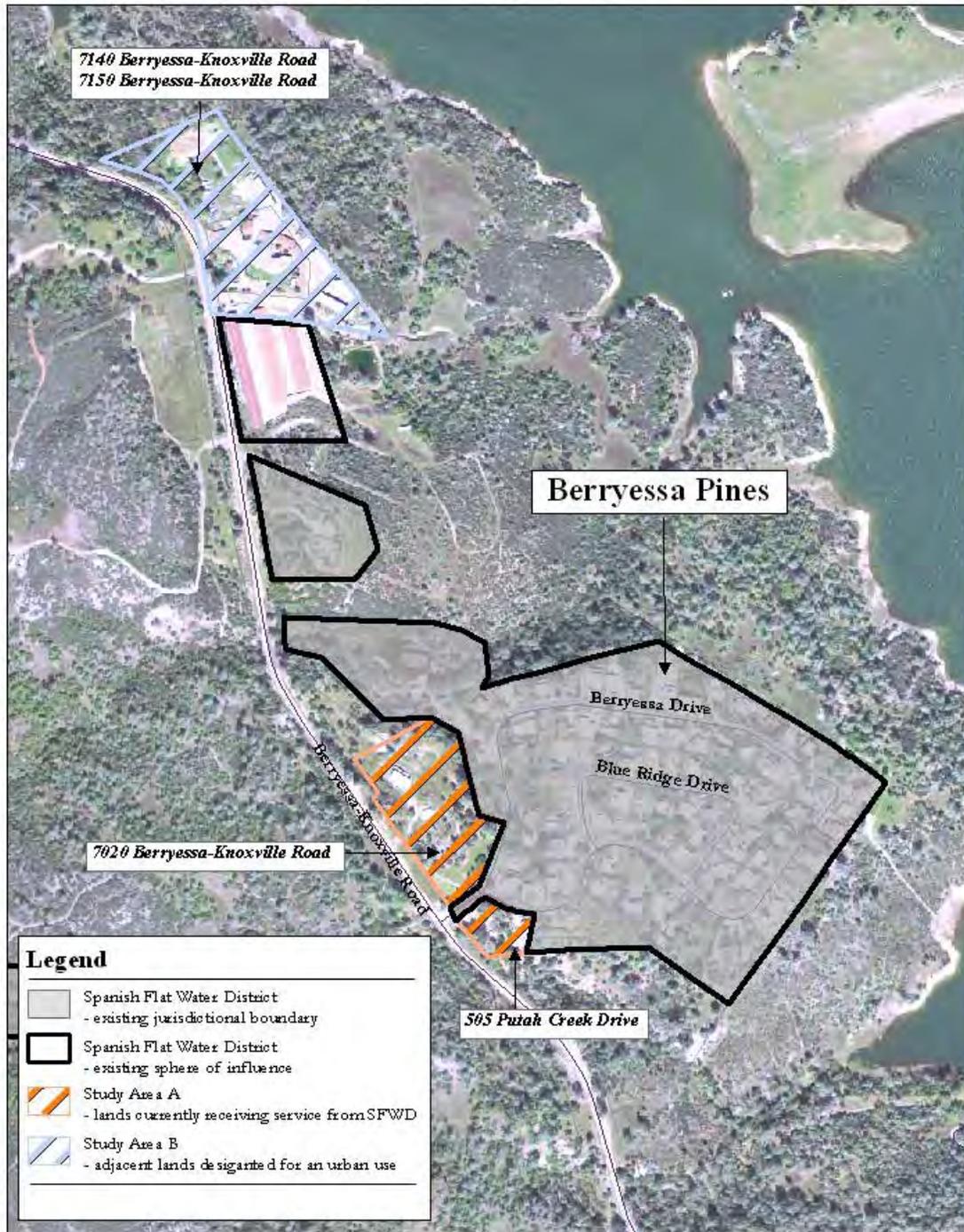
ATTEST: Keene Simonds
Executive Officer

Recorded by: _____
Kathy Mabry
Commission Secretary

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EXHIBIT ONE

Spanish Flat Water District Study Areas for Sphere Update



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EXHIBIT TWO
STATEMENT OF DETERMINATIONS

SPANISH FLAT WATER DISTRICT
SPHERE OF INFLUENCE UPDATE 2013

1. The Present and Planned Land Uses in the Area

The Commission determines the County of Napa's adopted land use policies appropriately provide for the present and planned residential and commercial uses characterizing the majority of the recommended sphere. These present and planned urban type uses are compatible with SFWD water and sewer services. There are no agricultural lands and limited open-space lands within the recommended sphere as defined under LAFCO law.

2. The Present and Probable Need for Public Services in the Area

The Commission determines there is a present need for SFWD's water and sewer services throughout the recommended sphere to support the existing and continued development of the Berryessa Pines and Spanish Flat communities and their estimated combined 400 plus residents. These services are also needed in anticipation and support of the expected redevelopment and opening of the former Spanish Flat Resort site.

3. The Present Capacity and Adequacy of Public Services Provided by the Agency

The Commission determines SFWD has sufficient supplies and capacities to adequately accommodate anticipated water and sewer service demands within the recommended sphere of influence in the timeframe of this update. This determination is predominately drawn on information independently collected and analyzed by the Commission as part of its recent municipal service review on the Lake Berryessa region.

4. The Existence of Relevant Social or Economic Communities of Interest

The Commission determines the affected territory located within the recommended sphere of influence has established strong social and economic interdependencies with SFWD distinct from neighboring areas and agencies. These ties are affirmed and strengthened by this update.

5. If the Agency Provides Water, Sewer, or Fire Protection, the Present and Probable Need for the Services for Any Disadvantaged Unincorporated Community within the Area

The Commission determines no lands within the recommended sphere of influence for SFWD qualify as disadvantaged unincorporated communities under LAFCO law.