



Local Agency Formation Commission
LAFCO of Napa County

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June 4, 2007
Agenda Item No. 7c

May 23, 2007

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Circle Oaks County Water District – Sphere of Influence Review (Action)

The Commission will receive a written report representing the sphere of influence review of the Circle Oaks County Water District. The Commission will consider a draft resolution approving the recommendation of the report to affirm with no changes the District's existing sphere of influence.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 directs Local Agency Formation Commissions (LAFCOs) to review each local agency's sphere of influence by January 1, 2008 and every five years thereafter as necessary. This legislation also requires that LAFCOs conduct municipal service reviews in conjunction with the sphere reviews of local agencies to determine the adequacy of the governmental services that are being provided in the region. The collective purpose of these reviews is to inform and guide LAFCOs in their legislative mandate to plan and coordinate the orderly development of local agencies in a manner that provides for the present and future needs of the community.

Discussion

Between 2004 and 2006, LAFCO of Napa County completed two countywide municipal service reviews on public water and sewer service providers. Both municipal service reviews included evaluations of the level and range of water and sewer services provided by the Circle Oaks County Water District. Both municipal service reviews culminated in the Commission adopting written determinations regarding the adequacy of the District's water and sewer services pursuant to California Government Code §56430.

With the municipal service review component completed, staff has prepared the attached written report that represents sphere review of the District. The report concludes that the existing sphere designates an appropriate service area for the District and that no changes are warranted at this time. Also attached is a draft resolution that codifies the recommendation of the written report to affirm with no changes the District's existing sphere along with the written statements addressing the four planning factors the Commission is required to consider in making a sphere determination under California Government Code §56425. The adoption of the draft resolution would fulfill the Commission's sphere review requirement for the District.

Jack Gingles, Chair
Mayor, City of Calistoga

Brad Wagenknecht, Vice-Chair
County of Napa Supervisor, 1st District

Brian J. Kelly, Commissioner
Representative of the General Public

Juliana Inman, Commissioner
Councilmember, City of Napa

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

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

Keene Simonds
Executive Officer

Recommendation

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

- 1) Receive and file the attached written report representing the sphere of influence review of the Circle Oaks County Water District; and
- 2) Approve the form for the attached draft resolution with any desired changes that make statements with respect to affirming the sphere of influence with no changes for the Circle Oaks County Water District pursuant to California Government Code §56425.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- 1) Sphere of Influence Review – Final Report
- 2) Draft Resolution

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

CIRCLE OAKS COUNTY WATER DISTRICT SPHERE OF INFLUENCE REVIEW

**Final Report
June 2007**

Prepared by:

LAFCO of Napa County

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

Jack Gingles, Chair, City Member
Brad Wagenknecht, Vice-Chair, County Member
Bill Dodd, Commissioner, County Member
Juliana Inman, Commissioner, City Member
Brian J. Kelly, Commissioner, Public Member
Cindy Coffey, Alternate Commissioner, City Member
Mark Luce, Alternate Commissioner, County Member
Gregory Rodeno, Alternate Commissioner, Public Member

Keene Simonds, Executive Officer
Jackie Gong, Commission Counsel
Tracy Geraghty, Analyst
Kathy Mabry, Commission Secretary



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INTRODUCTION

Local Agency Formation Commissions

Local Agency Formation Commissions (LAFCOs) were established in 1963 and are responsible for administering California Government Code §56000 et seq., which is now known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. LAFCOs are delegated regulatory and planning responsibilities to encourage the orderly formation and development of local governmental agencies and services, preserve agricultural and open-space lands, and to discourage urban sprawl. Duties include regulating governmental boundary changes through annexations or detachments, approving or disapproving city incorporations, and forming, consolidating, or dissolving special districts. LAFCOs are also responsible for conducting studies that address a range of service and governance issues to inform and direct regional planning activities and objectives. LAFCOs are located in all 58 counties in California.

Spheres of Influence

Among LAFCO's primary planning responsibilities is the determination of a sphere of influence for each city and special district under its jurisdiction.¹ California Government Code §56076 defines a sphere as "a plan for the probable physical boundaries and service area of a local agency, as determined by the commission." LAFCO establishes, amends, and updates spheres to indicate to local agencies and property owners that, at some future date, a specific area will likely require the services provided by the subject agency. The sphere determination also indicates the agency LAFCO believes to be best positioned to serve the subject area. LAFCO is required to review each agency's sphere by January 1, 2008 and every five years thereafter as necessary.

In establishing, amending, or updating a city or special district's sphere, LAFCO is required to consider and prepare written statements addressing four specific planning factors. These planning factors, which are enumerated under California Government Code §56425(e), are intended to capture the legislative intent of the sphere determination with regard to promoting the logical and orderly development of each local agency. These planning factors are:

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

¹ LAFCOs have been required to determine spheres for cities and special districts since 1972.

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

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

Beginning in 2001, to help inform the sphere review process, LAFCO is responsible for preparing a municipal service review. A municipal service review can take on many different forms, including a review of a single agency, or a review of several agencies that provide a similar service, such as sewer, water, or fire protection. The municipal service review culminates in the preparation of written determinations that address nine specific factors enumerated under California Government Code §56430. The municipal service review is a prerequisite to updating an agency's sphere and may also lead LAFCO to take other actions under its authority.

Circle Oaks County Water District

Between 2004 and 2006, LAFCO of Napa County completed two countywide municipal service reviews on public water and sewer service providers. Both municipal service reviews included evaluations of the level and range of water and sewer services provided by the Circle Oaks County Water District. Both municipal service reviews culminated in the Commission adopting written determinations regarding the adequacy of the District's water and sewer services pursuant to California Government Code §56430.²

Drawing from information collected as part of the above-mentioned municipal service reviews, this report represents the sphere review of the District under California Government Code §56425. The report considers whether changes to the sphere are warranted to plan the orderly development of the District in a manner that supports the provisions of California Government Code and the policies of the Commission.

² LAFCO Resolutions 04-19 and 06-08.

OVERVIEW

The Circle Oaks County Water District (COCWD) was formed in 1962 to provide water and sewer services to Circle Oaks, a planned residential community in southeast Napa County. Initial development plans for Circle Oaks included the construction of approximately 2,200 residential units. However, due to changes in land use policies and market conditions, development in Circle Oaks has been limited to a single 340-lot residential subdivision referred to as “Unit One.” More recently, between September 2000 and April 2007, development in Circle Oaks was prohibited as a result of two separate COCWD moratoriums on new water and sewer service connections.³

COCWD is organized as an independent special district under the authority of Division 12 of the California Water Code. It is governed by an elected five-member board of directors that serve staggered four-year terms. Elections are based on a registered-voter system. COCWD is staffed by one part-time general manager appointed by the Board. An engineering firm is contracted to operate COCWD’s sewer and water systems. COCWD currently serves 189 developed single-family residences with an estimated resident population of 486.⁴

Date Formed	1962
District Type:	Independent
Enabling Legislation	California Water Code §30000-33901
Services Provided	Sewer Water

contracted to operate COCWD’s sewer and water systems. COCWD currently serves 189 developed single-family residences with an estimated resident population of 486.⁴

Sphere of Influence

COCWD’s sphere was adopted by LAFCO in 1985. LAFCO designated the sphere to include all residential parcels in or adjacent to Unit One and certain common open-space areas owned by the Circle Oaks Homes Association. Excluded from the sphere were parcels in COCWD non-contiguous to Unit One or owned by the District and the site of its water and sewer service facilities. Outlying common open-space areas owned by the Circle Oaks Homes Association in COCWD were also excluded from the sphere. There have been no changes to the sphere since its adoption in 1985.⁵ A map depicting the sphere is provided in Attachment One.

Land Use Factors

COCWD is under the land use authority of the County of Napa. The County designates land located within and adjacent to COCWD as *Agriculture, Watershed and Open Space*. The County General Plan specifies the intent of this designation as:

³ The moratorium on new water service connections was adopted by COCWD in September 2000 and lifted in December 2006. The moratorium on new sewer service connections was adopted by COCWD in December 2006 and lifted in April 2007.

⁴ The population estimate has been calculated by LAFCO staff based on the number on COCWD’s current number of service connections (189) and multiplied by the average population per-household estimate for Napa County (2.57) as determined by the California Department of Finance.

⁵ In terms of jurisdictional changes, in 1964, LAFCO annexed 843 acres of adjacent land to facilitate a planned residential subdivision. In 1984, LAFCO detached this area along with 2,174 acres at the request of property owners after development plans failed to materialize.

“To provide areas where the predominant use is agriculturally oriented; where watershed areas, reservoirs, floodplain tributaries, geologic hazards, soil conditions and other constraints make the land relatively unsuitable for urban development; where urban development would adversely impact on all such uses; and where the protection of agriculture, watersheds, and floodplain tributaries from fire, pollution, and erosion is essential to the general health, safety, and welfare.”

Development densities for the County are identified under its zoning standards. All land located within Unit One is zoned *Residential Single: B-10* and requires a minimum parcel size of 10 acres. Based on current lot sizes, this zoning standard precludes additional subdivision and related growth from occurring in Unit One. All adjacent lands to Unit One are zoned *Agricultural Watershed* and requires a minimum parcel size of 160 acres.

In terms of current uses, the majority of land in COCWD consists of single-family residences. The majority of residential uses are concentrated in Unit One, which includes a total of 340 quarter-acre circular lots.⁶ To date, 182 lots in Unit One have been developed and receive water and sewer services from COCWD.⁷ Land outside and adjacent to COCWD is primarily characterized by open-space with limited rural residential uses.

DISCUSSION

Pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the objective of this report is to identify and evaluate areas that warrant consideration for inclusion or removal from COCWD’s sphere as part of a comprehensive update. Underlying this effort is to designate the sphere in a manner that promotes the logical and orderly development of COCWD in a manner that supports the provisions of California Government Code and the policies of the Commission.

ANALYSIS

In adopting the sphere in 1985, LAFCO established a set of policies designating COCWD as an urban service provider and specified that future sphere expansions be limited to areas that are developed or planned for development at a “suburban density.” The Commission also specified that sphere expansions be limited to areas that receive an adequate level of water and sewer services.

The analysis conducted as part of the earlier municipal service reviews of COCWD identified that the District has generally developed sufficient supply and infrastructure capacities to adequately meet current water and sewer service demands. However, the analysis also identified the need for COCWD to prepare facility plans to help inform future capital improvement plans with respect to effectively accommodating future service demands.

⁶ The number of lots in Unit One is based on the County of Napa Geographic Information System.

⁷ There are additional seven developed single-family residences in COCWD that are outside Unit One.

Based on the policies established by the Commission in 1985 along with information analyzed as part of the earlier municipal service reviews, no changes to the existing COCWD sphere are warranted at this time. This recommendation recognizes that the existing sphere designates an appropriate service area for COCWD that generally reflects the District's present and planned service capacities, supports existing and planned urban uses, and does not encroach on surrounding agricultural or open-space uses.

Supplemental Analysis: Smaller-Than-Agency Sphere

Staff recognizes that the recommendation to make no changes to the sphere does not address an existing inconsistency that is drawn from COCWD's sphere encompassing less territory than its jurisdictional boundary. This type of designation is referred to as a "smaller-than-agency sphere" and is occasionally used by LAFCOs to indicate that there is no need for services from the agency in the affected area. This designation is also used by LAFCOs to indicate if the area is included in the sphere of another agency.

Although unorthodox, staff believes it is appropriate to maintain the smaller-than-agency sphere designation for COCWD based on the following factors.

- The majority of areas located in COCWD's jurisdictional boundary that lie outside the sphere are owned by the District or the Circle Oaks Homes Association and are used for utility services or as common open-space, respectively. These land uses indicate that there are no present or planned need for water and sewer services in the affected areas.
- The remaining areas located in COCWD's jurisdictional boundary that lie outside the sphere consist of two residential parcels that are non-contiguous to Unit One. Staff recognizes that including these areas into the sphere would be consistent with the policy of the Commission to emphasize the delivery of services in determining the location of special district spheres. However, because of the location, including these areas into the sphere would require adding additional land designated and zoned for agricultural and open-space uses or creating more than one sphere boundary, which is against Commission policy. With these latter comments in mind and because there are no impacts to COCWD or the affected property owners, staff believes it is appropriate to keep these areas outside the sphere at this time.

RECOMMENDATION

It is recommended that the Commission affirm with no changes COCWD's existing sphere. Pursuant to California Government Code §56425(e), the following statements have been prepared in support of the recommendation:

1. The present and planned land uses in the area, including agricultural and open-space lands.

The present and future land uses in the area are planned for by the County of Napa as the affected land use authority. The County General Plan and associated zoning standards provide for the current and future residential uses that characterize the majority of the area.

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

The Circle Oaks County Water District provides water and sewer services within the area. These services are vital in supporting existing and future residential uses and protect public health and safety in the area.

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

The Circle Oaks County Water District has demonstrated its ability to provide an adequate level of water and sewer service to the area. These services were comprehensively evaluated by LAFCO as part of recent municipal service reviews.

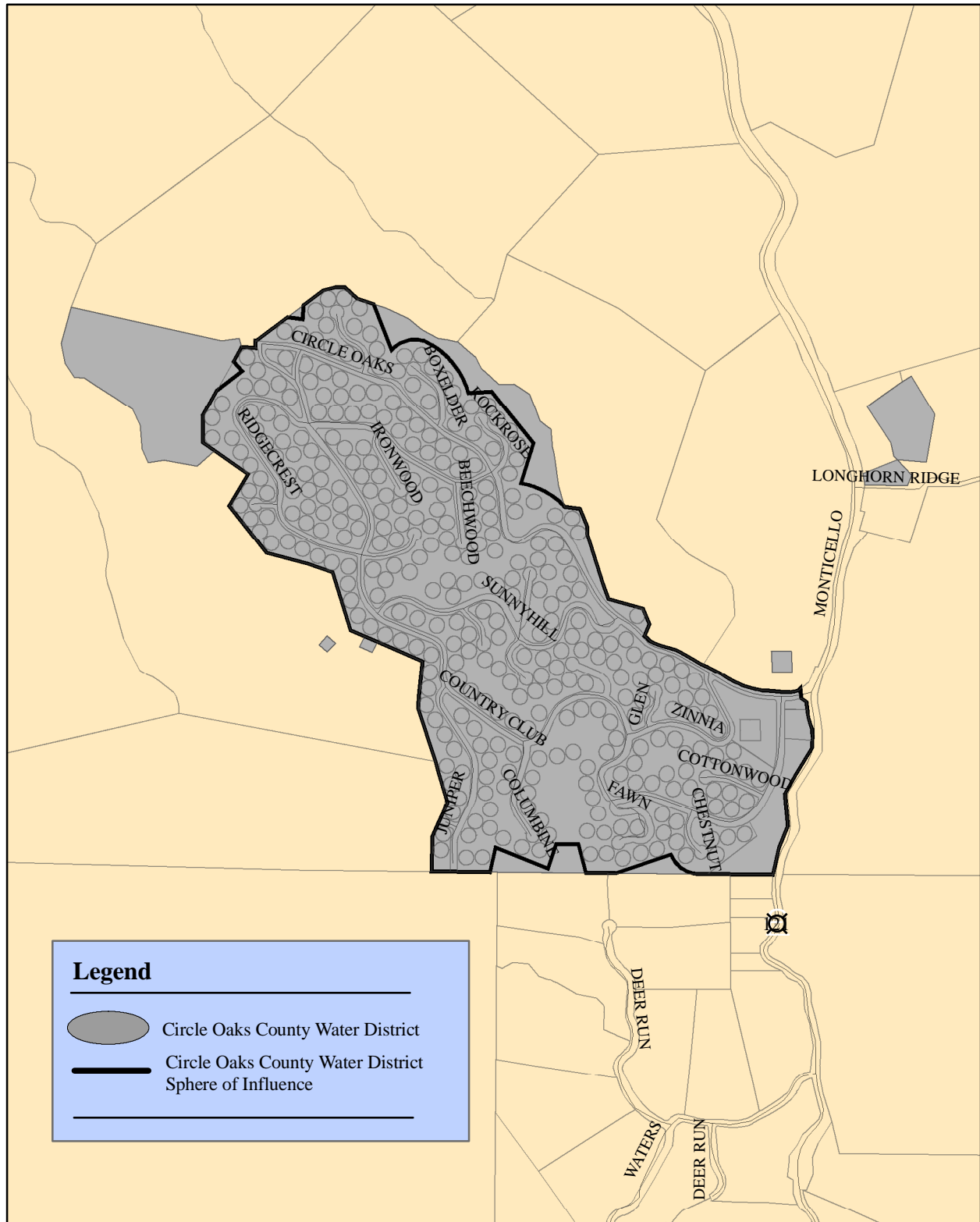
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

The area includes the entire Circle Oaks community. This community shares social and economic interdependences that are distinct from neighboring areas and enhanced by its relatively isolated location.

Attachments:

- 1) Map
- 2) LAFCO Resolution No. 04-19 (*Comprehensive Water Service Study*)
- 3) LAFCO Resolution No. 06-08 (*Comprehensive Study of Sanitation and Wastewater Treatment Providers*)

Circle Oaks County Water District



*Not to Scale
December 4, 2006
Prepared by KS*



LAFCO of Napa County
1700 Second Street, Suite 268
Napa, CA 94559
(707) 259-8645

RESOLUTION NO. _____

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

**CIRCLE OAKS COUNTY 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 within Napa County and studies of spheres of influence of the local governmental agencies whose jurisdictions are within Napa County; and

WHEREAS, the Executive Officer of the Commission, hereinafter referred to as “the Executive Officer”, prepared a review of the sphere of influence of the Circle Oaks County Water District as pursuant to said schedule and Title 5, Division 3, commencing with Section 56000 of the California Government Code; and

WHEREAS, the Executive Officer prepared a written report of this review, including his recommendation to affirm with no changes the existing sphere of influence; 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 June 4, 2007; and

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

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

1. The Commission hereby determines that an action to affirm with no changes an agency’s existing sphere of influence qualifies for a general exemption from the requirements of the California Environmental Quality Act (CEQA). Approval to affirm an existing sphere of influence will not result in any land use changes or physical impacts to the environment. This proposal qualifies for a general exemption under CEQA because there is no possibility that it will adversely affect the environment [CEQA Guidelines, Section 15061(b)(3)].
2. The recommendation to affirm the existing sphere of influence for the Circle Oaks County Water District is APPROVED.

3. This sphere of influence update is assigned the following distinctive short-term designation:

**CIRCLE OAKS COUNTY WATER DISTRICT
SPHERE OF INFLUENCE UPDATE**

4. The sphere of influence for the Circle Oaks County Water District is hereby affirmed with no changes to include the affected territory as shown on the attached vicinity map identified as "Exhibit A."
5. Pursuant to Section 56425 of the Government Code, the Commission makes the statements of determinations in the attached "Exhibit B."
6. The effective date of this sphere of influence update shall be final upon the receipt by the Executive Officer of a written statement by the Circle Oaks County District pursuant to Section 56425(h) of the Government Code.
7. The Executive Officer shall revise the official records of the Commission to reflect this change to the sphere of influence.

The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of the County of Napa, State of California, at a meeting held on the 4th day of June, 2007, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSENT: Commissioners _____

ABSTAIN: Commissioners _____

ATTEST: Keene Simonds
 Executive Officer

Recorded by: _____
 Kathy Mabry
 Commission Secretary

EXHIBIT B
STATEMENT OF DETERMINATIONS

CIRCLE OAKS COUNTY WATER DISTRICT
SPHERE OF INFLUENCE UPDATE

1. With respect to the present and planned land uses in the area, including agricultural and open-space lands, the Commission determines:

The present and future land uses in the area are planned for by the County of Napa as the affected land use authority. The County General Plan and associated zoning standards provide for the current and future residential uses that characterize the majority of the area.

2. With respect to the present and probable need for public facilities and services in the area, the Commission determines:

The Circle Oaks County Water District provides water and sewer services within the area. These services are vital in supporting existing and future residential uses and protect public health and safety in the area.

3. With respect to the present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide, the Commission determines:

The Circle Oaks County Water District has demonstrated its ability to provide an adequate level of water and sewer service to the area. These services were comprehensively evaluated by LAFCO as part of recent municipal service reviews.

4. With respect to the existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency, the Commission determines:

The area includes the entire Circle Oaks community. This community shares social and economic interdependences that are distinct from neighboring areas and enhanced by its relatively isolated location.