



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

Agenda Item 5a (Consent/Action)

TO: Local Agency Formation Commission

PREPARED BY: Kathy Mabry, Commission Clerk

MEETING DATE: August 3, 2020

SUBJECT: Approval of Meeting Minutes: **June 1, 2020 Regular Meeting and July 13, 2020 Special Meeting (Public Workshop)**

DISCUSSION AND RECOMMENDATION

The Commission will consider approving the draft meeting minutes prepared by staff for the June 1, 2020 Regular Meeting and July 13, 2020 Special Meeting (Public Workshop), included as Attachments One and Two, respectively. Staff recommends approval.

ATTACHMENTS

- 1) Draft Minutes for June 1, 2020 Regular Meeting
- 2) Draft Minutes for July 13, 2020 Special Meeting (Public Workshop)

Kenneth Leary, Chair
Councilmember, City of American Canyon

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Scott Sedgley, Alternate Commissioner
Councilmember, City of Napa

Diane Dillon, Vice Chair
County of Napa Supervisor, 3rd District

Brad Wagenknecht, Commissioner
County of Napa Supervisor, 1st District

Ryan Gregory, Alternate Commissioner
County of Napa Supervisor, 2nd District

Gregory Rodeno, Commissioner
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer



**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
REGULAR* MEETING MINUTES OF JUNE 1, 2020**

Due to Coronavirus (COVID-19) and consistent with Governor Newsom's Executive Order N-29-20 promoting social distancing, the meeting was conducted **via teleconference. The meeting was accessible for members of the public to attend electronically via a link and phone number displayed on page 3 of the agenda under Notice of Meeting Procedures.*

1. WELCOME AND CALL TO ORDER; ROLL CALL

Chair Leary called the special meeting of June 1, 2020 to order at 2:07 PM *via teleconference*.
At the time of roll call, the following Commissioners and Staff were present:

Regular Commissioners	Alternate Commissioners	Staff
Kenneth Leary, Chair	Ryan Gregory	Brendon Freeman, Executive Officer
Diane Dillon, Vice Chair	Eve Kahn	DeeAnne Gillick, Commission Counsel
Margie Mohler	Scott Sedgley	Dawn Mittleman Longoria, Analyst II
Gregory Rodeno		Kathy Mabry, Secretary
Brad Wagenknecht (left @ 3:27 PM)		

2. PLEDGE OF ALLEGIANCE

Chair Leary invited members of the audience to join him in reciting the Pledge of Allegiance.

3. APPROVAL OF AMENDED AGENDA

Chair Leary asked if there were any requests to rearrange the agenda. There were no requests. Upon motion by Commissioner Rodeno and second by Commissioner Dillon, the Commission adopted the agenda as submitted.

VOTE:

AYES: RODENO, DILLON, LEARY, MOHLER AND WAGENKNECHT
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

4. PUBLIC COMMENTS

Prior to the meeting, the public was encouraged to submit comments to the Commission concerning any matter not on the agenda, with specific instructions noted under Coronavirus (COVID-19) – Notice of Meeting Procedure on page 3 of the agenda.

There were no public comments received prior to the meeting, via mail or email.

During the meeting, a public comment was received via telephone from Napa Resident, Riley Gilbert, who suggested LAFCO agendize the process of unincorporated islands for the City of Napa, and reach out to homeowners, as he believes most citizens are unfamiliar with how the process works.

5. CONSENT ITEMS

a) Approval of Meeting Minutes: May 4, 2020 Special Meeting

Upon motion by Commissioner Mohler and second by Commissioner Dillon, the consent items were approved by roll call vote:

VOTE:

AYES: MOHLER, DILLON, LEARY, RODENO AND WAGENKNECHT
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

6. INFORMATION ITEMS

The Commission received the following information items without a presentation from staff. Information items do not involve any action or vote by the Commission.

- a) **Current and Future Proposals**
- b) **Third Quarter Budget Report for 2019-2020**
- c) **Executive Officer Report**

There was no discussion on this item.

7. PUBLIC HEARING ITEM

Members of the public were able to address the Commission with respect to any public hearing item, per instructions provided on the Coronavirus (COVID-19) – Notice of Meeting Procedure on page 3 of the agenda.

a) Final Budget for Fiscal Year 2020-2021 and Proposed Amendment to the Schedule of Fees and Deposits

The Commission considered approving a final budget for fiscal year 2020-2021. Proposed operating expenses total \$540,893 and proposed operating revenues total \$519,084 with the remaining shortfall of \$21,809 to be covered by drawing from agency reserves.

The Commission also considered approving an amendment to the Schedule of Fees and Deposits. The recommended actions are for the Commission to adopt the final budget by resolution and adopt a proposed amendment to the Schedule of Fees and Deposits, effective July 1, 2020, by resolution.

Staff provided an overview of this agenda item.

Chair Leary opened the public hearing.

There were no public comments received via email before or during the meeting.

Chair Leary closed the public hearing.

Chair Leary and Vice-Chair Dillon thanked the Executive Office and the Budget Committee for their work on the agency's budget, especially during these difficult times.

Commissioner Mohler asked the Executive Officer to explain the formula used for each agency's portion contributed annually to the LAFCO budget. Mr. Freeman explained this process.

Upon motion by Commissioner Wagenknecht and second by Commissioner Mohler, the final budget for the 2020-21 fiscal year and resolution were approved by roll call vote (**Resolution No. 2020-04**):

VOTE:

AYES: WAGENKNECHT, MOHLER, DILLON, LEARY AND RODENO
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

Upon motion by Commissioner Rodeno and second by Commissioner Mohler, the amendment to the Adopted Schedule of Fees and Deposits and resolution were approved by roll call vote (**Resolution No. 2020-05**):

VOTE:

AYES: RODENO, MOHLER, DILLON, LEARY AND WAGENKNECHT
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

8. ACTION ITEMS

Members of the public were invited to provide comments, per Coronavirus (COVID-19) – Notice of Meeting Procedure on page 3 of the agenda.

a) Silver Trail No. 10 Annexation to the Napa Sanitation District and Associated CEQA Findings

The Commission considered approving a proposal submitted by landowner petition for annexation of one unincorporated parcel totaling 0.5 acres in size to the Napa Sanitation District. The affected territory is identified by the County Assessor as 060-342-004. The purpose of annexation is to eliminate the existing private septic system serving the single-family residence and to facilitate connection to NSD’s public sewer infrastructure.

At its May 4, 2020 meeting, the Commission considered a request from the landowner for a waiver of application fees, however, that request was denied.

Staff noted a missing word in the draft resolution located in attachment one of staff report. On page 1, in the third “whereas” section, the word “proposal” should be added accordingly.

Chair Leary opened the public hearing. No public comments were received.

Chair Leary closed the public hearing.

Upon motion by Commissioner Rodeno and second by Commissioner Wagenknecht, the Commission approved the staff recommendation to adopt the amended resolution approving the annexation, by roll call vote (**Resolution No. 2020-06**):

VOTE:

AYES: RODENO, WAGENKNECHT, DILLON, LEARY AND MOHLER

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

b) Countywide Water and Wastewater Municipal Service Review Draft Report

The Commission discussed matters related to the draft Countywide Water and Wastewater Municipal Service Review (MSR). This included the public workshop scheduled for July 13, 2020, and possible future revisions to the MSR to incorporate information related to COVID-19 impacts on the subject agencies. The recommended action was for the Commission to provide formal direction to staff with respect to (1) the public workshop scheduled for July 13, 2020, and possible future revisions to the MSR, and (2) to consider revising the draft report to address COVID-19 impacts. Following discussion, the Commission agreed the MSR should acknowledge the impacts of COVID-19, as well as potential fires and earthquakes, by adding a paragraph or two to the report, but agreed this should be at no additional expense. Commissioners, Staff and the Consultant discussed the timeline for public review of the report, and a location and time for a July workshop.

The Commission seemed to be split on whether to hold the workshop in person or virtually via a Zoom meeting, however, the decision may be based on the status of the pandemic in July.

Chair Leary opened the public hearing. No public comments were received.

Chair Leary closed the public hearing.

Upon motion by Commissioner Wagenknecht and second by Commissioner Mohler, the following was approved by roll call vote:

- 1) Directed staff to circulate the public draft report now for review for 60 days until July 20, 2020;
- 2) Return with a presentation on the draft report as part of a Commission meeting; and
- 3) Schedule the public workshop for July 2020:

VOTE:

AYES: WAGENKNECHT, MOHLER, DILLON, LEARY AND RODENO

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

8. ACTION ITEMS – continued:

c) 2019-2020 Work Program Progress Report and Adoption of 2020-2021 Work Program

The Commission received a progress report on the 2019-2020 Work Program and considered adopting a 2020-2021 Work Program that includes administrative, planning, and regulatory activities for the upcoming fiscal year. The recommended action was for the Commission to adopt the resolution to adopt the 2020-21 Work Program.

Commissioner Mohler commented on the public comment received at the start of the meeting by Riley Gilbert to have some information regarding the process of annexing unincorporated islands on LAFCO's website for the public. Staff agreed and will post information on this topic on the agency's website.

Upon motion by Commissioner Mohler and second by Commissioner Dillon, the Commission adopted the proposed 2020-2021 Work Program by roll call vote (**Resolution No. 2020-07**):

VOTE:

AYES: MOHLER, DILLON, GREGORY, LEARY AND RODENO

NOES: NONE

ABSENT: WAGENKECHT

ABSTAIN: NONE

9. COMMISSIONER COMMENTS/REQUESTS FOR FUTURE AGENDA ITEMS

10. ADJOURNMENT TO NEXT REGULAR SCHEDULED MEETING

The meeting adjourned at 3:45 PM. The next meeting will be a public workshop scheduled for July 13, 2020, time to be determined, location is *tentatively* at the Napa Valley Transportation Authority, located at 625 Burnell Street, Napa, CA 94559.

The next regular LAFCO meeting is scheduled for **Monday, August 3, 2020 at 2:00 PM tentatively** at the Napa County Board of Supervisors Chambers, 1195 Third Street, Third floor, Napa, CA 94559. **However, it is anticipated the meeting will be held telephonically due to COVID-19 in compliance with Executive Order N-29-20.**

Kenneth Leary, LAFCO Chair

ATTEST:

Dawn Mittleman Longoria, Analyst II

Prepared by:

Kathy Mabry, Commission Secretary



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY SPECIAL MEETING MINUTES OF JULY 13, 2020

*Due to Coronavirus (COVID-19) and consistent with Governor Newsom's Executive Order N-29-20 promoting social distancing, the meeting was conducted **via teleconference**. The meeting was accessible for members of the public to attend electronically via a link and phone number displayed on page 3 of the agenda under Notice of Meeting Procedures.*

1. WELCOME AND CALL TO ORDER; ROLL CALL

Chair Leary called the special meeting of July 13, 2020 to order at 2:12 PM *via teleconference*. A moment of silence was held in memory of Bill Chiat, former CALAFCO Executive Director who passed away. At the time of roll call, the following Commissioners and Staff were present:

Regular Commissioners	Alternate Commissioners	Staff
Kenneth Leary, Chair	Ryan Gregory	Brendon Freeman, Executive Officer
Diane Dillon, Vice Chair	(left at 3:00 PM)	DeeAnne Gillick, Counsel
Margie Mohler	Eve Kahn	Dawn Mittleman Longoria, Analyst II
Gregory Rodeno	Scott Sedgley	Kathy Mabry, Secretary
Brad Wagenknecht		

2. PLEDGE OF ALLEGIANCE

Chair Leary invited members of the audience to join him in reciting the Pledge of Allegiance.

3. COMMISSION WORKSHOP

At the start of the meeting, staff read instructions to the audience regarding how to make Public Comments during the workshop, electronically or by phone, as well as how to address the Commission once called upon for comments. The Commission held a public workshop for the purposes of providing an update on a comprehensive Draft Countywide Water and Wastewater Municipal Service Review (MSR) report.

Staff welcomed everyone to the workshop, and provided a brief overview of the agenda. Staff introduced the private MSR Consultants, Jennifer Stephenson of Policy Consulting Associates, and Richard Berkson with Berkson Associates.

The Consultants gave a presentation on the status of the study. Below are topics reviewed and discussed:

- **STUDY SCHEDULE UPDATE:** Upcoming Important Dates: Comments due 7/20/20; Discuss comments at Commission Meeting 8/3/20, and Public hearing for adoption 10/5/20.
- What is a Municipal Service Review?
- MSR Process
- Providers of Water and Wastewater in Napa County (total of 14)
- Summary of recommendations for the affected agencies
- Challenges to Services
- Financial Challenges
- Governance Structure Options: Potential Benefits/Financial Benefits/Potential Challenges
- Next Steps for Countywide/Regional Governance Structure Options
- Questions/Comments
- To view full workshop: https://napa.granicus.com/player/clip/4632?view_id=25

Staff noted that as of July 10, 2020, seven written comment letters on the draft MSR had been received from the City of Calistoga, City of Napa, Town of Yountville, Napa River Reclamation District No. 2109, Dan Mufson, Roland Dumas, and Patricia Damery, all of which were provided to the Commission. Following the agenda posting, additional public comment letters were received, and those letters will be included as part of the Commission's August 3, 2020 meeting agenda packet.

4. COMMISSION WORKSHOP – continued:

During the presentation, Commissioners were given opportunities to ask questions of staff and consultants, and public comments were heard following the presentation.

The draft MSR included several key recommendations related to the governance structure and shared service opportunities for many of the subject agencies. Reorganization/Merging of some agencies, such as Napa Sanitation District, were discussed. Potential Joint Power Agreements (JPA) and consolidation of smaller districts were also discussed.

Commissioner Dillon requested the MSR be revised to add a map showing all mutual water companies in Napa County and a 4-column chart with each one's (1) service area/acres, (2) population, (3) number of connections, and (4) water source (wells vs surface water). The Executive Officer agreed to take on this task and coordinate with the consultant to get it into the next version of the report.

Following the presentation, the Commission was invited to discuss the report, provide direction to staff to incorporate any desired revisions, and direction to staff to provide written responses to any of the comments:

- Commissioner Dillon had a question about enforcement of County-wide entity's trucked water policy (for their own jurisdiction). Per the consultant, recommendations on trucked water are in the report. Additionally, Commissioner Dillon brought up the history of RID's (Resort Improvement Districts) and asked if RID's were looked at and incorporated into the report. Staff noted that in 2011, a study (MSR) was prepared on RID options for reorganization. Staff will further review the prior MSR with the consultant to more fully incorporate its findings into the draft report.
- Commissioner Sedgley commended the Consultants on seeking out the sensitive spots in the County that need to be addressed and not just consolidations or sphere amendments.
- Commissioner Mohler talked about Yountville's water being owned by the State and would the State have to agree to join the JPA? The Consultant said it would depend on who the water agency is.
- Chair Leary commended the Consultants on the quality of this important study, and thanked the Commissioners and staff for their participation and implementation of this report.
- Commissioner Wagenknecht talked about water systems and natural breaks where water is, and asked how to maintain orderly growth and succession and enforcing that in a countywide system. The Consultant said the County would be responsible for making the land use decisions, citing a similar example in Calaveras County, which has a countywide water district (referenced in the overview portion of draft report). Commissioner Wagenknecht also asked if CA Code 56133 would remain in effect for water resource management. The consultant explained that it depends on the structure, but yes, it would still be essential.

At this point, the Commission took a 10-minute break.

Public comments were received from the following:

- Geoff Ellsworth, Mayor of St. Helena, said he appreciates the conversation and where it's going, and supports what Commissioner Mohler said in terms of the Groundwater Sustainability Agency and Plan Advisory Committee. He believes the cross-pollination of information between these two boards will be very informative in to directions to go in terms of understanding how we quantify the resource (water) and make sure we have equitable distribution. In addition, Mayor Ellsworth suggested the Drought Contingency Plan has a lot of information in there that can be woven in to give a more complete picture.

3. COMMISSION WORKSHOP – continued:

Public comments continued:

- Jay Gardner, President of Meyers Water Company, said Meyers serves 100 homes with unmetered water connections in the Edgerly Island area on the Napa River, and is regulated by CPUC and the Napa County's Environmental Health Dept. In 2004, Mr. Gardner took over the operations of Meyers Water Company when the owners put the system up for sell. Since 2004, they have seen significant problems and improvements happen including re-casing the well in 2005, complete destruction of the tankage system in the 2014 earthquake, and currently a water emergency happening due to the failure of the 70-year old well. Due to the way the CPUC regulates the water company, the water company is unable to plan for long-term capital improvements. Rather than building up a fund for needed replacements, like the 70-year old well, they had to go to their bank for a loan for a new well, however, the bank refused the loan request due to their financial condition. They eventually got a loan from RCAC (a lender for small rural systems), but only if Mr. Gardner and his wife would personally guarantee that loan. This easily added 6 months to this emergency situation of the failing well, and then COVID-19 made the matter worse. Still, they will need to go CPUC and get the loan and a new well approved.

Mr. Gardner stated he believes this is backwards as to how to fund capital improvements, as it seems they have to wait for things to fail under the current system rather than planning and preparing for the inevitable replacement. Some of the issues the water company is facing is it must meter all customers within 5 years, and replace the 55-year old main line. These are things in their future, yet they have no funding source for these improvements. Mr. Gardner stated he and his wife have no desire to further dip into their retirement funds, which they have had to do in the past.

As a small water agency, they are required to adhere to the same water standards as the larger providers, however, they are finding it increasingly difficult to do this job, as this is an unsustainable model.

Mr. Gardner said he appreciates the current water study, as well as LAFCO staff for their efforts.

- Bill Ross, Attorney for City of American Canyon, spoke fondly of the tribute for the late Bill Chiat. Mr. Ross also acknowledged the assistance of LAFCO staff as observed in the presentation, in addressing the issue of the clarification of LAFCO-approved water service area for the City of American Canyon, which goes back to actions taken at the time of incorporation of the City, and the treatment of the former American Canyon County Water District. That clarification is essential to the desired goals and options presented for governance in the County as a whole with respect to water. He hopes to have a resolution of the matter in order to address what is a detailed and complex problem.

Mr. Ross appreciates the assistance of staff, and we will continue to work with them to reach resolution.

- Dan Mufson, Representing Napa Vision 2050, thanked LAFCO staff for this comprehensive report on water which really shows the magnitude of some of the issues that are affecting us, and believes a county-wide service is important, now maybe more than ever, given the growth of the County. He proposes putting together a very comprehensive water budget for metering all users and reporting so we can ascertain how much water is being used in Napa County.

- Ron Rhyno, City of Napa Resident, spoke about limits to growth, and what is not examined, such as more wineries and vineyards, and how the water requirements used for those activities are not revealed. He also believes the county should begin to monitor water used for wine/agriculture and focus on sustainability of the water for future generations.

5. COMMISSIONER COMMENTS/REQUESTS FOR FUTURE AGENDA ITEMS

Commissioner Mohler thanked all attendees and their thoughtful comments and noted we have many challenges ahead of us along with a comprehensive plan and wants to keep this conversation going. Commissioner Kahn stated she is thankful the Commission is able to see the bigger picture, and believes that an awareness of trucked water should also be looked at within the County.

Commissioner Wagenknecht wanted to hear from the Commission about where we go from here.

Commissioner Rodeno believes we should conceive this a unified organization, however long it takes, and with a concept of unity, of purpose and function and bring community interest to water issues with a county-wide plan and a county-wide agency to implement that plan.

Chair Leary thanked the Consultants, staff and attendees today, and said he senses the passion and real concern about the water and about the County, and believes it is LAFCO's responsibility to collect and gather information of how the services are going to the residents and present the information in a clear and unbiased format, which he believes we did with the workshop presentation. Chair Leary said where we go from here will depend not only on the elected officials, but on the people who live in the County.

Executive Officer Brendon Freeman offered final comments about the workshop and moving forward.

Staff will collect all public comments and present them at the August 3, 2020 Commission meeting, which will be an opportunity for preferred direction of the MSR.

A final report with changes based on the August 3rd meeting discussion will be presented to the Commission for possible adoption as part of a noticed public hearing on October 5, 2020.

LAFCO's Outreach Committee will also look at new strategies.

Commissioner Dillon requested the Executive officer explain how the comments will be included in this process. The Consultant described how they will collect and log comments, and those that require action will come back to the Commission for discussion and direction.

6. ADJOURNMENT TO NEXT REGULAR SCHEDULED MEETING

The meeting adjourned at 4:32 PM. The next regular LAFCO meeting is scheduled for Monday, August 3, 2020 at 2:00 PM. **The meeting will be conducted by teleconference in compliance with California Governor Newsom's Executive Order N-29-20.**

Kenneth Leary, LAFCO Chair

ATTEST:

Dawn Mittleman Longoria, Analyst

Prepared by:

Kathy Mabry, Commission Secretary