



Local Agency Formation Commission of Napa County

Subdivision of the State of California

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

■ Kenneth Leary, Chair ■ Beth Painter, Vice Chair ■ Anne Cottrell ■ Margie Mohler ■ Belia Ramos
■ Joelle Gallagher, Alternate ■ Eve Kahn, Alternate ■ David Oro, Alternate

Administrative Office
1754 Second Street, Suite C
Napa, California 94559
Telephone: 707-259-8645
www.napa.lafco.ca.gov

REGULAR MEETING AGENDA

Monday, February 3, 2025, 2:00PM

County of Napa Administration Building

1195 Third Street, Board Chambers, 3rd Floor

Napa, California 94559

1. CALL TO ORDER BY CHAIR; ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. OATH OF OFFICE FOR NEW COMMISSIONER

Commission Counsel will administer an Oath of Office for new Alternate Commissioner David Oro.

4. APPROVAL OF AGENDA

The Chair will consider approving the Agenda as prepared by the Executive Officer with any requests to remove or rearrange items by members of the Commission or staff.

5. PUBLIC COMMENTS

The public may address the Commission concerning any matter not on the Agenda. The Commission is prohibited from discussing or taking action on any item not appearing on the posted Agenda.

6. CONSENT ITEMS

Action Items:

a) **Approval of Meeting Minutes:** [December 9, 2024 Special Meeting](#)

Receive Report for Information Only:

b) [Current and Future Proposals](#)

c) [Second Quarter Budget Report for Fiscal Year 2024-25](#)

7. PUBLIC HEARING ITEMS

Any member of the public may address the Commission with respect to a scheduled public hearing item.

a) [Consider Approval of an Outside Service Agreement Authorizing the City of Napa to Provide Water Service to 7855 St. Helena Highway \(APN 027-280-077\) and Associated CEQA Findings](#)

The Commission will consider approving a request from the City of Napa to provide new permanent public water service to 7855 St. Helena Highway, identified as Assessor Parcel Number 027-280-077. The affected territory is approximately 3.56 acres in size and located in unincorporated Napa County outside the City's jurisdictional boundary and sphere of influence. The approval of the outside service agreement is exempt from CEQA pursuant to CEQA Guidelines Sections 15282(k), 15301, and 15303. The recommended action is for the Commission to adopt a resolution approving the City of Napa's request.

8. ACTION ITEMS

Items calendared for action do not require a public hearing before consideration by the Commission. Applicants may address the Commission. Any member of the public may provide comments on an item.

a) Proposed Penny Lane No. 6 Reorganization and Associated CEQA Findings

The Commission will consider a proposal to annex one parcel and the adjacent portion of public right-of-way to the City of Napa along with concurrent detachment of the affected territory from County Service Area No. 4. The affected territory is approximately 0.52 acres in size, located at 2133 Penny Lane, and identified as Assessor Parcel Number 046-481-028. The approval of this reorganization is exempt from CEQA pursuant to CEQA Guidelines Sections 15061(b)(3) and 15319(b).

b) Strategic Plan and Work Program Updates and Possible Direction

The Commission will receive an update from staff on the adopted Strategic Plan 2023-25 and the adopted Work Program for Fiscal Year 2024-25. The Commission will consider providing direction to staff with respect to any desired changes to the Work Program and/or scheduling a future strategic planning session.

c) Draft Request for Proposals for City of St. Helena Municipal Service Review

The Commission will receive a draft request for proposals (RFP) prepared by staff for purposes of hiring a consultant to prepare the scheduled City of St. Helena Municipal Service Review. The Commission will consider providing formal direction to staff to circulate the RFP with any desired changes.

d) Consider Adopting Resolutions Amending Budget Policy and Policy on Conducting Commission Meetings and Business

The Commission will consider proposed amendments to its Budget Policy a) and Policy on Conducting Commission Meetings and Business as prepared by the ad hoc Policy Committee. The recommended action is for the Commission to approve each policy amendment by resolution.

e) Consider Appointments to Ad Hoc Budget Committee and Ad Hoc Legislative Committee

The Commission will consider the membership of its ad hoc Fiscal Year 2025-26 Budget Committee and ad hoc Legislative Committee.

9. EXECUTIVE OFFICER REPORT

10. COMMISSIONER COMMENTS/REQUESTS FOR FUTURE AGENDA ITEMS

11. ADJOURNMENT TO NEXT SCHEDULED MEETING

Monday, April 7, 2025, at 2:00 P.M. at the Napa County Board of Supervisors Chambers, located at 1195 Third Street, 3rd floor, Napa, CA 94559.

MEETING INFORMATION

AGENDA ITEMS: The Commission may reschedule items on the Agenda. The Commission will generally hear uncontested matters first, followed by discussions of contested matters, and staff announcements in that order.

CONDUCT OF HEARINGS: A contested matter is usually heard as follows: (1) discussion of the staff report and any related environmental document(s); (2) testimony of proponent; (3) public testimony; (4) rebuttal by proponent; (5) provision of additional clarification by staff as required; (6) close of the public hearing; (7) Commission discussion and Commission vote.

ADDRESSING THE COMMISSION: The Local Agency Formation Commission (LAFCO) of Napa County welcomes and encourages participation in its meetings. Any person who wishes to address the Commission should move to the front of the chambers when an item is called and, when recognized by the Chair, state their name, address, and affiliation. Please attempt to make your statements concise and to the point. It is most helpful if you can cite facts to support your contentions. Groups of people with similar viewpoints should appoint a spokesperson to represent their views to the Commission. The Commission appreciates your cooperation in this matter.

PUBLIC COMMENT TIME LIMITS: The Commission will hear public comment prior to the consideration of any item. (1) A principal proponent will be allowed up to a 5-minute statement; (2) other proponents will be allowed up to a 3-minute statement; (3) opponents are allowed up to a 3-minute statement with the exception of spokespersons for any group who shall be permitted up to 5-minutes; (4) the principal proponent shall have up to a 3-minute rebuttal; (5) staff will provide clarification, as required.

SUBMITTING WRITTEN COMMENTS TO BE READ AT THE MEETING: Any member of the public may submit a written comment to the Commission before the meeting by email to info@napa.lafco.ca.gov or by mail to Napa LAFCO at 1754 Second Street, Suite C, Napa, CA 94559-2450. If you are commenting on a particular item on the Agenda, please identify the Agenda item number and letter. Any comments of 500 words or less (per person, per item) will be read into the record if: (1) the subject line includes “COMMENT TO COMMISSION – PLEASE READ”; and (2) it is received by the Commission prior to the deadline of **January 29, 2025, at 12:00 P.M.**

SUBMITTING SUPPLEMENTAL WRITTEN COMMENTS: Any member of the public may submit supplemental written comments to the Commission, beyond the 500-word limit for comments read into the record, and those supplemental written comments will be made a part of the written record.

VOTING: A quorum consists of three members of the Commission. No action or recommendation of the Commission is valid unless a majority of the quorum of the Commission concurs therein.

OFF AGENDA ITEMS: Matters under the jurisdiction of the Commission and not on the posted Agenda may be addressed by the public under “Public Comments” on the Agenda. The Commission limits testimony on matters not on the Agenda to 500-words or less for a particular subject. The Commission cannot take action on any unscheduled items.

SPECIAL NEEDS: Meetings are accessible to persons with disabilities. Requests for assistive listening devices or other considerations should be made 72 hours in advance through LAFCO staff at (707) 259-8645 or info@napa.lafco.ca.gov.

POLITICAL REFORM ACT: Pursuant to Government Code Sections 56700.1 and 81000 et seq., any person or combination of persons who directly or indirectly contributes \$1,000 or more or expends \$1,000 or more in support of or in opposition to a change of organization or reorganization that will be, or has been, submitted to LAFCO must comply, to the same extent as provided for local initiative measures, with reporting and disclosure requirements of the California Political Reform Act of 1974. Additional information can be obtained by contacting the Fair Political Practices Commission. Pursuant to Government Code Section 84308, if you wish to participate in the proceedings indicated on this Agenda, you or your agent is prohibited from making a campaign contribution of \$250 or more to any Commissioner or Alternate Commissioner. This prohibition begins on the date you begin to actively support or oppose an application before LAFCO and continues until 12 months after a final decision is rendered by LAFCO. If you or your agent has made a contribution of \$250 or more to any Commissioner or Alternate Commissioner during the 12 months preceding the decision, that Commissioner or Alternate Commissioner must disqualify themselves from the decision in the proceeding. However, disqualification is not required if the Commissioner or Alternate Commissioner returns that campaign contribution within 30 days of learning both about the contribution and the fact that you are a participant in the proceedings.

MEETING MATERIALS: Any writings or documents provided to a majority of the members of the Commission regarding any item on this Agenda after the posting of the Agenda and not otherwise exempt from disclosure will be

made available for public review at www.napa.lafco.ca.gov or by contacting LAFCO staff at info@napa.lafco.ca.gov or call the LAFCO office at (707) 259-8645. If supplemental materials are made available to the members of the Commission at the meeting, a copy will be available for public review at www.napa.lafco.ca.gov. Staff reports are available online at www.napa.lafco.ca.gov/staff-reports-2023 or upon request to LAFCO staff at info@napa.lafco.ca.gov or call the LAFCO office at (707) 259-8645.

VIEWING RECORDING OF MEETING: The Commission's meeting will be recorded. Members of the public may access the meeting and other archived Commission meetings by going to <https://napa.lafco.ca.gov/2023-agendas-and-minutes>. Please allow up to one week for production time. Meetings are also broadcast on Napa TV on the second and fourth Tuesdays of each month at 8pm and second and fourth Wednesdays at 1pm (<http://napavalleytv.org/channel-28>).



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

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

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

Agenda Item 6a (Consent/Action)

TO: Local Agency Formation Commission

PREPARED BY: Stephanie Pratt, Clerk/Jr. Analyst *SP*

MEETING DATE: February 3, 2025

SUBJECT: Approval of Meeting Minutes: December 9, 2024 Special Meeting

SUMMARY AND RECOMMENDATION

This is a consent item for formal action. Accordingly, if interested, the Commission is invited to pull this item for additional discussion with the concurrence of the Chair.

The Commission will consider approving the draft meeting minutes prepared by staff for the December 9, 2024 regular meeting, included as Attachment 1.

Staff recommends approval of draft meeting minutes.

ATTACHMENT

- 1) Draft Minutes for December 9, 2024 Special Meeting

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Beth Painter, Vice Chair
Councilmember, City of Napa

David Oro, Alternate Commissioner
Councilmember, City of American Canyon

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

Belia Ramos, Commissioner
County of Napa Supervisor, 5th District

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

Kenneth Leary, Chair
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
SPECIAL MEETING MINUTES OF MONDAY, DECEMBER 9, 2024**

1. WELCOME AND CALL TO ORDER; ROLL CALL

Chair Cottrell called a special meeting of December 9, 2024, to order at 10:03 A.M.

At the time of roll call, the following Commissioners and staff were present:

Regular Commissioners	Alternate Commissioners	Staff
Anne Cottrell, Chair	Joelle Gallagher <i>(Absent)</i>	Brendon Freeman, Executive Officer
Kenneth Leary, Vice Chair <i>(Absent)</i>	Eve Kahn	Dawn Mittleman Longoria, Assistant Executive Officer <i>(Absent)</i>
Margie Mohler	Vacant	Gary Bell, Commission Counsel
Beth Painter		Stephanie Pratt, Clerk/Jr. Analyst
Belia Ramos		

2. PLEDGE OF ALLEGIANCE

Chair Cottrell led the Pledge of Allegiance.

3. APPROVAL OF AGENDA

Chair Cottrell asked if there were any requests to remove or rearrange the agenda. There were none.

Upon motion by Commissioner Mohler and second by Commissioner Ramos, the Commission unanimously adopted the agenda as submitted by the following vote:

VOTE:

AYES: COTTRELL, KAHN, MOHLER, PAINTER, RAMOS

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

4. PUBLIC COMMENTS

Chair Cottrell invited members of the audience to provide public comment. No comments were received.

5. CONSENT ITEMS

Action Items:

- a) **Approval of Meeting Minutes: October 7, 2024 Regular Meeting**
- b) **Approval of Meeting Calendar for 2025**
- c) **Establishing Matching Retirement Savings Contributions for the Executive Officer and Assistant Executive Officer in 2025**

Receive Report for Information Only:

- d) **Current and Future Proposals**
- e) **First Quarter Budget Report for Fiscal Year 2024-25**
- f) **CALAFCO Annual Conference Report**
- g) **Chair Rotation for 2025**
- h) **Expiring Commissioner Terms in 2025**

Chair Cottrell invited members of the audience to provide public comment. No comments were received.

Upon motion by Commissioner Ramos and second by Commissioner Kahn, the Commission unanimously adopted the agenda as submitted by the following vote:

VOTE:

AYES: **COTTRELL, KAHN, MOHLER, PAINTER, RAMOS**
NOES: **NONE**
ABSENT: **LEARY**
ABSTAIN: **NONE**

6. ACTION ITEMS

a) Financial Audit for Fiscal Year Ending June 30, 2024

The Commission received a “clean” financial audit as presented by Tracy Schulze and prepared by Brown Armstrong for the fiscal year ending June 30, 2024.

Chair Cottrell invited members of the audience to provide public comment. No comments were received.

Upon motion by Commissioner Mohler and second by Commissioner Painter, the Commission unanimously received and filed the Financial Audit for Fiscal Year Ending June 30, 2024, by the following vote:

VOTE:

AYES: **COTTRELL, KAHN, MOHLER, PAINTER, RAMOS**
NOES: **NONE**
ABSENT: **LEARY**
ABSTAIN: **NONE**

b) Consider Ad Hoc Subcommittee Appointments

The Commission considered the membership of its ad hoc Fiscal Year 2025-26 Budget Committee, ad hoc Legislative Committee, and ad hoc Policy Committee, with the Commission deciding unanimously to wait until the February meeting to select members for all.

Upon motion by Commissioner Mohler and second by Commissioner Ramos, the Commission unanimously established a Policy Committee and appointed Commissioners Gallagher and Ramos, and continued consideration of the Budget Committee and Legislative Committee, by the following vote:

VOTE:

AYES: **COTTRELL, KAHN, MOHLER, PAINTER, RAMOS**
NOES: **NONE**
ABSENT: **LEARY**
ABSTAIN: **NONE**

c) Strategic Plan and Work Program Updates and Possible Direction

The Commission received an update from staff on the adopted Strategic Plan 2023-25 and the adopted Work Program for Fiscal Year 2024-25. The Commission provided direction to staff to transition the St. Helena Municipal Service Review (MSR) to an outside consultant and delay the initiation of the County Service Area No. 4 MSR due to reduced staff resources. The Commission also directed staff to return with a draft letter related to water consolidation legislation and the associated report from UC Berkeley at future meeting.

d) California Government Code Sections 56133.5 and 56133.6 Pilot Programs Report to the Legislature

The Commission provided formal direction to the Executive Officer to submit a report to the Legislature consistent with the California Government Code sections 56133.5 and 56133.6 pilot programs. The report describes the Commission’s participation in the pilot programs.

Upon motion by Commissioner Painter and second by Commissioner Mohler, the Commission unanimously authorized staff to submit the draft letter to the Legislature , by the following vote:

	<u>VOTE:</u>
AYES:	<u>COTTRELL, KAHN, MOHLER, PAINTER, RAMOS</u>
NOES:	<u>NONE</u>
ABSENT:	<u>LEARY</u>
ABSTAIN:	<u>NONE</u>

7. EXECUTIVE OFFICER REPORT

Executive Officer Freeman thanked Chair Cottrell for her leadership this year. He reported that staff is still limited but continue moving ahead.

8. COMMISSIONER COMMENTS/REQUESTS FOR FUTURE AGENDA ITEMS

Commissioner Cottrell thanked staff and requested future items include subcommittee appointments, work program and consultant options, and consider the timing for a future strategic plan.

9. ADJOURNMENT at 11:21 A.M. TO NEXT SCHEDULED MEETING

Monday, February 3, 2025, at 2:00 P.M. at the Napa County Board of Supervisors Chambers, located at 1195 Third Street, 3rd floor, Napa, CA 94559.

Kenneth Leary, LAFCO Chair

ATTEST:

Brendon Freeman, Executive Officer

Prepared by:

Stephanie Pratt, Clerk/Jr. Analyst



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

Agenda Item 6b (Consent/Information)

TO: Local Agency Formation Commission

PREPARED BY: Stephanie Pratt, Clerk/Jr. Analyst *SP*

MEETING DATE: February 3, 2025

SUBJECT: Current and Future Proposals

SUMMARY

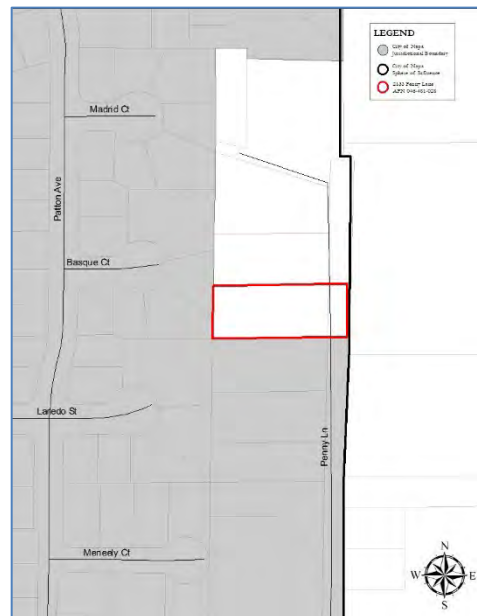
This is a consent item for information purposes only. Accordingly, if interested, the Commission is invited to pull this item for additional discussion with the concurrence of the Chair. No formal action will be taken as part of this item.

This report summarizes all current and future boundary change proposals. There is currently one active proposal on file and eight anticipated new proposals that are expected to be submitted in the future. A summary follows.

Active Proposals

Penny Lane No. 6 Reorganization (Annexation to the City of Napa & Detachment from County Service Area No. 4)

The landowner of one unincorporated parcel located at 2133 Penny Lane has submitted a reorganization proposal involving annexation to the City of Napa and concurrent detachment from County Service Area (CSA) No. 4. The purpose of the proposal is to allow the existing single family residence to connect to the City’s public water service system. The parcel is in the City’s sphere of influence (SOI) and rural urban limit (RUL), identified as APN 046-481-028, and is approximately 0.5 acres in size. There are no development plans. The proposal includes The proposal is included on today’s agenda as item 8a.



Margie Mohler, Commissioner
Councilmember, Town of Yountville

Beth Painter, Vice Chair
Councilmember, City of Napa

David Oro, Alternate Commissioner
Councilmember, City of American Canyon

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

Belia Ramos, Commissioner
County of Napa Supervisor, 5th District

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

Kenneth Leary, Chair
Representative of the General Public

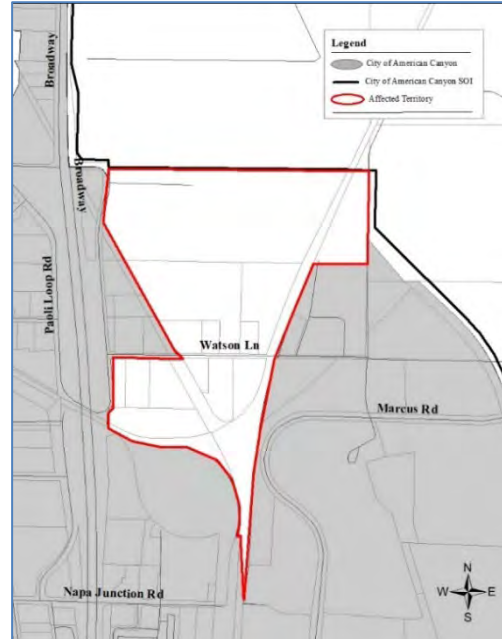
Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

Anticipated Proposals

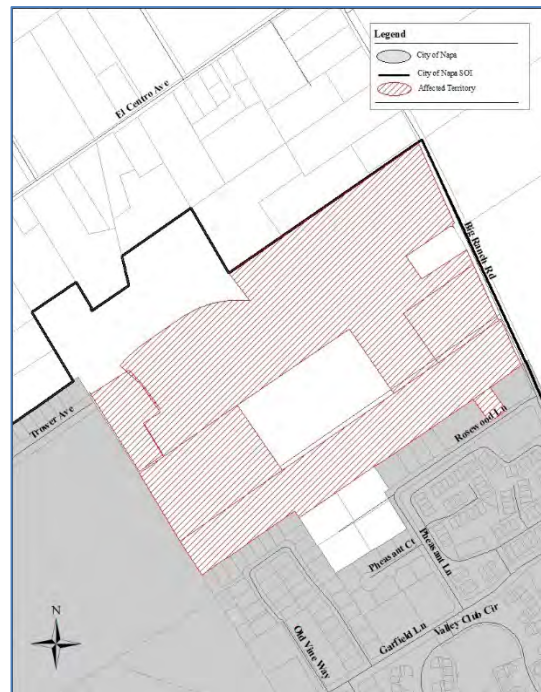
Paoli Loop/Watson Lane Annexation to the City of American Canyon

A landowner submitted a preliminary application to annex 16 parcels and a portion of railroad totaling approximately 83 acres of territory to the City of American Canyon. Concurrent detachment from County Service Area No. 4 is required under local policy. The area is located within the City's SOI near Watson Lane and Paoli Loop and identified as APNs 057-120-014, -015, -017, -028, -034, -036, -041, -045, -047, -048, -049, -050, & -051, 057-180-014 & -015, and 059-020-036. The purpose of annexation is to allow development of the area for industrial and residential purposes as well as help facilitate the extension of Newell Drive to South Kelly Road. The City of American Canyon, as lead agency under CEQA, certified a Final Environmental Impact Report for the Paoli/Watson Lane Annexation Project. It is anticipated a complete application for annexation will be submitted in the foreseeable future.



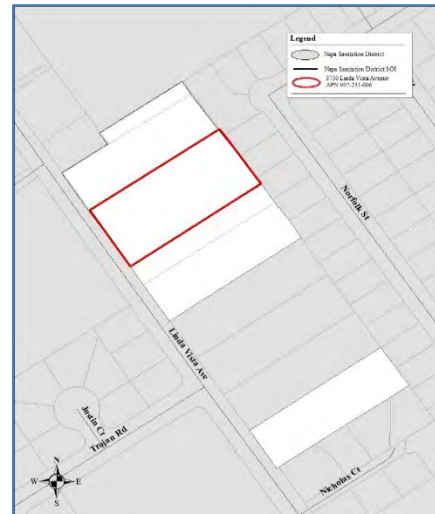
Big Ranch Road/Rosewood Lane Annexation to the City of Napa

The City of Napa is processing an application from multiple landowners for the annexation of five entire parcels and a portion of a sixth parcel totaling approximately 53.5 acres. The parcels are located within the City's SOI at 2275 Big Ranch Road, 2285 Big Ranch Road, 2305 Big Ranch Road, 1130 Trower Avenue (portion), and 1438 Rosewood Lane, and identified as APNs 038-240-022, 038-240-005, 038-240-023, 038-240-014, and 038-160-029, respectively. Annexation to the City would allow the parcels to be developed consistent with the City's adopted Big Ranch Road Specific Plan and a future master plan for the area. Notably, the current configuration of the planned annexation would result in the creation of new unincorporated islands, which is prohibited under state law unless LAFCO makes a specific finding related to the orderly development of the City. It is anticipated an application for annexation will be submitted to LAFCO in the foreseeable future.



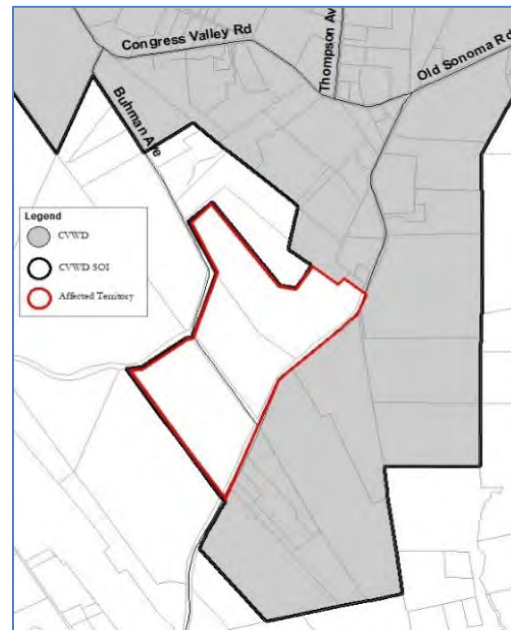
Linda Vista No. 22 Annexation to NSD

A representative for the landowner of one unincorporated parcel submitted a preliminary application to annex one parcel to NSD. The parcel is in NSD's SOI, identified as APN 007-231-006, located at 3750 Linda Vista Avenue, and is approximately 1.2 acres in size. Annexation to NSD would facilitate an SB9 urban lot split, dividing the one parcel into five and connecting all existing and future structures to NSD. The application is pending analysis of potential environmental impacts.



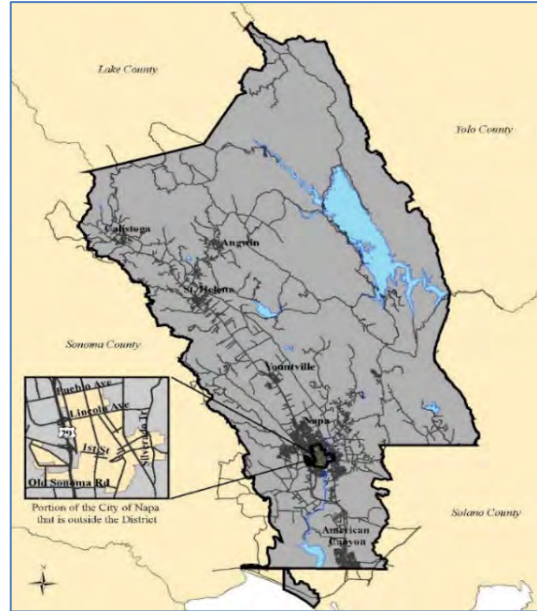
Old Sonoma Road/Buhman Avenue Annexation to CVWD

A landowner previously submitted a proposal to annex three unincorporated parcels totaling approximately 141.5 acres in size to the Congress Valley Water District (CVWD). The parcels are located in CVWD's SOI along the northwestern side of Old Sonoma Road at its intersection with Buhman Avenue and identified as APNs 047-030-005, 047-030-020, and 047-080-001. Current land uses include two single-family residences and commercial vineyards with auxiliary structures and facilities. Two of the parcels already receive water service through grandfathered outside service agreements. Annexation would establish permanent water service to all three parcels. CVWD has requested, and the landowners have agreed, to postpone LAFCO action. There is no current timetable for the process to be resumed.



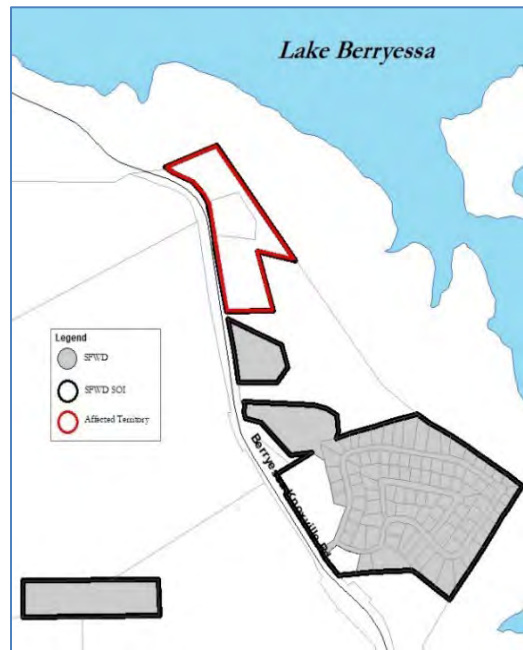
NCRCDD Donut Hole Annexation

Staff from the Napa County Resource Conservation District (NCRCDD) has inquired about annexation of approximately 1,300 acres of incorporated territory located in the City of Napa. This area comprises the only remaining territory located within NCRCDD’s SOI but outside its jurisdictional boundary and is commonly referred to as a “donut hole”. The purpose of annexation would be to allow NCRCDD to expand its service programs and hold public meetings within the affected territory; activities that are currently prohibited within the area. In February 2020, the Commission approved a request for a waiver of LAFCO’s proposal processing fees. The Commission recently completed a Municipal Service Review for NCRCDD that includes a recommendation for the District to annex the donut hole. It is anticipated a proposal for annexation will be submitted in the future, but there is no current timetable.



7140 & 7150 Berryessa-Knoxville Road Annexation to SFWD

A landowner has inquired about annexation of one entire unincorporated parcel and a portion of a second unincorporated parcel totaling approximately 7.9 acres in size to the Spanish Flat Water District (SFWD). The parcels were added to SFWD’s SOI in 2021, are located at 7140 and 7150 Berryessa-Knoxville Road, and identified as APNs 019-280-004 (entire) and 019-280-006 (portion). Current land uses within the parcels include a commercial boat and recreational vehicle storage facility (Lakeview Boat Storage), approximately 6,000 square feet of enclosed storage structures, an administrative office, and a detached single-family residence. The parcels are currently dependent on private water and septic systems to support existing uses. Annexation would facilitate the connection of existing uses to SFWD’s water and sewer services. It is anticipated a proposal for annexation will be submitted in the future, but there is no current timetable.



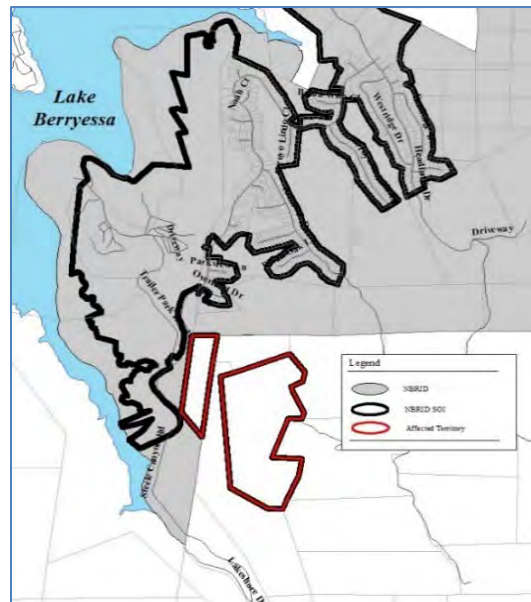
Materials Diversion Facility Annexation to the City of Napa

Staff from the City of Napa has inquired about annexation of approximately 2.9 acres of unincorporated territory comprising a portion of a parcel owned by the Napa-Vallejo Waste Management Authority. The APN of the entire parcel is 057-090-060. A property sale and a lot line adjustment are planned to create new parcels. The purpose of the property acquisition and future annexation is to expand the City’s existing materials diversion facility operations. The property is located outside the City of Napa’s SOI near the City of American Canyon. Annexation to the City of Napa is allowed given the property is owned by the City and soon will be used by the City for municipal purposes.¹ It is anticipated a proposal for annexation will be submitted in the future, but there is no current timetable.



Wastewater Treatment Plant Annexation to NBRID

Staff from the Napa Berryessa Resort Improvement District (NBRID) has inquired about annexation of two unincorporated parcels totaling approximately 101 acres in size that serve as the location of the District’s wastewater treatment plant facilities. The parcels were added to NBRID’s SOI in 2021, are owned by NBRID, and are identified as APNs 019-220-028 & -038. Annexation would be for purposes of reducing NBRID’s annual property tax burden. It is anticipated a proposal for annexation will be submitted in the future, but there is no current timetable.



¹ See [California Government Code §56742](#).



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

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

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

Agenda Item 6c (Consent/Information)

TO: Local Agency Formation Commission

PREPARED BY: Stephanie Pratt, Clerk/Jr. Analyst *SP*

MEETING DATE: February 3, 2025

SUBJECT: Second Quarter Budget Report for Fiscal Year 2024-25

SUMMARY

This is a consent item for information purposes only. Accordingly, if interested, the Commission is invited to pull this item for additional discussion with the concurrence of the Chair. No formal action will be taken as part of this item.

Consistent with local policy, the Commission will receive a second quarter budget report that shows all budgeted and actual operating revenue and expenditure accounts for the 2024-25 fiscal year through December 31, 2024, included as Attachment 1.

When the year is closed, all year-end numbers will be finalized and presented to the Commission at its December 1, 2025 regular meeting as part of the annual audit report.

ATTACHMENT

- 1) FY 2024-25 Revenue & Expense Report through December 31, 2024

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Beth Painter, Vice Chair
Councilmember, City of Napa

David Oro, Alternate Commissioner
Councilmember, City of American Canyon

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

Belia Ramos, Commissioner
County of Napa Supervisor, 5th District

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

Kenneth Leary, Chair
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer



Statement of Revenues and Expenses Budget vs. Actual

Fiscal Year: 2025 Through Period: 06

Fund: 8400 - Local Agency Formation Comm

Object	Budget			Encumbrances	Actuals	Available Budget	% of Budget
	Adopted	Adjustments	Revised				
License, Permits and Franchises							
42690 - Permits Other/Application Fees	25,000.00	-	25,000.00	-	6,264.24	18,735.76	25.06 %
Total License, Permits and Franchises	25,000.00	-	25,000.00	-	6,264.24	18,735.76	25.06 %
Intergovernmental Revenues							
43910 - County of Napa	368,975.00	-	368,975.00	-	368,975.00	-	100.00 %
43950 - Other - Governmental Agencies	368,975.00	-	368,975.00	-	127,946.00	241,029.00	34.68 %
Total Intergovernmental Revenues	737,950.00	-	737,950.00	-	496,921.00	241,029.00	67.34 %
Revenue from Use of Money and Property							
45100 - Interest	7,000.00	-	7,000.00	-	9,679.82	(2,679.82)	138.28 %
Total Revenue from Use of Money and Property	7,000.00	-	7,000.00	-	9,679.82	(2,679.82)	138.28 %
Charges for Services							
46800 - Charges for Services	1,000.00	-	1,000.00	-	4,000.00	(3,000.00)	400.00 %
Total Charges for Services	1,000.00	-	1,000.00	-	4,000.00	(3,000.00)	400.00 %
Miscellaneous Revenues							
47900 - Miscellaneous	4,000.00	-	4,000.00	-	-	4,000.00	0.00 %
Total Miscellaneous Revenues	4,000.00	-	4,000.00	-	-	4,000.00	0.00 %

Fund: 8400 - Local Agency Formation Comm

Object	Budget			Encumbrances	Actuals	Available Budget	% of Budget
	Adopted	Adjustments	Revised				
Salaries and Employee Benefits							
51210 - Director/Commissioner Pay	18,000.00	-	18,000.00	-	4,350.00	13,650.00	24.17 %
51300 - Medicare	300.00	-	300.00	-	63.08	236.92	21.03 %
51305 - FICA	700.00	-	700.00	-	269.70	430.30	38.53 %
Total Salaries and Employee Benefits	19,000.00	-	19,000.00	-	4,682.78	14,317.22	24.65 %
Services and Supplies							
52100 - Administration Services	614,588.00	-	614,588.00	-	119,021.80	495,566.20	19.37 %
52125 - Accounting/Auditing Services	7,500.00	-	7,500.00	-	5,418.00	2,082.00	72.24 %
52130 - Information Technology Svcs	27,746.00	-	27,746.00	-	13,873.00	13,873.00	50.00 %
52131 - ITS Communication Charges	2,757.00	-	2,757.00	-	1,378.50	1,378.50	50.00 %
52140 - Legal Services	35,000.00	-	35,000.00	23,151.65	11,848.35	-	100.00 %
52310 - Consulting Services	45,000.00	82,754.00	127,754.00	64,673.10	61,798.74	1,282.16	99.00 %
52345 - Janitorial Services	300.00	-	300.00	132.00	168.00	-	100.00 %
52515 - Maint - Software	1,512.00	-	1,512.00	-	1,512.00	-	100.00 %
52600 - Rents/Leases - Equipment	3,000.00	-	3,000.00	1,425.50	1,111.90	462.60	84.58 %
52605 - Rents/Leases - Buildings/Land	27,570.00	-	27,570.00	13,890.00	15,960.00	(2,280.00)	108.27 %
52700 - Insurance - Liability	922.00	-	922.00	-	-	922.00	0.00 %
52800 - Communications/Telephone	3,000.00	-	3,000.00	1,500.00	880.08	619.92	79.34 %
52830 - Publications and Legal Notices	1,000.00	-	1,000.00	-	274.38	725.62	27.44 %
52835 - Filing Fees	200.00	-	200.00	-	(70.00)	270.00	-35.00 %
52900 - Training/Conference Expenses	20,000.00	-	20,000.00	-	8,507.97	11,492.03	42.54 %
52905 - Business Travel/Mileage	1,000.00	-	1,000.00	-	-	1,000.00	0.00 %
53100 - Office Supplies	2,500.00	-	2,500.00	-	190.92	2,309.08	7.64 %
53110 - Freight/Postage	100.00	-	100.00	-	-	100.00	0.00 %
53115 - Books/Media/Subscriptions	119.00	-	119.00	-	-	119.00	0.00 %
53120 - Memberships/Certifications	3,411.00	-	3,411.00	-	3,411.00	-	100.00 %
53205 - Utilities - Electric	2,500.00	-	2,500.00	-	797.11	1,702.89	31.88 %

53415 - Computer Software/Licnsng Fees	225.00	-	225.00	-	-	225.00	0.00 %
53650 - Business Related Meals/Supply	1,000.00	-	1,000.00	-	-	1,000.00	0.00 %
Total Services and Supplies	800,950.00	82,754.00	883,704.00	104,772.25	246,081.75	532,850.00	39.70 %

33100 - Beginning Available Fund Balance						417,577.58	
Total Revenues	774,950.00		774,950.00		516,865.06	258,084.94	66.70 %
Total Expenditures	819,950.00	82,754.00	902,704.00	104,772.25	250,764.53	547,167.22	39.39 %
Net Surplus / (Deficit)	(45,000.00)	(82,754.00)	(127,754.00)		266,100.53		
33100 - Current Available Fund Balance						683,678.11	



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

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

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

Agenda Item 7a (Public Hearing)

TO: Local Agency Formation Commission

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

MEETING DATE: February 3, 2025

SUBJECT: Consider Approval of an Outside Service Agreement Authorizing the City of Napa to Provide Water Service to 7855 St. Helena Highway (APN 027-280-077) and Associated CEQA Findings

RECOMMENDATION

It is recommended the Commission take the following actions:

- 1) Open the public hearing and take testimony;
- 2) Close the public hearing;
- 3) Adopt the Resolution of the Local Agency Formation Commission of Napa County Making Determinations – Authorization of an Outside Water Service Agreement Approval Involving the City of Napa and 7855 St. Helena Highway making California Environmental Quality Act (CEQA) findings, included as Attachment 1.

BACKGROUND AND SUMMARY

Pursuant to California Government Code Section 56133(c), a city or special district may provide municipal services outside its jurisdictional boundary and sphere of influence (SOI) only if it first requests, and receives, authorization from LAFCO. OSAs must be considered by LAFCO as part of a noticed public hearing.

On November 20, 2024, the Executive Officer received a written request from the City to provide new permanent public water service to unincorporated property located at 7855 St. Helena Highway and identified as Assessor Parcel Number 027-280-077. The property is outside the City's boundary and SOI, and was previously occupied by Oakville Pump.

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Beth Painter, Vice Chair
Councilmember, City of Napa

David Oro, Alternate Commissioner
Councilmember, City of American Canyon

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

Belia Ramos, Commissioner
County of Napa Supervisor, 5th District

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

Kenneth Leary, Chair
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

The outside water service agreement would allow the Napa Valley Grapegrowers to occupy the existing onsite building, which represents a commercial nonconforming use and requires renovations. Notably, the property has an existing ¾-inch domestic water service agreement with the City. However, a new 6-inch lateral from the existing hydrant lateral on the south side of Walnut Drive is needed to enhance fire suppression capacity. Additional information related to the historical context of the property and the nonconforming use is provided in the City’s request, included as Attachment 2.

Maps showing the affected territory are provided below.



The Commission's adopted *Policy on Outside Service Agreements* is included as Attachment 3. The Policy includes seven specific factors to be considered in the staff report. No single factor is determinative. The purpose in considering these factors is to help inform the Commission in its decision-making process. An evaluation of these factors as it relates to the City's request follows.

(1) The ability of the applicant to extend the subject service to the affected territory.

The City of Napa's Urban Water Management Plan 2020 Update (UWMP) was adopted on December 21, 2021, and estimates the total annual water supply during normal conditions is approximately 40,100 acre-feet. The estimated annual water demand for the affected territory will be negligible with respect to the total current amount of water delivered by the City. The City has sufficient water supply, treatment, storage, and delivery capacities to serve the affected territory at its projected usage without adversely affecting existing customers. The City's application materials indicate the affected territory will connect to the City's existing 6-inch water hydrant lateral on the south side of Walnut Drive.

(2) The application's consistency with the policies and general plans of all affected local agencies.

The affected territory is unincorporated and designated *Agricultural Resource* in the County of Napa General Plan. Further, the affected territory is zoned *Agricultural Preserve*. It is important to note that the affected territory was developed and commercially occupied prior to the adoption of the Napa County zoning code in 1955. In the 1970's, the County rezoned the property from *Industrial* to *Agricultural Preserve*. As a result, the commercial uses and structures located on-site became non-conforming under the new established zoning. In 1982, the County issued a use determination acknowledging the non-conforming uses on-site. In 1983, the County issued a second use determination and added conditions of approval.

The outside water service to the affected territory is inconsistent with the City's SOI, but appears reasonable given its proximity to Napa's existing 6-inch hydrant lateral on Walnut Drive as well as the high number of existing City outside water service agreements in the immediate proximity that date back to the 1950's.

(3) The application's effect on growth and development within and adjacent to the affected territory.

The affected territory comprises one unincorporated parcel that is currently built out under the County's land use authority. All adjacent properties are also designated and zoned by the County for agricultural land uses and therefore further development is highly restricted. Therefore, connection to the City's public water system is not expected to result in new growth or development.

(4) The documentation presented pursuant to G.C. Section 56133(c)(1), which must provide substantial evidence to support a finding by the Commission of an impending threat to the health or safety of the public or the residents of the affected territory.

The City's request does not include documentation of a threat to the health or safety of the public or residents. However, wildfires are an inherent threat throughout the Napa Valley and therefore enhanced fire suppression capacity is essential to the health and safety of all individuals who will occupy the office building in the future. Staff does not believe formal documentation providing substantial evidence is necessary for the Commission to approve the City's request.

(5) The application's potential impacts on prime agricultural or open space lands.

The outside water service agreement would have no impacts on prime agricultural or open space lands given the affected territory is built out and has an existing outside water service connection with the City. The new request would simply intensify existing water use within the affected territory.

(6) The application's consistency with the Commission's adopted municipal service review determinations and recommendations.

The Commission's [Napa Countywide Water and Wastewater Municipal Service Review](#) indicates the City has established adequate systemwide capacities and controls relating to public water service and also identifies the numerous existing outside water service connections in the unincorporated in close proximity to the affected territory.

(7) The application's potential impacts with respect to supporting affordable or farmworker housing.

The outside water service agreement would have no impacts with respect to supporting affordable or farmworker housing given the affected territory is built out.

With all of this in mind, staff recommends the Commission follow the public hearing procedures described on page 1 of this report and adopt the draft resolution authorizing the City's request for an outside water service agreement involving 7855 St. Helena Highway.

ENVIRONMENTAL REVIEW

The approval of the outside service agreement is exempt from CEQA pursuant to CEQA Guidelines Sections 15282(k), 15301, and 15303.

ATTACHMENTS

- 1) Draft Resolution Authorizing an OSA and Making CEQA Findings
- 2) City of Napa Request for an OSA
- 3) Policy on Outside Service Agreements

RESOLUTION NO. ____

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

**AUTHORIZATION OF AN OUTSIDE WATER SERVICE AGREEMENT APPROVAL INVOLVING
THE CITY OF NAPA AND 7855 ST. HELENA HIGHWAY**

WHEREAS, the Local Agency Formation Commission of Napa County, hereinafter referred to as the “Commission,” administers California Government Code Section 56000 et. seq., known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the Commission is responsible for authorizing cities and special districts to enter into outside service agreements in accordance with California Government Code section 56133; and

WHEREAS, the Commission received an application from the City of Napa requesting the approval of an outside water service agreement involving unincorporated territory located at 7855 St. Helena Highway, identified by the County of Napa Assessor’s Office as 027-280-077; and

WHEREAS, the Executive Officer prepared and presented a written report on the outside service agreement request to the Commission in the manner provided by law and adopted policy; and

WHEREAS, the Commission heard and fully considered all the evidence presented on the outside service agreement request at a public hearing held on February 3, 2025; and

WHEREAS, in accordance with applicable provisions of the California Environmental Quality Act (hereinafter “CEQA”), the Commission considered available exemptions under CEQA, in accordance with Title 14 of the California Code of Regulations (hereinafter “CEQA Guidelines”); and

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

1. In accordance with the applicable provisions of the California Environmental Quality Act (CEQA), the Commission finds the outside service agreement request is statutorily exempt from further review pursuant to California Code of Regulations (CCR) Title 14 section 15282(k), which exempts the installation of new pipeline as long as the project does not exceed one mile in length. The proposed annexation is exempt from further review pursuant to CCR Title 14 section 15301, which exempts annexations that will result in negligible or no expansion of the existing private structure and existing public facilities. The proposed annexation is exempt from further review pursuant to CCR Title 14 section 15303, which exempts new construction or conversion of small structures. The records upon which these findings are made are located at the Commission’s administrative office located at 1754 Second Street, Suite C, Napa, California 94559.

- 2. The Commission approves the outside service agreement request.
- 3. The Commission hereby directs staff to file a Notice of Exemption in compliance with CEQA.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on February 3, 2025, after a motion by Commissioner _____, seconded by Commissioner _____, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSENT: Commissioners _____

ABSTAIN: Commissioners _____

Kenneth Leary
Commission Chair

ATTEST: _____
Brendon Freeman
Executive Officer

Recorded by: Stephanie Pratt
Clerk/ Jr. Analyst

DRAFT



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

**APPLICATION
OUTSIDE SERVICE AGREEMENT**

A. Applicant Information

- 1) Agency Name: City of Napa
- 2) Contact Person and Title: Joy Eldredge, Deputy Utilities Director
- 3) Contact Information: 707-257-9319 Jeldredge@cityofnapa.org
Telephone E-Mail
- 4) Mailing Address: PO Box 660 Napa, CA 94559
Address City, State, Zip Code

B. Type of Outside Service Agreement

- 1) New Extended
- 2) Water Sewer Other: _____

C. Location of Territory to be Served
(attach additional sheets if necessary)

- 1) Assessor Parcel Number: 027-280-077-000
Size: 6-in Fire Current Use: Existing 3/4-in domestic
- 2) Assessor Parcel Number: _____
Size: _____ Current Use: _____
- 3) Assessor Parcel Number: _____
Size: _____ Current Use: _____

D. Service Information

- 1) Describe how the agency would provide the proposed new or extended service to the subject territory. Please identify any necessary infrastructure or facility improvements and associated funding requirements necessary to provide service to the subject territory.

The City of Napa Water System provides both domestic and fire suppression water services in this area. The property has existing domestic service and would install a new 6-inch lateral from the existing hydrant lateral on the south side of Walnut Drive. All costs for construction and installation will be paid by the Napa Valley Grapegrowers.

- 2) If the proposed new or extended service involves water or sewer, identify the anticipated demand in terms of use (i.e., gallons) associated with serving the subject territory.

The water demand is for fire suppression purposes only and there is no consistent demand. In the event of a fire the system would activate fire service for the fire sprinkler demand.

- 3) Does the agency have sufficient capacities to provide the proposed new or extended service to the subject territory without adversely effecting existing service levels?

Yes, the City of Napa water system has sufficient flow and capacity to provide fire suppression capacity to this property without adversely affecting existing customers.

- 4) What services, if any, are currently provided to the subject territory?

An existing 3/4-in domestic water service serves the property for indoor uses.

E. Additional Information

- 1) Identify the subject territory's land use designation and zoning standard along with the minimum parcel density requirements.

Property is zoned AP (Agricultural Preserve) since 1970. Commercial nonconforming use at the property was consistently occupied since prior to 1955. See Attachment A-1 acknowledging conformity and no intensification of use at the site.

- 2) Are there any proposed or approved, but not yet built, development projects involving the subject territory?

Yes No

If yes, describe the proposed projects or the approved permits/land use entitlements.

Renovations to the existing building for office and meeting space and equipment storage will match the historical commercial use at the site by the Oakville Pump Company. Napa County confirmed and approved use conformity at the site.

- 3) The Commission's action regarding this request by the agency to provide new or extended services outside its jurisdictional boundary is subject to the requirements of the California Environmental Quality Act (CEQA). Has the agency conducted any CEQA reviews for any projects associated with this application?

Yes No The project is exempt

If yes, please provide copies of the environmental documentation, including the Notice of Exemption or Notice of Determination as well as proof of payment of applicable California Department of Fish & Game fees.

- 4) Is the subject territory located within the agency's sphere of influence?

Yes No

If no, please identify whether there is an existing or impending threat to public health and safety or to the residents in support of the application.

The fire protection service is necessary to provide a safe work place to mitigate the threat of fire for employees and meeting attendees.

Planning, Building, and Environmental Services

1195 Third Street, Suite 210
Napa, CA 94559
www.co.napa.ca.usMain: (707) 253-4417
Fax: (707) 253-4336David Morrison
DirectorA Tradition of Stewardship
A Commitment to Service

April 25, 2018

Rob Anglin
Holman Teague Roche Anglin LLP Attorney at Law
1455 First Street, Suite 217
Napa Ca 94559

Re: Request #P18-00083 for Confirmation of "Use" for the Napa Valley Grape Growers
7855 St Helena; 027-280-020-000 (Oakville Pump Company)

Dear Mr. Anglin:

Thank you for your letter, we received from you, dated February 6, 2018. Requesting that staff find the Napa Valley Grape Growers is a compatible use for the property located at 7855 St Helena Highway (Oakville Pump).

The Planning Director and staff have reviewed the submitted background material identifying those existing uses on site, the current records on file and a comparison chart created by you demonstrating how the Napa Valley Grape Growers would be compatible.

Background:

The property was developed and commercially occupied prior to the adoption of the Napa County Zoning Code in 1955. The businesses consistently occupied the site with uses that included office, manufacturing and storage.

In the 1970's, the County rezoned the property from M (Industrial Zoning District) to AP (Agricultural Preserve Zoning District). As a result, the commercial uses and structures located on-site became non-conforming under the new established zoning.

In 1982, the County issued a use determination acknowledging the non-conforming uses on site adding, "Any subleasing of the site be restricted to the interior of the structures".

In 1983, the County issued a second use determination acknowledging the non-conforming uses and stated that Oakville Pump is consistent with the existing uses on site and adding conditions of approval. Oakville Pump has continuously occupied and operated their office since.

Page 2

Conclusion:

Based on the original use determinations, conditions and comparison chart, the Director concludes the following:

1. The prior determinations legally documented the properties as Non-Conforming uses;
2. The Napa Valley Grape Growers Headquarters is consistent with those prior Non-Conforming uses, further, recognizing that the business would be a less intensive use;
3. Insufficient evidence was provided concerning subleasing the property. Therefore, subleasing to any non-conforming use has been considered abandoned and will be removed from the entitlement, as agreed upon by the applicant.

The determination becomes effective immediately unless an appeal is filed to the Napa County Board of Supervisors pursuant to Chapter 2.88 of the Napa County Code, including payment of applicable fees. You may appeal the conditions of approval. If an appeal is filed by another, you will be notified.

Should you have any questions, please contact me at david.morrison@countyofnapa.org or at (707) 253-4805.

Sincerely,



David Morrison, Director

cc: Oakville Pump – 7855 St Helena Highway, Oakville Ca 94562
Chron file
Onbase

Attachments: Current conditions and a comparison chart.



NAPA COUNTY

CONSERVATION — DEVELOPMENT AND PLANNING DEPARTMENT

JAMES H. HICKEY

Director

1195 THIRD STREET, ROOM 210 • NAPA, CALIFORNIA 94559
AREA CODE 707/253-4416

February 14, 1983

Mr. Jerry Smith
1151 Vintage Avenue
St. Helena, CA 94574

Dear Mr. Smith:

Based on our investigation of your request and the situation and facts described in your letter of January 27, 1983, the use of Assessor's Parcel #27-280-20 in Oakville for the Lincoln Farm Equipment Dealership would not, in my opinion, require the rezoning of the parcel or use permit approval, provided you comply with the following conditions:

1. Identification sign be limited to a maximum of 100 sq. ft. and be mounted flush with the building.
2. Except for the storage of farm equipment, the business operation be conducted from within the existing structure.
3. All outdoor storage be limited to the area presently screened by mature trees. Additional landscaping be provided, as needed, to maintain screening from Highway 29.
4. All employee parking and farm equipment storage be within the designated fenced and landscaped area. (See attached map).
5. The south portion of the property located outside the fenced area be limited to customer parking.
6. Any subleasing on the site be confined to the existing structure.
7. The site be kept in a clean and orderly condition at all times.
8. Compliance with all applicable building codes and zoning ordinances pertaining to non-conforming uses.

Very truly yours,

A handwritten signature in black ink, appearing to read "James H. Hickey".

JAMES H. HICKEY
Director

JHH:pm

cc: Phil Crundall, Senior Planner

	Oakville Pump	NVG
<i>Uses</i>	Office, Light Manufacturing, Contractor Storage Yard	Office, Farm Equipment Storage
<i>Hours of Operation</i>	Office hours 7:00 - 4:00 Employees onsite 6:00 - 6:00 Monday - Friday	Office hours 9:00 - 5:00 Employees onsite 8:00 - 7:00 Monday - Friday
<i>Deliveries</i>	UPS and supplier deliveries of well equipment and materials multiple times per day.	UPS, FedEx, and similar deliveries 4-5 times per week
<i>Customers/ Vendors</i>	Customers visit daily to pay invoices or meet with project managers. Vendors regularly visit to meet with sales or project managers.	NVG Board - 16 directors meeting 9/year NV Farmworker Foundation - 5 directors meeting 4/year Small Meetings 2/week ¹¹
<i>Weekend/Afterhours Operations</i>	Employee "on-call" for emergencies 7 days/ week, technicians use yard and shop during non-business hours for emergency calls.	Offices cleaned on Saturday morning
<i>Employees</i>	14 full time	12 full time
<i>Vehicle and Equipment Storage</i>	12 company service trucks onsite in addition to employee personal vehicles with most service trucks remaining parked overnight in yard	None. Employee personal cars, which generally arrive in the morning and remain onsite throughout the workday

The comparison of operational characteristics above shows that NVG's use would be less intensive with fewer employees. More industrial uses would be abandoned through

¹¹ These weekly meetings consist of committee meetings averaging 8 attendees and smaller community meetings with 2-3 attendees.



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

Policy on Outside Service Agreements

(Adopted: November 3, 2008; Last Amended: February 5, 2018)

I. BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 includes provisions requiring cities, towns, and special districts to request and receive written approval from the Commission before providing new or extended services by agreements outside their jurisdictional boundaries with limited exemptions pursuant to Government Code (G.C.) Sections 56133, 56133.5, and 56134.

The Commission may authorize a city, town, or special district to provide new or extended service outside its jurisdictional boundary, but within its sphere of influence, in anticipation of a subsequent change of organization, such as an annexation. The Commission may also authorize a city, town, or special district to provide new or extended service outside its jurisdictional boundary *and* sphere of influence (a) to address an existing or impending threat to public health or safety or (b) if the Commission makes the determinations set forth in Section V(A)(4) of this policy at a noticed public hearing.

II. PURPOSE

The purpose of these policies is to guide the Commission in reviewing city, town, and special district requests to provide new or extended services by agreement outside their jurisdictional boundaries. This includes making policy statements and establishing consistent procedures with respect to the form, review, and consideration of requests.

III. OBJECTIVE

The objective of the Commission in implementing these policies is to ensure the extension of services by cities, towns, and special districts outside their jurisdictional boundaries is logical and consistent with supporting orderly growth and development in Napa County, and to prevent the circumvention of the LAFCO process by providing services by contract instead of through the annexation of territory. The Commission recognizes the importance of considering local conditions and circumstances in implementing these policies.

From LAFCO's perspective, an Outside Service Agreement can:

- 1) Protect the public from threats to health and safety.
- 2) Impose restrictions that limit development to existing intensities.
- 3) Permit a city or town to plan for future development in an orderly manner through the use of traditional zoning or specific plans.
- 4) Discourage premature development of fringe properties.

IV. DEFINITIONS

The Commission shall incorporate the following definitions in administering this policy:

- A. “Services” shall mean any municipal service provided by a city, town, or special district unless otherwise exempted under G.C. Section 56133.
- B. “New” shall mean the extension of a service to previously unserved non-jurisdictional land.
- C. “Extended” shall mean the intensification of existing services.
- D. “Outside Service Agreement” shall mean an agreement contemplated by G.C. Sections 56133, 56133.5, or 56134.

V. LOCAL CONSIDERATIONS

A. Consideration of New or Extended Services Outside a Jurisdictional Boundary and Outside the Sphere of Influence (G.C. Sections 56133(c) or 56133.5)

When considering any proposed Outside Service Agreement pursuant to G.C. Section 56133(c) or the Pilot Program under G.C. Section 56133.5, the Commission will consider the following, which will be addressed in the Executive Officer’s written report:

- 1) The ability of the applicant to extend the subject service to the affected territory.
- 2) The application’s consistency with the policies and general plans of all affected local agencies.
- 3) The application’s effect on growth and development within and adjacent to the affected territory.
- 4) The documentation presented pursuant to G.C. Section 56133(c)(1), which must provide substantial evidence to support a finding by the Commission of an impending threat to the health or safety of the public or the residents of the affected territory.
- 5) The application’s potential impacts on prime agricultural or open space lands.
- 6) The application’s consistency with the Commission’s adopted municipal service review determinations and recommendations.
- 7) The application’s potential impacts with respect to supporting affordable or farmworker housing.

B. Consideration of New or Extended Services Outside the Jurisdictional Boundary but within the Sphere of Influence in Anticipation of a Later Change of Organization (G.C. Section 56133(b))

Annexations to cities, towns, and special districts involving territory located within the affected agency's sphere of influence are preferred to Outside Service Agreements. The Commission recognizes, however, that there may be instances when Outside Service Agreements involving territory within the affected agency's sphere of influence are appropriate given unique local circumstances.

When submitting an application under G.C. Section 56133(b), the city, town, or district must state with specificity the nature and timing of the anticipated later change of organization for the area affected by the potential Outside Service Agreement.

C. Environmental Review

The review of a proposed Outside Service Agreement will be subject to the review procedures defined in the California Environmental Quality Act (CEQA) and the Napa LAFCO CEQA Guidelines. Napa LAFCO will act as the Lead Agency under CEQA for its environmental review of any Outside Service Agreement request.

If an environmental assessment/analysis was prepared for the project associated with the service extension request (i.e. the County or agency's environmental analysis for a project) and LAFCO was afforded the opportunity to evaluate and comment during the Lead Agency's environmental review process, then LAFCO can act as a Responsible Agency under CEQA for its environmental review of an Outside Service Agreement.

A complete set of the adopted environmental documents prepared for the project, a copy of the filed Notice of Determination/Notice of Exemption, and a copy of the Department of Fish and Wildlife fee receipt must be submitted as part of the application. Completion of the CEQA review process will be required prior to action by the Executive Officer or the Commission.

VI. FORM OF REQUEST

The Commission encourages cities, towns, and special districts to coordinate with the Executive Officer prior to filing a request under G.C. Sections 56133 or 56134 in order to determine if the Pilot Program under G.C. Section 56133.5 or the exemptions under G.C. Section 56133(e) may apply.

Requests to authorize an Outside Service Agreement shall be filed with the Executive Officer by the affected city, town, or special district. Requests shall be made by resolution of application with a cover letter accompanying a completed application using the form provided in Attachment A. Requests shall identify any assurances that the Outside Service Agreement would not induce growth or result in the premature conversion of agricultural or open space lands to an urban use.

Requests shall include a check in the amount prescribed under the Commission's adopted fee schedule along with a copy of the proposed Outside Service Agreement. The application shall be signed by an authorized representative of the city, town, or special district.

VII. REVIEW OF REQUEST

The Executive Officer shall review and determine within 30 days of receipt whether the request to authorize an Outside Service Agreement is complete. If a request is deemed incomplete, the Executive Officer shall immediately notify the applicant and identify the information needed to accept the request for filing.

VIII. CONSIDERATION OF REQUEST

Once a request is deemed complete, the Executive Officer will prepare a written report with a recommendation.

In the case of a request involving an existing or impending public health or safety emergency, the Executive Officer will consult with the Chair regarding the request. If the Chair agrees that the request should be granted, then the Executive Officer may approve the request. The Commission shall ratify the approval at the next scheduled meeting. If the Chair does not agree, then the request will be presented at the Commission's next meeting.

For requests not involving an existing or impending public health or safety threat, the Executive Officer will present his or her report and recommendation at a public hearing for Commission consideration. The public hearing will be scheduled for the next meeting of the Commission for which adequate notice can be given but no later than 90 days from the date the request is deemed complete.

The Commission may approve, approve with conditions, or deny the request for an Outside Service Agreement. The Commission's determination and any required findings will be set out in a resolution that specifies the property or area to be served, the services to be provided, and the authority of the agency to provide its services outside its boundaries.

If the request is approved, the Commission's approval shall expire within one year from approval unless a contract has been executed and the construction of any needed infrastructure improvements has commenced. A one-time extension may be requested by the applicant for a period of time that is necessary to complete the Commission's conditions. Time extension requests shall include a check in the amount prescribed under the Commission's adopted fee schedule.



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

**APPLICATION
OUTSIDE SERVICE AGREEMENT**

A. Applicant Information

- 1) Agency Name: _____
- 2) Contact Person and Title: _____
- 3) Contact Information: _____

Telephone _____	E-Mail _____
-----------------	--------------
- 4) Mailing Address: _____

Address _____	City, State, Zip Code _____
---------------	-----------------------------

B. Type of Outside Service Agreement

- 1) New Extended
- 2) Water Sewer Other: _____

C. Location of Territory to be Served
(attach additional sheets if necessary)

- 1) Assessor Parcel Number: _____
Size: _____ Current Use: _____
- 2) Assessor Parcel Number: _____
Size: _____ Current Use: _____
- 3) Assessor Parcel Number: _____
Size: _____ Current Use: _____

D. Service Information

- 1) Describe how the agency would provide the proposed new or extended service to the subject territory. Please identify any necessary infrastructure or facility improvements and associated funding requirements necessary to provide service to the subject territory.

- 2) If the proposed new or extended service involves water or sewer, identify the anticipated demand in terms of use (i.e., gallons) associated with serving the subject territory.

- 3) Does the agency have sufficient capacities to provide the proposed new or extended service to the subject territory without adversely effecting existing service levels?

- 4) What services, if any, are currently provided to the subject territory?

E. Additional Information

- 1) Identify the subject territory's land use designation and zoning standard along with the minimum parcel density requirements.

- 2) Are there any proposed or approved, but not yet built, development projects involving the subject territory?

Yes No

If yes, describe the proposed projects or the approved permits/land use entitlements.

- 3) The Commission's action regarding this request by the agency to provide new or extended services outside its jurisdictional boundary is subject to the requirements of the California Environmental Quality Act (CEQA). Has the agency conducted any CEQA reviews for any projects associated with this application?

Yes No

If yes, please provide copies of the environmental documentation, including the Notice of Exemption or Notice of Determination as well as proof of payment of applicable California Department of Fish & Game fees.

- 4) Is the subject territory located within the agency's sphere of influence?

Yes No

If no, please identify whether there is an existing or impending threat to public health and safety or to the residents in support of the application.



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

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

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

Agenda Item 8a (Action)

TO: Local Agency Formation Commission
PREPARED BY: Brendon Freeman, Executive Officer BF
Stephanie Pratt, Clerk/Jr. Analyst SP
MEETING DATE: February 3, 2025
SUBJECT: Proposed Penny Lane No. 6 Reorganization and Associated CEQA Findings

RECOMMENDATION

Adopt the Resolution of the Local Agency Formation Commission of Napa County Making Determinations – Penny Lane No. 6 Reorganization (Attachment One) making California Environmental Quality Act (CEQA) findings and approving the proposed reorganization for annexation to the City of Napa (“City”) and detachment from County Service Area (CSA) No. 4. Standard conditions are also recommended.

BACKGROUND AND SUMMARY

Applicant: Landowner (petition)
Proposed Actions: Annexation to the City and detachment from CSA No. 4
Assessor Parcel Number: 046-481-028
Location: 2133 Penny Lane and adjacent portion of public right-of-way
Area Size: 0.52 acres
Jurisdiction: Unincorporated
Purpose: Permanent connection to water service
Development Plans: None at this time
Application: Attachment Two
Maps of Affected Territory: Following pages
Sphere of Influence Consistency: Yes
Policy Consistency: Yes
Tax Sharing Agreement: Yes – master tax exchange agreement
Landowner Consent: 100%
Protest Proceedings: Waived
CEQA: Exempt
Current Land Uses: Residential

Margie Mohler, Commissioner
Councilmember, Town of Yountville
Beth Painter, Vice Chair
Councilmember, City of Napa
David Oro, Alternate Commissioner
Councilmember, City of American Canyon

Anne Cottrell, Commissioner
County of Napa Supervisor, 3rd District
Belia Ramos, Commissioner
County of Napa Supervisor, 5th District
Joelle Gallagher, Alternate Commissioner
County of Napa Supervisor, 1st District

Kenneth Leary, Chair
Representative of the General Public
Eve Kahn, Alternate Commissioner
Representative of the General Public
Brendon Freeman
Executive Officer





DISCUSSION

Policy on Concurrent Detachment from CSA No. 4

The affected territory is located in CSA No. 4's jurisdictional boundary. The intent and function of CSA No. 4 is to sponsor a voter-approved special assessment on all parcels in its jurisdiction containing one acre or more of vineyards to fund farmworker housing services. Local policy requires that all annexations to a city also include concurrent detachment from CSA No. 4 unless the affected territory contains, or is expected to contain, vineyards totaling one acre or more. Detaching the affected territory from CSA No. 4 is appropriate given that its total size is less than one acre.

Factors for Commission Determinations

See Attachment 3 for a review of the mandatory factors pursuant to California Government Code (G.C.) section 56668.

Property Tax Agreement

Pursuant to an existing master property tax agreement, the City shall receive 55% of the County's portion of property tax revenues generated from the affected territory. CSA No. 4 was formed after Proposition 13 and therefore not eligible for property tax revenues.

Protest Proceedings

Protest proceedings are waived in accordance with G.C. section 56662(a) given that the affected territory meets the statutory definition of "uninhabited" (i.e., 12 or fewer registered voters) and 100% of landowners consent to the reorganization.

ENVIRONMENTAL REVIEW

The approval of this reorganization is exempt from CEQA pursuant to CEQA Guidelines sections 15061(b)(3) and 15319(b).

ATTACHMENTS

- 1) Draft Resolution Approving the Modified Proposal and Making CEQA Findings
- 2) Application Materials
- 3) Factors for Commission Determinations

RESOLUTION NO. ____

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

PENNY LANE NO. 6 REORGANIZATION

WHEREAS, an application for a proposed reorganization has been filed with the Local Agency Formation Commission of Napa County, hereinafter referred to as “Commission,” pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the proposal seeks Commission approval to annex 0.52 acres of unincorporated land to the City of Napa along with concurrent detachment from County Service Area No. 4 and represents one entire parcel located at 2133 Penny Lane and identified by the County Assessor’s Office as 046-481-028 along with the adjacent portion of public right-of-way on Penny Lane; and

WHEREAS, the Commission’s Executive Officer has reviewed the proposal and prepared a report with recommendations; and

WHEREAS, the Executive Officer’s report and recommendations on the proposal have 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 the proposal on February 3, 2025; and

WHEREAS, the Commission considered all the factors required by law under Government Code section 56668 and adopted local policies and procedures; and

WHEREAS, the Commission found the proposal consistent with the sphere of influence established for the City of Napa; and

WHEREAS, the Commission determined to its satisfaction that all owners of land included in said proposal consent to the subject annexation; and

WHEREAS, in accordance with applicable provisions of the California Environmental Quality Act (hereinafter “CEQA”), the Commission considered available exemptions under CEQA, in accordance with Title 14 of the California Code of Regulations (hereinafter “CEQA Guidelines”); and

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

1. The Factors for Commission Determinations provided in the Executive Officer's written report are hereby incorporated herein by this reference and are adequate.

The underlying activity, annexation of the affected territory, is exempt from further review pursuant to California Code of Regulations (CCR) Title 14 section 15061(b)(3), where it can be seen with certainty that there is no possibility that this annexation may have a significant effect on the environment. The proposed annexation is exempt from further review pursuant to CCR Title 14 section 15319(b), which exempts annexations to a city or special district of areas containing existing public or private structures developed to the density allowed by the current zoning or rezoning of either the gaining or losing environmental agency, whichever is more restrictive, provided, however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities. The records upon which these findings are made are located at the Commission's administrative office located at 1754 Second Street, Suite C, Napa, California 94559.

2. The proposal is APPROVED subject to completion of item number 9 below.
3. The proposal is assigned the following distinctive short-term designation:

PENNY LANE NO. 6 REORGANIZATION

4. The affected territory is depicted in the attached vicinity map in Exhibit "A".
5. The affected territory is uninhabited as defined in Government Code section 56046.
6. The City of Napa utilizes the regular assessment roll of the County of Napa.
7. Upon effective date of the proposal, the affected territory will be subject to all previously authorized charges, fees, assessments, and taxes that were lawfully enacted by the City of Napa. The affected territory will also be subject to all of the rates, rules, regulations, and ordinances of the City of Napa.
8. The Commission waives conducting authority proceedings in accordance with Government Code section 56662(a).
9. Recordation is contingent upon receipt by the Executive Officer of the following:
 - (a) A final map and geographic description of the affected territory determined by the County Surveyor to conform to the requirements of the State Board of Equalization.
 - (b) All outstanding Commission fees.

- 10. The effective date shall be the date of recordation of the Certificate of Completion. The Certificate of Completion must be filed within one calendar year from the date of approval unless a time extension is approved by the Commission.
- 11. The Commission hereby directs staff to file a Notice of Exemption in compliance with CEQA.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on February 3, 2025, after a motion by Commissioner _____, seconded by Commissioner _____, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSENT: Commissioners _____

ABSTAIN: Commissioners _____

 Kenneth Leary
 Commission Chair

ATTEST: _____
 Brendon Freeman
 Executive Officer

Recorded by: Stephanie Pratt
 Clerk/ Jr. Analyst

EXHIBIT A



PROPOSAL APPLICATION
Change of Organization/Reorganization

I. APPLICANT INFORMATION

A. Name: Jill M. Spragio
Contact Person Agency/Business (If Applicable)

Address: 2133 Penny Lane Napa CA 94559
Street Number Street Name City Zip Code

Contact: _____
Phone Number Facsimile Number E-Mail Address

B. Applicant Type: (Check One)
 Local Agency Registered Voter Landowner

II. PROPOSAL DESCRIPTION

A. Affected Agencies: City of Napa 955 School St Napa, CA 94559
Name Address

County Service Area No. 4 (detachment)
Name Address

Name Address

Use Additional Sheets as Needed

B. Proposal Type: (Check as Needed)

<input checked="" type="checkbox"/> Annexation	<input checked="" type="checkbox"/> Detachment	<input type="checkbox"/> City Incorporation	<input type="checkbox"/> District Formation
<input type="checkbox"/> City/District Dissolution	<input type="checkbox"/> City/District Merger	<input type="checkbox"/> Service Activation (District Only)	<input type="checkbox"/> Service Divestiture (District Only)

C. Purpose Statement: (Specific)

Proposal for annexation to the City of Napa for
Assessor's Parcel 046-481-028 located at
2133 Penny Lane to receive public water service.

III. GENERAL INFORMATION

A. Location:	2133 Penny Lane	046-481-028	.52
	Street Address	Assessor Parcel Number	Acres

	Street Address	Assessor Parcel Number	Acres
--	----------------	------------------------	-------

	Street Address	Assessor Parcel Number	Acres
--	----------------	------------------------	-------

	Street Address	Assessor Parcel Number	Acres
--	----------------	------------------------	-------

Total Location Size
(Including Right-of-Ways) _____

B. Landowners:

(1) Assessor Parcel Number :	046-481-028	Name:	Jill M. Spragio
Mailing Address:	PO Box 5953 Napa CA 94581		
Phone Number:	707-738-1881	E-mail:	jspragio@gmail.com

(2) Assessor Parcel Number :	Name:	
Mailing Address:		
Phone Number:	E-mail:	

(3) Assessor Parcel Number :	Name:	
Mailing Address:		
Phone Number:	E-mail:	

(4) Assessor Parcel Number :	Name:	
Mailing Address:		
Phone Number:	E-mail:	

Use Additional Sheets As Needed

C. Population:

(1) Total Number of Residents:	2	
(2) Total Number of Registered Voters:	2	

D. Land Use Factors:

(1a) County General Plan Designation:

Rural Residential AWOS

(1b) County Zoning Standard:

RTS:UR (residential single; urban reserve RS:UR

(2a) Applicable City General Plan Designation:

SFR-179 (single family residence

(2b) Applicable City Pre-zoning Standard:
(Required for City Annexations)

RS-7

**E. Existing Land Uses:
(Specific)**

One residence and detached garage

F. Development Plans:

(1a) Territory Subject to a Development Project?

Yes

No

(1b) If Yes, Describe Project:

(1c) If No, When Is Development Anticipated?

Landowner does not plan to deveope property

G. Physical Characteristics:

(1) Describe Topography:

Flat

(2) Describe Any Natural Boundaries:

No significant natural bouderies

(3) Describe Soil Composition and Any Drainage Basins:

medium acid gravelly loam

and clay loam drainage to Cayetano Creek

(4) Describe Vegetation:

Fur tree in front. Cedar tree in back various scrubery planted.

**H. Williamson Act Contracts
(Check One)**

Yes

No

IV. GOVERNMENTAL SERVICES AND CONTROLS

A. Plan For Providing Services:

- (1) Enumerate and Describe Services to Be Provided to the Affected Territory:

City water and all other city services are to be provided.

The property already has City sewer.

- (2) Level and Range of Services to Be Provided to the Affected Territory:

City water for existing residences as well as for any future development

Residential use

- (3) Indication of When Services Can Feasibly Be Extended to the Affected Territory:

After annexation

- (4) Indication of Any Infrastructure Improvements Necessary to Extend Services to the Affected Territory:

According to the City's Water Division, after annexation, the Department

will schedule to install pipeline from it's current termination point, in front of 2137 Penny Lane

to the north side of the property.

- (5) Information On How Services to the Affected Territory Will Be Financed:

The City Water Division will pay to bring the pipeline to the North end of

2133 Penny Lane, the property owner will pay for the pipeline installed

in their parcel frontage and the water service fees usint their own funds.

V. ENVIRONMENTAL INFORMATION

A. Environmental Analysis (City annexations require pre-zoning.)

(1) **Lead Agency for Proposal:** City of Napa LAFCO
Name

(2) **Type of Environmental Document Previously Prepared for Proposal:**

Environmental Impact Report

Negative Declaration/Mitigated Negative Declaration

Categorical/Statutory Exemption: Categorical exemption 15319 and statutory exception 15282(k)
Type

None

Provide Copies of Associated Environmental Documents

VI. ADDITIONAL INFORMATION

A. Approval Terms and Conditions Requested For Commission Consideration:

None

Use Additional Sheets As Needed

B. Identify Up to Three Agencies or Persons to Receive Proposal Correspondence:

(Does not include affected landowners or residents)

(1) Recipient Name: _____

Mailing Address: _____

E-Mail: _____

(2) Recipient Name: _____

Mailing Address: _____

E-Mail: _____

(3) Recipient Name: _____

Mailing Address: _____

E-Mail: _____

VII. CERTIFICATION

I certify the information contained in this application is correct. I acknowledge and agree the Local Agency Formation Commission of Napa County is relying on the accuracy of the information provided in my representations in order to process this application proposal.

Signature:

Jill M Spragio

Printed Name:

Jill M Spragio

Title:

Landowner

Date:

November 29, 2024

FACTORS FOR COMMISSION CONSIDERATION

Government Code §56668 requires the review of a proposal to include the following factors:

FACTOR TO CONSIDER	COMMENT
1. Population and density [§56668(a)]	Consistent: Population two (legally uninhabited)
2. Land area and land use [§56668(a)]	Consistent: 0.52 acres, single-family residence Jurisdiction: unincorporated County, included in City's <i>Terrace/Shurtleff</i> Planning Area
3. Assessed valuation [§56668(a)]	Consistent: Land: \$21,619 Structural improvements: \$43,464
4. Topography, natural boundaries and drainage basins [§56668(a)]	Consistent: Relatively flat: 2 to 5 percent slopes Drainage basin: <i>Cayetano Creek</i>
5. Proximity to other populated areas [§56668(a)]	Consistent: Adjacent lands to north and west are in the City and developed with residential uses. Adjacent lands to east and south are unincorporated and developed with, or planned for, rural residential uses.
6. Likelihood of significant growth in the area, adjacent areas during next 10 years [§56668(a)]	Consistent: City General Plan designation and zoning could allow up to one additional residential lot within affected territory. No development plans at this time. Adjacent areas are planned for low density residential development.
7. Need for government services [§56668(b)]	Consistent: Existing services provided at adequate levels: Sewer, fire and emergency protection, law enforcement Additional service: Connection to water to reduce dependence on private well
8. Government services present cost, adequacy and controls in area [§56668(b)]	Consistent: Analysis: Central County Region Municipal Service Review adopted in 2014 and Napa Countywide Water Wastewater MSR Updated 10-4-21
9. Government services probable future needs and controls in area [§56668(b)]	Consistent: Analysis: Central County Region Municipal Service Review adopted in 2014 and Napa Countywide Water Wastewater MSR Updated 10-4-21

<p>10. Government services effect of proposal on cost, adequacy and controls in area and adjacent areas [§56668(b)]</p>	<p>Consistent: Analysis: Central County Region Municipal Service Review adopted in 2014 and Napa Countywide Water Wastewater MSR Updated 10-4-21</p>
<p>11. Effects on adjacent areas, on mutual social and economic interests, and on local governmental structure in the County [§56668(c)]</p>	<p>Consistent: Area included in City's SOI since 1975</p>
<p>12. Effects on planned efficient patterns of urban development [§56668(d)]</p>	<p>Consistent: City General Plan designation: <i>Low Density Residential (3 to 8 lots per acre)</i> City Zoning: <i>RS-7 (Single Family Residential, minimum lot size 7,000 sq. ft.)</i></p>
<p>13. Effects on maintaining physical and economic integrity of agricultural lands [§56668(e)]</p>	<p>Consistent: Within City RUL, not designated for agricultural or open space use</p>
<p>14. Boundaries: logical, contiguous, not difficult to serve, definite and certain [§56668(f)]</p>	<p>Consistent: Located within City's SOI and RUL, existing water service infrastructure located nearby</p>
<p>15. Conformance to lines of assessment, ownership [§56668(f)]</p>	<p>Consistent: One parcel identified as APN 046-481-028 along with the adjacent portion of public right-of-way</p>
<p>16. Creation of islands, corridors, irregular boundaries [§56668(f)]</p>	<p>Consistent: Would reduce the size of an unincorporated pocket that is within the City's SOI and RUL</p>
<p>17. Consistency with regional transportation plan [§56668(g)]</p>	<p>Consistent: No specific projects in regional transportation plan (RTP), <i>Plan Bay Area 2050</i></p>
<p>18. Consistency with city or county general and specific plans [§56668(h)]</p>	<p>Consistent: City General Plan designation: <i>Low Density Residential (3 to 8 lots per acre)</i> City Zoning: <i>RS-7 (Single Family Residential, minimum lot size 7,000 sq. ft.)</i></p>

<p>19. Consistency with spheres of influence [§56668(i)]</p>	<p>Consistent: Within City's SOI since 1975</p>
<p>20. Comments from affected agencies and other public agencies [§56668(j)]</p>	<p>Consistent: No comments received</p>
<p>21. Ability of agency to provide service including sufficiency of revenues [§56668(k)]</p>	<p>Consistent: Analysis: Central County Region Municipal Service Review adopted in 2014 and Napa Countywide Water Wastewater MSR Updated 10-4-21</p>
<p>22. Timely availability of adequate water supply [§56668(l)]</p>	<p>Consistent: Analysis: Central County Region Municipal Service Review adopted in 2014 and Napa Countywide Water Wastewater MSR Updated 10-4-21</p>
<p>23. Fair share of regional housing needs [§56668(m)]</p>	<p>Consistent: No effect; neutral</p>
<p>24. Information or comments from landowners, voters, or residents in proposal area [§56668(n)]</p>	<p>Consistent: 100% consent of landowners</p>
<p>25. Existing land use designations [§56668(o)]</p>	<p>Consistent: City General Plan designation: <i>Low Density Residential (3 to 8 lots per acre)</i></p> <p>City Zoning: <i>RS-7 (Single Family Residential, minimum lot size 7,000 sq. ft.)</i></p>
<p>26. Effect on environmental justice [§56668(p)]</p>	<p>Consistent: No documentation or evidence suggesting the proposal will have any implication besides the extension of safe and reliable public water service to the affected territory</p>
<p>27. Safety Element of GP concerns; identified as very high fire hazard zone [§56668(q)]</p>	<p>Consistent: Not located in a high fire hazard zone or a state responsibility area</p>



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

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

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

Agenda Item 8b (Action)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer B F

MEETING DATE: February 3, 2025

SUBJECT: Strategic Plan and Work Program Updates and Possible Direction

RECOMMENDATION

It is recommended the Commission discuss the update from staff regarding the Strategic Plan 2023-2025 and the Work Program for Fiscal Year 2024-25 and consider providing direction to staff with respect to any desired changes to the Work Program and/or scheduling a future strategic planning session.

BACKGROUND AND SUMMARY

On July 10, 2023, the Commission conducted a strategic planning workshop and discussed its goals, priorities, opportunities, and constraints. On October 2, 2023, the Commission adopted the Strategic Plan 2023-2025, included as Attachment 1. The Strategic Plan includes a statement of the Commission's values as well as three priority goals.

On June 3, 2024, the Commission adopted the Work Program for Fiscal Year 2024-25, included as Attachment 2. The Work Program includes schedules for key activities such as municipal service reviews and sphere of influence studies.

On December 9, 2024, the Commission received an update from staff on the Strategic Plan and Work Program, including a summary of challenges related to staff capacity based on the prolonged absence of the Assistant Executive Officer. The Commission directed staff to return with a similar agenda item that does the following:

- Provides the Commission with an opportunity to discuss when it is appropriate to hire consultants to assist with activities that are aligned with Strategic Plan goals and budget constraints.
- Initiate a Request for Proposals (RFP) process as soon as possible for purposes of hiring a consultant to prepare the scheduled City of St. Helena Municipal Service Review (MSR). A draft RFP is included on today's agenda as item 8c.
- Consider options for the Napa Sanitation District (NSD) Sphere of Influence (SOI).
- Delay work on the County Service Area (CSA) No. 4 MSR/SOI until further notice.

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Beth Painter, Vice Chair
Councilmember, City of Napa

David Oro, Alternate Commissioner
Councilmember, City of American Canyon

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

Belia Ramos, Commissioner
County of Napa Supervisor, 5th District

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

Kenneth Leary, Chair
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

Work Program Updates and Options

The Work Program contemplates a draft Countywide Fire and Emergency Medical Services MSR (prepared by a consultant) would be presented in October 2024. This project has been delayed due to a combination of challenges in receiving crucial data from affected agencies and the prolonged absence of the Commission's staff project manager. Staff is working with the consultant to extract the needed data that will inform the draft report. It is expected that a draft report will be presented to the Commission in June or August 2025.

Further, the Work Program indicates staff will prepare the following reports in-house:

- CSA No. 4 MSR/SOI draft report in December 2024
- NSD SOI Update draft report in February 2025
- City of St. Helena MSR draft report in June 2025

Due to the previously discussed staff capacity challenges, these scheduling targets are infeasible. The Commission directed staff to delay work on the CSA No. 4 MSR/SOI until other more pressing projects have been completed. The Commission directed staff to provide an opportunity to consider the option of hiring a consultant to complete the NSD SOI Update, which the Commission is invited to do as part of this item. The Commission also directed staff to transition the St. Helena MSR from in-house to a consultant; see item 8c on today's agenda for a draft RFP to initiate this project.

Napa Countywide Water and Wastewater MSR and UC Berkeley Report

One of the three stated Commission goals in the Strategic Plan is to "Understand how the 2020 Water-Wastewater Municipal Service Review may benefit the region". The Commission completed the *Napa Countywide Water and Wastewater MSR* in November 2020 (later updated with an appendix in October 2021), available online at: napa.lafco.ca.gov/files/f8a4ec2b4/NapaCountywideWaterWastewaterMSR_Updated_10-4-21.pdf. The MSR includes several recommendations related to shared services and facilities, potentially including consolidation of water systems or functional consolidation.

The Commission held a special meeting in September 2023 to conduct a public workshop specific to the recommendations contained within the MSR.

In January 2024, the University of California Berkeley Division of Agriculture and Natural Resources published a report titled, "LAFCO and Water System Consolidation: *Bridging the gap between local and state regulators to stop and reverse water system fragmentation.*" In summary, the report expounds on the legislative efforts of the State involving the human right to water and ongoing discussions involving the consolidation of small water systems in California. The report also acknowledges the lack of communication and coordination amongst state and local regulators, including LAFCO.

The report is included as Attachment 3 and was previously presented to the Commission on June 3, 2024 for discussion purposes. Highlights of the report and key recommendations are summarized on the following page.

UC Berkeley Report Highlights:

- Achieving the human right to water in California requires ongoing commitment and investment by state legislators and regulators.
- Consolidation and merging of water systems in California has increasingly become a focus to achieve the human right to water effort due to the benefits they offer.
- Implementing consolidations is a difficult task due to local politics and funding. LAFCO commissioners may be reluctant to engage in a consolidation discussion or process if a local agency's board does not favor consolidation.
- LAFCOs play a critical role in water system consolidations through their charge to ensure that drinking water provision happens in an orderly manner that does not create additional burdens on residents; however, their role may be impeded by their lack of authority involving private water systems and associated fees.
- LAFCOs' evaluation of municipal services within their county through municipal service reviews (MSRs) plays an important role for evaluating water system consolidation; however, it is noted that some LAFCOs do not conduct MSRs regularly, the conducting of MSRs is impacted by budget and capacity constraints, and the level of detail provided in an MSR varies by county.
- MSRs are broad in nature with a focus on the statutory determinations provided within LAFCO law. Meanwhile, state regulators focus on the human right to water through compliance with the Safe Drinking Water Act.
- There is a lack of coordination and sharing of information between LAFCOs, CPUC, and drinking water regulators (in particular the SWRCB), and a need to improve communication amongst these agencies and regulators. The report offers the following key recommendations to improve in this area:
 - Transmission and connecting of information from MSRs and the annual state drinking water needs assessment prepared by the SWCRB.
 - Early coordination of state regulators and LAFCOs involving water system consolidation projects.
 - Standardizing the assessment of consolidation feasibility as part of the MSR process and recommend consolidation, as appropriate.
 - Robust and regular MSRs for drinking water service providers.
 - There is ambiguity about the role of LAFCOs in addressing the fragmentation of water systems and consolidation because of their lack of oversight involving investor-owned utilities.

Over the last year, staff has been meeting monthly with a team comprised of a key author of the UC Berkeley Report, legislative analysts, water policy coordinators, and other LAFCO Executive Officers to discuss the Report's conclusions, recommendations, and possible next steps to advance the Report's recommendations. These meetings have culminated in a draft letter of joint legislative interest, included as Attachment 4, which the Commission's Executive Officer has agreed to co-sign in concept. Some members of the Commission expressed concern about the costs and effort to change legislation and suggested these efforts be pursued in local policy rather than legislation. Staff believes there is little to no cost in continuing as a co-signer of the letter while also pursuing policy changes where appropriate to advance the Report's recommendations.

Future Strategic Planning

The Commission's current Strategic Plan expires at the end of fiscal year 2024-25. It is recommended that the Commission schedule a future strategic planning session to guide its activities over the next two to three years. The Commission is invited to discuss its preferences with respect to timing, location, and hiring an outside facilitator.

ATTACHMENTS

- 1) Strategic Plan 2023-2025
- 2) Work Program for Fiscal Year 2024-25
- 3) LAFCO and Water System Consolidation Report (prepared by UC Berkeley)
- 4) Draft Letter of Joint Legislative Interest on LAFCOs and Water System Consolidation



**LOCAL AGENCY FORMATION COMMISSION
OF NAPA COUNTY**

**TWO YEAR STRATEGIC PLAN
JULY 1, 2023 – JUNE 30, 2025**

ADOPTED ON OCTOBER 2, 2023



MISSION STATEMENT OF THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

The **Local Agency Formation Commission of Napa County** is 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.





VALUES OF THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

The *Local Agency Formation Commission of Napa County* is deeply invested in the communities we serve. We are committed to the mission of LAFCO and place high value in that which allows us to successfully partner with all stakeholders in service to the communities of Napa County.





FY 2023-24 / 2024-25 Napa LAFCO Goals

Goal: Understand how the 2020 Water-Wastewater Municipal Service Review may benefit the region



Assess & prioritize recommendations



Engage stakeholder partners

Goal: Initiate & complete the countywide Fire-EMS Municipal Service Review



Initiate & complete the Municipal Service Review



Goal: Continue gaining greater LAFCO independence
(Pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000)



Amend the agreement between
LAFCO & County to create greater
independence



The Commission

Margie Mohler, Chair
City Member (Town of Yountville)

Anne Cottrell, Vice Chair
County Member (Third Supervisorial District)

Kenneth Leary, Commissioner
Public Member

Beth Painter, Commissioner
City Member (City of Napa)

Belia Ramos
County Member (Fifth Supervisorial District)

Mariam Aboudamous, Alternate Commissioner
City Member (City of American Canyon)

Joelle Gallagher, Alternate Commissioner
County Member (First Supervisorial District)

Eve Kahn, Alternate Commissioner
Public Member

The Commission Staff

Brendon Freeman, Executive Officer
Dawn Mittleman Longoria, Assistant Executive Officer
Stephanie Pratt, Clerk/Jr. Analyst
Gary Bell, Legal Counsel (Colantuono, Highsmith & Whatley)



Napa LAFCO Work Program for Fiscal Year 2024-25			
		Timeline	Comments
STUDIES	Countywide Fire & EMS MSR (Consultant)	Draft report in Oct 2024	Previous Countywide Fire MSR completed in 2006. Contracting with AP Triton to prepare the report.
	County Service Area No. 4 MSR & SOI (In-House)	Draft report in Dec 2024	Previous MSR & SOI completed in 2017. Will initiate following completion of County report on farmworker housing needs.
	Napa Sanitation District SOI (In-House)	Draft report in Feb 2025	Previous MSR completed in 2014 (Central County Region MSR). Previous SOI completed in 2015. Staff has engaged District staff, County staff, and interested community members to identify potential SOI study areas.
	City of St. Helena MSR & SOI (In-House)	Draft report in June 2025	Previous MSR & SOI completed in 2008.
ADMINISTRATION	Audit	Annual	Presented by the County Auditor-Controller annually in December.
	Budget	Annual	Ad hoc Budget Committee appointed annually in December to assist staff in preparing budget and work program. Staff presents quarterly budget reports.
	Legislation	Annual	Ad hoc Legislative Committee appointed annually in December to review state legislation and recommend formal positions.
	New Commissioner Orientation	Ongoing	Mandatory in-person orientation process for new commissioners. Develop commissioner handbook.
	Policies	Ongoing	Policy amendments will be proposed as needed. Policy Manual updated accordingly.
	Proposals	Ongoing	See "Current and Future Proposals" staff report on each meeting agenda for a status update.
	Staff Training	Ongoing	Clerk/Jr. Analyst requires ongoing training on LAFCO's administrative functions and application processing.
	Website/Document Management	Ongoing	Staff continuously updates information on website including agendas, minutes, meeting recordings, audits, budgets, etc.
OTHER	LAFCO Independence	ASAP	Strategic plan goal to enhance independence. Ad hoc subcommittee assisting staff in review of Support Services Agreement with Napa County.
	Special Projects & Studies	TBD	To be determined in budget cycle and strategic planning. Typically involves a contract with a consultant to be funded with reserves. See Countywide Fire & EMS MSR in "Studies".
	Education & Outreach to Stakeholders & Public	Ongoing	Proactive engagement with local agencies. Conduct regular presentations. Leverage website whenever possible.
	Climate Resiliency in LAFCO's Work	Ongoing	Research policies & best practices of other LAFCOs. Consider adopting additional local policies.
	Coordination & Provision of Broadband Services	TBD	Participate in the North Bay Broadband Consortium. Coordinate with other LAFCOs.
	2024 CALAFCO Annual Conference	October 16 - 18, 2024	Location is Tenaya Lodge near Yosemite. All staff and commissioners encouraged to attend
	2025 CALAFCO Staff Workshop	TBD	Location to be determined. All staff encouraged to attend.
Work Program Adopted on June 3, 2024			

LAFCo and Water System Consolidation:

*Bridging the gap between
local and state regulators
to stop and reverse
water system fragmentation*

JANUARY 2024



Authors

Kristin Dobbin, Assistant Professor of Cooperative Extension at the University of California Berkeley and the Division of Agriculture and Natural Resources

Justin McBride, PhD Candidate in Urban Planning at the University of California Los Angeles

Acknowledgements

This report was made possible by generous funding from the University of California Agriculture and Natural Resources (Award# 23-7000). We thank Emily Scott for the design of this report and Sunny Singhal for his help with editing. We would also like to thank the following participants in the consolidations research advisory committee for helping to inform the design and implementation of the project: Michael Claiborne, Nataly Escobedo Garcia, Blanca Surgeon, Sara Luquin, Carlos Bravo, Janaki Anagha, Katrina Hiott, Sergio Carranza, Reyna Rodriguez, Bryan Potter, Allisa Hastie, Khalid Osman, and Greg Pierce. Many additional external reviewers from around the state provided valuable feedback on our initial draft for which we are extremely grateful. Any errors are ours alone.

For more information contact Kristin Dobbin at kbdobbin@berkeley.edu

Introduction

In 2012, California passed AB 685 enshrining the human right to water into state law. Achieving this vision is not a simple task, instead it requires ongoing commitment and investment by state legislators and regulators. Water system consolidation, or the merging of two or more water systems, has increasingly become a focus of these efforts due to a wide array of potential benefits. This is particularly true for the state's very small water systems, many of which struggle to achieve consistent regulatory compliance. In the hopes of halting and reversing the proliferation of small water systems, California has implemented policy changes including developing financial incentives for larger water systems to consolidate small systems, introducing new powers to mandate consolidation under specific circumstances, and working to limit permits for new water systems in favor of extending existing systems. With these efforts as well as unprecedented financial investments in consolidation through the new Safe and Affordable Funding for Equity and Resilience (SAFER) program, the state has reduced the total number of public water systems by more than 3% in the last 9 years.¹

Despite these successes, implementing consolidations in an efficient and equitable manner continues to be a difficult task. A large array of challenges from local politics to funding regularly delay and sometimes prevent consolidations, both between existing systems and for systems intended to serve new industrial or residential development. This report focuses on one such challenge, the need to coordinate and align actions by state and local regulators. Under the Federal Safe Drinking Water Act, the state of California is responsible for ensuring compliance among public water systems. This role has put the State Water Resources Control Board (SWRCB) at the forefront of efforts to reduce the number of small water systems. Nonetheless, changes to drinking water services often implicate changes to local government, thus requiring consultation with, and sometimes the approval of, local regulators.

In particular, in California, county Local Agency Formation Commissions, known as LAFCo, are regional planning and regulatory agencies tasked with “coordinating logical and timely changes in local government boundaries, conducting special studies that review ways to reorganize, simplify and streamline governmental structure and preparing a sphere of influence for each city and special district within each county.”² In this capacity, they have a critical role to play in promoting and implementing water system consolidations for existing and proposed water systems. Because LAFCos regulate boundaries between most public agencies, they often have the final say over water system consolidation projects that involve a local government entity including special districts and cities. Yet in practice, many water system consolidations are conceived of and planned without input from local planners and may only come before LAFCo for formal review after significant resources have already been invested in the project. Much the same can be said for local development plans. To the extent a new development relies on a new public water system, local project proponents may find themselves at odds with state regulators who wish to avoid the creation of additional small water systems they perceive as unsustainable. In these cases, there is significant potential for frustration on all sides when plans are delayed or must be changed due to inadequate coordination, conflicting policies and/or competing priorities.

These examples highlight what can be a wide gulf between drinking water regulators and LAFCos when implementing water system consolidations, whether for existing or new systems. Though intertwined in practice, the two often approach questions of water system fragmentation with distinct perspectives and priorities. Such differences can reverberate beyond individual projects, impacting broader efforts to rationalize drinking water services, increase equitable access, and ensure sustainability under a changing climate. Overwhelmingly LAFCos and state drinking water regulators share goals for promoting equitable,

efficient, and sustainable local drinking water service. Yet we are a long way from the policy alignment necessary to stop, let alone reverse, the proliferation of small water systems.

Drawing on interviews with state regulators and LAFCo representatives, input from state technical assistance providers, and a survey of county LAFCo Executive Officers, this report

aims to: 1) Highlight important intersections between LAFCos' local planning and regulatory roles and state policies and programs that prioritize water system consolidation as a safe drinking water solution; 2) Identify challenges at these intersections that limit progress on shared goals; and 3) Provide recommendations to begin to address these challenges.

Section I: Understanding LAFCos and Their Role in Water System Consolidation

About LAFCos

Local Agency Formation Commissions (LAFCos) are county-specific independent governmental agencies charged with conducting studies to evaluate, reorganize, and streamline local government functions and services. LAFCos were first created by the State of California in 1963 to manage sprawl. Subsequent legislative updates have gradually increased the scope of LAFCo powers and authorities over time. The most important of these updates occurred in 2000 with the passage of the [Cortese-Knox-Hertzberg Act](#) (CKH).³ Though amended periodically, the CKH Act remains the most important reference for understanding LAFCo powers and processes.

Each LAFCo is governed by a commission comprised of elected and appointed individuals. Every LAFCo includes representatives of the county's Board of Supervisors and city councils from cities within the county boundaries along with one appointed member of the general public.

Many LAFCos also include board members from special districts within the county. The exact structure of individual LAFCo commissions varies, but a typical commission has at least five, and up to seven, members who serve four-year terms. Though geographically coterminous with every county, LAFCos are politically independent from the county government where they operate. Commission decisions are not subject to oversight, review, or approval by the County Board of Supervisors.

LAFCo commission meetings are public meetings, and as such must be regularly held, open to the public, and are subject to the Ralph M. Brown Act.⁴ The work of the commission is carried out by staff, led by an Executive Officer. Staffing levels vary substantially between counties. Some have full-time Executive Officers and up to eight additional full-time staff members, and others have only part-time Executive Officers and minimal, or even no, additional staff ([See Appendix](#)).

The Cortese-Knox-Hertzberg Act of 2000

The Cortese-Knox-Hertzberg Act of 2000 was the most recent major overhaul of LAFCo powers. It establishes procedures for local government changes of organization, including city incorporations, annexations to a city or special district, and city and special district consolidations. In carrying out these functions, the Act specifically directs LAFCos to:

- Limit urban sprawl;
- Ensure orderly boundaries between governmental agencies;
- Preserve open space and agricultural lands.

Though LAFCos may have other priorities related to local political preferences, these three mandates are shared to some extent by all LAFCos in accordance with state law.

LAFCoS are funded from two primary sources. First, all LAFCoS receive annual funding from the local governments represented on the commission (county, cities, and sometimes special districts). The size of these contributions varies by county, as each LAFCo sets its own budget. Second, LAFCoS may charge fees for some types of applications or services. These fees are typically borne by the relevant agencies or other applicants (such as landowners) applying for the action in question, for example, an adjustment to a district's jurisdictional boundary.

LAFCoS and water system consolidations

To avoid the duplication of services and ensure that growth occurs in an orderly fashion, one of LAFCoS' primary roles is to regulate and approve changes to the jurisdictional boundaries and planning boundaries of all cities and most special districts (the most notable exception is school districts). As a result, LAFCo will be involved in any consolidation project if one or more of the systems — either consolidating or receiving — is a public agency, specifically a city or a special district.⁵ If a consolidation project involves no such water systems, there is no formal role for LAFCo, although if the consolidation involves one or more Investor-Owned Utilities, the California Public Utilities Commission (CPUC) will play a similar oversight role. If a project involves both public and private water systems, LAFCo may only be involved in certain components. For example, if an Investor-Owned Utility takes over water provision in a community previously served by a local agency (as in the case of the Sativa Water District in Los Angeles County), LAFCo would be involved in the dissolution of the public district but not in the “annexation” by the Investor-Owned Utility of the new service area which would instead be approved by the CPUC.

It is important to keep in mind that while a LAFCo's purview includes districts that provide drinking water, LAFCoS do not primarily regulate drinking water providers or their day-to-day operations. Rather, their role is to ensure that drinking water provision happens in an orderly manner that does not create additional burdens on residents, does not conflict with established

local policies or encourage unwanted urban sprawl, and does not create wasteful duplication of services. In other words, in many cases LAFCoS will be concerned with the question: How will this consolidation fit into our broader planning priorities for the county?

The answer to this question will largely depend on the structure of the proposed consolidation. Water system consolidation can be accomplished in many ways including not only district or city consolidation but also through extensions of service, annexations, etc. (See ‘*Bridging differences in terminology*’ box). Any one of these procedures may also trigger reorganizations or dissolutions, all of which may have distinct procedures and requirements for implementation. In some cases, LAFCoS have a preferred pathway for how to accomplish consolidations that will need to be adhered to in order to receive the necessary approvals. However, in other cases, LAFCoS may prefer to make recommendations or determinations based on the specifics of an individual project. We recently surveyed LAFCoS across the state and received responses from 23 of the state's 58 LAFCoS. Nearly 40% of respondents indicated they preferred outright annexation to extraterritorial service agreements whereas 52% reported having no pre-set preference.

Even when a LAFCo has a preference, however, they may still approve exceptions based on specific circumstances. For example, under California law, LAFCoS may (but are not required to) approve a request for a service extension outside of a service providers' jurisdictional boundary and sphere of influence to respond to an “existing or impending threat to the health and safety of the public or the residents of the affected territory”.⁶ More than two thirds of survey respondents indicated they had approved such a request in their county. Notably the requirements for doing so vary between counties. Some counties require only a letter from an affected local government body, while others require expert documentation of the threat.

Beyond the need to coordinate with LAFCo on the structure of a proposed consolidation, LAFCo involvement has another important implication: Fees. Given that LAFCoS are authorized to collect

Bridging Differences In Terminology

This report uses the term “consolidation” in a broad sense to mean the formal merging of some or all functions of drinking water provision between two or more water providers or communities. Consolidation, in this drinking-water focused sense, can happen through a variety of different pathways that vary in not only their implementation but also outcomes (for more information see the 2022 guide [Designing Water System Consolidations](#)). Under this definition, consolidation can include the physical interconnection of existing water system infrastructure (physical consolidation) but it does not have to. Consolidation may instead entail merging only the governance and management functions of two pre-existing systems (managerial consolidation) or extending a water system to serve a domestic well community or new development. This inclusive definition is informed by, and aligned with, the definition state drinking water regulators and community water advocates employ.

However, for a LAFCo, the term consolidation refers to a narrowly defined legal process, closely constrained by state law. The CKH Act defines consolidation as “the uniting or joining of two or more cities located in the same county into a single new successor city or two or more districts into a single new successor district.” Consolidation in a LAFCo sense always entails the creation of an entirely new district.

While largely semantic, this difference can cause confusion. Projects such as the extension of a community water system to serve residents previously reliant on a state small water system or where a special district like a County Service Area is absorbed into a neighboring city would both be commonly referred to as consolidations among drinking water stakeholders. To a LAFCo representative, however, many such “consolidations” are instead understood as extensions of service, annexations, reorganizations, and/or dissolutions.

fees for services and studies and that some rely on these fees to cover the associated costs of those additional reviews, those seeking to consolidate drinking water services may have to bear the cost of any related study required by state law. LAFCOs have some degree of autonomy in setting fees to compensate for staff time. As such, relevant fees vary significantly between counties. Of the 23 LAFCOs that responded to our survey, estimated total fees associated with a consolidation project ranged from \$0 to \$50,000, depending on the LAFCo and the complexity of the project. Seventy percent of survey respondents said that they waive fees under specific circumstances, the remainder indicated that fee waivers were not available.

Municipal Service Reviews

Beyond regulating local government boundaries, LAFCOs also play an important role in evaluating municipal services within their county and making recommendations for improvements. The CKH Act mandates that every five years, as necessary, LAFCOs review and update the designated sphere of influence for each city and special district under their jurisdiction.⁷ Prior to establishing or updating a sphere of influence, LAFCOs must

perform a special study called a Municipal Service Review (MSR). MSRs are comprehensive studies designed to better inform LAFCo, local agencies, and the community about the provision of municipal services. MSRs can be conducted individually for specific cities or districts, covering all services, or on a county-wide or regional basis focused on specific services.

Based on these requirements, some LAFCOs conduct regular MSRs while others do so only when necessary, such as when a sphere of influence issues arise. Budget and capacity constraints are a major factor influencing how frequently MSRs are conducted. Some LAFCOs reported in interviews that they did not conduct MSRs as frequently as they would like due to high costs.

The requirements related to MSR contents are also loosely bounded, meaning that in practice, the content and level of detail varies by county. Ideally an MSR will have insights into the kinds of things those pursuing consolidation would likely be interested in — water quality, water source reliability, fiscal stability, managerial capacity, and technical expertise. Take for example the recent [Countywide Water Service and Sphere Review](#) by Santa Cruz County which provides significant detail

on system finances, water rates, transparency and local accountability among other items.⁸ In other cases, MSRs may have few of these details and thus provide little in the way of local insights either supporting or challenging consolidation efforts (capacity can also be a factor here). By statute, LAFCoS are authorized to request information from privately owned water systems as part of their reviews including from mutual water companies.⁹ Notably, very few LAFCoS currently do so and some LAFCoS report mutual water companies have failed to respond to requests for information when they have attempted to include them in MSRs.

Approval of new public water systems

Recognizing the importance of stopping the further proliferation of potentially unsustainable small water systems throughout the state, recent regulatory changes now require that all applications for new public water systems¹⁰ must be approved by the SWRCB. Applicants wishing to construct a new system must apply at least six months before initiating water-related development with an accompanying “preliminary technical report.” The preliminary technical report must analyze the feasibility of connecting to any public water systems within three miles, assess the twenty-year costs of operating the proposed system, and evaluate the sustainability and

38% of LAFCoS report that they evaluate the feasibility of consolidation as part of their MSR process and 61% report that they recommend consolidation in MSR findings where warranted.

resilience of the proposed system long-term. As part of the assessment of consolidation feasibility, an applicant needs to document contact with LAFCo regarding the identified existing water systems. Approval of non-water system related development (e.g., a warehouse facility to be served by the proposed water system), however, remains a local decision and LAFCoS retain final authority on areas where services can be provided by the existing water systems of cities and special districts. Thus, there is potential for inconsistent determinations between state and local authorities, which could cause delays and/or lead to potential litigation. These changes increase the need for coordination between state drinking water regulators and local authorities regarding when and where the creation of new water systems is appropriate.

Section II: Challenges

Based on our interviews and survey results, in this section we describe seven key challenges that limit effective coordination between state and local regulators with respect to water system consolidation, both among existing and new systems.

Lack of communication and information sharing between LAFCoS and drinking water regulators

Although LAFCoS, the State Water Resources Control Board (SWRCB), and the California Public Utilities Commission (CPUC) all play key roles relevant to drinking water system consolidations, each has a unique niche in the enforcement patchwork, and

communication between these agencies is limited.

While, in many cases, LAFCoS rely on publicly available SWRCB data in developing their MSRs for water services, the MSR process also often generates new information about the status of local water providers, especially regarding the state of system governance and finances. This information can be highly relevant to understanding the potential of a system to encounter future challenges. Yet only 30% of surveyed LAFCoS report sharing their MSR findings with drinking water regulators. And while some SWRCB staff do independently seek out and use MSRs when working with a system, not all MSRs are publicly available online.

This lack of information sharing mirrors a general lack of communication between local planners and state drinking water regulators. Nearly all LAFCo Executive Officers we interviewed reported only infrequent contact with state drinking water regulators. The lack of communication creates issues in both directions. On the one hand, the SWRCB may have information about the challenges of local agencies unavailable to LAFCos who often only have infrequent communications with the small water providers under their jurisdiction. Similarly, a LAFCo might be aware of issues which could merit consolidation in the future. These systems might be good candidates for SWRCB intervention, but intervention is unlikely if information does not flow between agencies. On the other hand, the SWRCB may pursue solutions such as consolidation without a clear understanding of locally specific challenges such as conflicting policies, or potential political barriers.

California's other key water agency, the CPUC, regulates Investor-Owned Utilities. The CPUC communicates even less frequently with LAFCos than the SWRCB. This is not surprising, given that LAFCos do not regulate private utilities. But in some cases, LAFCos might be ignorant of potential privately-owned consolidation partners for troubled local government systems or vice-versa, of struggling private systems where governmental systems could expand their service area. Additionally, consolidations involving Investor-Owned Utilities (referred to by the CPUC as acquisitions) can significantly impact local development. Currently there are no specific mechanisms for LAFCos to provide feedback to the CPUC on these matters except to file a motion for party status in an acquisition proceeding which is subject to approval and conditions by a judge.

Lack of shared language and vision

Sometimes, when drinking water stakeholders interested in water system consolidations encounter LAFCos, they find the experience to be frustrating. Often, part of the problem is that LAFCos do not share a common vision or even use the same language to talk about consolidations. As previously mentioned, for LAFCo staff the term

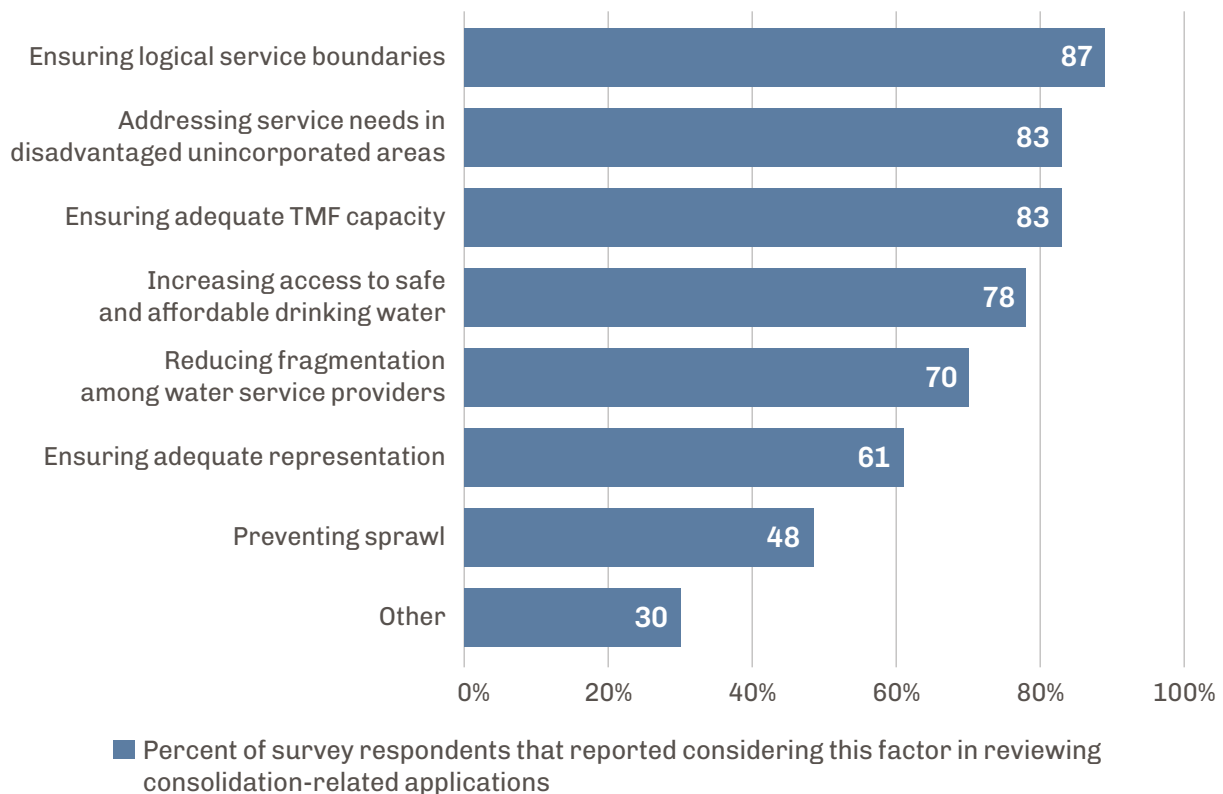
“consolidation” refers to a specific legal process, not a broad suite of options. Conversations that casually use the term consolidation can thus create confusion, since many water system consolidation projects fall under LAFCo descriptions for annexations, dissolutions, extraterritorial service agreements, or other arrangements.

But this challenge is not only semantic. While all parties share a commitment to ensuring efficient, equitable local services, the goals that motivate system consolidation and the metrics by which “success” is assessed in these projects can also vary. State regulators tend to prioritize projects on the basis of Safe Drinking Water Act compliance, cost, and improving system sustainability (i.e., targeting “at-risk” systems). Overall LAFCos take a broader perspective, including considering impacts to different community services as well as county-wide impacts and consistency in long-term planning. This is well demonstrated by the fact that surveyed LAFCos reported considering, on average, more than five different factors when reviewing consolidation-related applications (*Figure 1*). Among these considerations, 30% of LAFCos reported that ensuring adequate Technical, Managerial, and Financial (TMF) capacity was the most important, followed by ensuring logical service boundaries and increasing access to safe and affordable drinking water, each of which was voted most important 26% of respondents. Notably, whereas preventing and reversing water system fragmentation is a top priority of the SWRCB, this consideration did not rise to the top among LAFCos, only 70% of which said they consider system fragmentation when reviewing consolidation-related applications.

Diversity in local implementation

All LAFCos are governed by the CKH Act, but policy occurs just as much in implementation as in statute. Because the CKH leaves substantial autonomy for local LAFCos to tailor their operations to local conditions, implementation varies substantially from LAFCo to LAFCo. The state's rules have few hard guidelines except when it comes to specific procedural actions.

For example, according to statute, LAFCos are supposed to interpret any requests to

Figure 1. LAFCo considerations in reviewing consolidation related applications by frequency.

accommodate a system consolidation based on the potential costs and savings, as well as other impacts to local residents. This open-ended set of criteria leaves room for interpretation leading LAFCos to review a wide range of factors as mentioned above. This statute language also allows for LAFCos to have different local policies leading some LAFCos to prioritize specific planning goals, like the prevention of urban sprawl or addressing service needs in unincorporated areas.

LAFCos vary substantially in their preferences regarding consolidation pathways. Technical assistance providers may select a consolidation pathway which they think will best suit the needs of the community they work with. LAFCos will tend to take a more holistic view and measure the proposed benefits of any consolidation project against the potential impact on development and services county-wide. For example, if a consolidation of private wells into a nearby municipal system would extend that city's sphere of influence into

an area slated for non-development purposes, the LAFCo may oppose the project for fear of losing open space. In many cases there are workable compromises that can be found if these goals and constraints are clearly communicated, for example pursuing an Extraterritorial Service Agreement (also called Out-of-Agency, Out-of-Boundary or Outside Service Agreements depending on the county).¹¹

Unclear roles and responsibilities

While the SWRCB is committed to stopping and reversing the proliferation of small water systems as part of advancing the Human Right to Water (AB 685), precisely because of the planning and local government implications, there are practical and political limits to their ability to do this work on their own. Yet there is ambiguity, and even disagreement, regarding what the role and responsibilities of local planners such as LAFCos is, or should be, with respect to advancing the same mission.

Generally, LAFcos rely on the SWRCB to flag struggling systems and initiate consolidation processes rather than do so themselves (although in certain counties, LAFcos do sometimes play a more central role in promoting projects). However, LAFcos do not necessarily view this as a positive from a local policy standpoint. Several LAFcos indicated that state-level policymakers and agencies generally lacked an understanding of the intricacies of local implementation of consolidations. Some also regarded state-initiated projects without adequate state financial support as unfunded burdens for the affected communities and for LAFcos themselves.

But locally initiating projects has its own challenges. California state law is clear that, in some circumstances, LAFcos have the power to initiate water system consolidations through district dissolution, even without the consent of targeted district.¹² These types of consolidations are rare, however, for several reasons. Perhaps unsurprisingly, LAFco commissioners are often reluctant to go against locally elected political leaders—some of whom may even sit on the LAFco commission themselves. Second, such actions are subject to public hearings and can be blocked by formal protests from residents, an outcome which is more likely because the threshold for popular motions to block the action is lower in LAFco-initiated proceedings. Third, LAFcos are generally reluctant to force other systems to take

Nearly 40% of LAFcos report facilitating or supporting local consolidation projects whereas less than 9% report initiating consolidation projects.

on new customers, even if the receiving system is best suited to serve those communities. LAFcos generally operate under tight budgets and with limited staff, and thus generally require a project proponent to fund any necessary studies to proceed with a dissolution rather than take on the cost from their own budget. Additionally, LAFcos are prohibited from initiating certain consolidation pathways, such as annexations. Thus, even if a LAFco knows consolidation is the best choice, they rarely act as proponents. An exception to this trend is when a local scandal erupts, either around system governance or water quality.

This does not mean, however, that LAFcos do not view themselves as having any role in consolidations. For some LAFcos, considering consolidation options is already a part of their standard operations. Thirty-two percent of surveyed LAFcos reported assessing the feasibility of consolidations as part of MSRs for drinking water service providers. Sixty percent reported recommending system consolidation as part of

Consolidating Sativa County Water District Post-Scandal

When some Compton residents began to notice discolored water in their taps in the spring of 2018, popular protests erupted. One entity was not surprised. Los Angeles (LA) LAFco had flagged the water provider, the Sativa County Water District, as struggling in multiple categories as early as 2005, and staff had recommended outright dissolution of the agency to the commission in 2012. However, despite these red flags, the agency continued to operate, and no consolidation efforts were formally initiated, either locally or by the SWRCB. When the protests began, however, LA LAFco was prepared to spring into action. With the changed political winds following the fallout from the scandal, the commission was able to initiate a dissolution process for Sativa just two months after complaints first arose and soon thereafter work with the state to allow the county to temporarily takeover operations while all parties looked for a new permanent provider.

The case of Sativa highlights just how effective a well-resourced LAFco can be in dealing with a local crisis. But the case also provides an example of how a lack of coordination around system dissolution priorities and political inertia can lead to a crisis in the first place. A more aggressive approach locally, or better coordination from the SWRCB, might have dealt with the issues at Sativa before brown water flowed out of residents' taps. Nonetheless, LA LAFco's quick response and effective collaboration between local and state regulators headed off the problem before things got worse.

MSRs based on assessments of water supply, governance, proximity to other systems, or other factors. In these cases, our interviews reveal that most LAFCoS view the initiative to then fall on the individual system boards to explore possible options for consolidations or alternatively, for the SWRCB to intervene if a system is underperforming to such a degree to require consolidation.

As a result, most consolidation projects in California are initiated by, or in partnership with, the SWRCB. Due to the SWRCB's responsibilities under the Safe Drinking Water Act, these consolidations tend to target existing or imminent health and safety concerns. A more proactive approach to other types of potentially challenged systems — such as small systems with governance issues, those unable to raise capital or with retiring staff or those particularly vulnerable to climate disasters — has so far not been on the agenda for lack of a clear responsible party or champion.

Gaps in relevant authorities

In addition to ambiguity about the role of LAFCoS in reversing water system fragmentation, the fact that not all water systems are subject to the jurisdiction of LAFCoS limits even the potential for LAFCoS to support consolidation projects. Water systems are regulated by a patchwork of state and local agencies, depending on the structure of the system and other key factors. Because of this, some of the systems most suitable for consolidation fall between the cracks.

LAFCoS only regulate and review cities and special districts, not private firms. Yet many struggling water systems are private systems, like mobile home parks or mutual water companies, which unlike Investor-Owned Utilities, are not regulated by the CPUC. State policymakers have noticed this oversight and granted LAFCoS the ability to include information for private water systems operating in their county in MSRs. However, doing so is optional, and often inhibited by resource and information constraints. Because most LAFCoS have their hands full performing MSRs for the public agencies under their jurisdiction, very few have included mutual water companies, mobile home parks, or other small systems in their MSR cycles, and most do not anticipate doing so in

Resident Support Is Often Non-Negotiable

Most LAFCo actions, such as district dissolutions and annexations, are subject to protest by registered voters and landowners in the affected territory. Generally, if more than 25% of the voters or landowners representing 25% of the assessed value of land in the area submit written protests, the change must then be approved by voters in an election which is a costly and time-consuming undertaking. In some instances, namely if LAFCo initiates the boundary change itself, this threshold is lowered to 10%. Moreover, some LAFCo actions that can be needed for a consolidation project, like the creation of new special district, always require a local election. This means that regardless of whether a consolidation project is initiated by the state or a local proponent, resident support is usually critical to successful implementation.

the future. While LAFCoS might seem to be natural agencies to promote consolidation for these types of systems, they ultimately do not have either the statutory mandate, funding, or powers to do so.

Competing local priorities

LAFCoS are political organizations primarily composed of elected officials. As such, local politics matter a lot. If a local agency's board does not favor consolidation, even for a consolidation that is logical and feasible, LAFCo commissioners may be reluctant to force the issue to avoid controversy or protect local relationships. The same can be true for supporting new development. To the extent that a new water system is tied to a politically favored development project or powerful local interests, LAFCoS may be subject to significant political pressure to support the preliminary technical report required by the SWRCB.

County specific priorities and policies can also impede consolidation efforts. One such example is the issue of limiting urban sprawl. If a consolidation project is seen to have the potential for increasing development in an area the county has earmarked for light or no development, a LAFCo might be unlikely to approve the consolidation. Notably, such concerns are county specific. Only 48% of survey respondents listed preventing sprawl as a factor for approving consolidation-related

applications. However, it is increasingly common for municipalities or special districts to implement their own moratoriums on new connections. Such moratoriums serve to arrest new development, but they can also prevent the consolidation of water services for existing peripheral residents.

Importantly, local priorities and interests can also have positive effects on efforts to increase water system consolidation. When locals identify system fragmentation as a major concern, LAFCo staff can work effectively to foster consolidation in unique ways. Tulare County, for example, has completed more than 16 consolidations since 2015, in part due to the active involvement and support from the Board of Supervisors.

Limited and uneven LAFCo resources

LAFCos have uneven funding levels across the state. Because represented agencies are a primary source of funds, counties with small numbers of cities,

special districts, or both, typically have small LAFCo budgets. In some of these counties, LAFCo work may be handled on a contract basis by the county planning department or be contracted out to a private firm. By contrast, counties with large amounts of regulated agencies, like San Diego or Los Angeles, often have relatively large LAFCo budgets.

In many cases, funding levels can directly correspond to staffing levels. LAFCos in counties with low staffing levels may be harder to contact and necessary procedures may take longer, especially if there is no full-time staff. MSRs in such counties may also be updated less frequently than would be preferred if local capacity was higher. Limited resources can also lead to over-reliance on fees associated with studies and applications, which can in turn increase costs and impede a county's ability to offer fee waivers. As previously mentioned, only about two-thirds of the 23 LAFCos who responded to our survey offered fee waivers for studies.

Section III: Recommendations

Based on the challenges outlined in the previous section, the following recommendations highlight potential pathways for addressing the existing gaps and improving alignment between local and state regulators organized around three key themes: Improving information sharing and communication between regulators; Identifying consolidation opportunities; and Advancing locally-driven consolidation projects.

Improving information sharing and communication between regulators

- **Ensure regular, sustained communication between LAFCos and state drinking water regulators:** Locally, LAFCo, the SWRCB, and the CPUC (as applicable) should routinely meet to discuss failing and at-risk systems within each county. Such meetings would present the opportunity for each party to share the information on specific systems as well as identify promising partnerships across a range of system types that are consistent with local plans and policies. When distinct from LAFCo staff, county planners

should also be included. At the state-level, biannual LAFCo conferences and SWRCB's internal staff training programs present opportunities for cross-learning on relevant topics with the potential to increase collaboration. Regular communication would go a long way to increasing mutual understanding of relevant priorities and limitations as well as overcoming terminology and other barriers.

- **Transmit and connect information from MSRs and the annual state drinking water needs assessment:** Currently, both MSRs and the annual SWRCB drinking water needs assessments contain information helpful for assessing the functioning and sustainability of community water systems operated by cities and special districts. Systematically sharing these findings would help connect relevant knowledge from the local and state agencies and align with the Open and Transparent Water Data Act. At a minimum, MSRs should be readily accessible online and county-level meetings can support their use by the SWRCB. Most LAFCos that responded to the

survey support this type of information sharing (See Figure 2). In the future, the SWRCB could create formal pathways for integrating MSR data and/or the state legislature could consider changes to require information sharing and coordination.

- **Clarify and message relevant state goals:** Many LAFCoS are eager to support state efforts for advancing safe, accessible, and affordable drinking water and climate resilience but do not have a clear understanding of state priorities on these topics nor the type of performance metrics they could use to assess and advance these goals locally. The state should develop clear resources that can guide LAFCoS in the development of MSRs and inform local decision-making about service boundaries.
- **Ensure early coordination on system consolidation projects:** For project proponents, ensuring early coordination between communities, the SWRCB, technical assistance providers and LAFCo staff is essential. Consolidation can be accomplished through many potential pathways that must be matched with local conditions. It is therefore important to learn what pathways are preferred or even possible locally and why. If a LAFCo has formal or informal policies related to consolidation, they should be shared as soon as possible. Having this information as a project is developed will help ensure alignment with local planning and promote success. Early communication can also help avoid unnecessary delays in planning or implementation by anticipating fees, processing times, etc.
- **Ensure early coordination on proposals that implicate new public water systems:** State regulators, LAFCoS, and counties should communicate as early as possible about development proposals that explicitly or implicitly could lead to the creation of a new public water system. Early coordination on priorities and limitations at both levels will help prevent inconsistencies that could lead to conflict and delay.

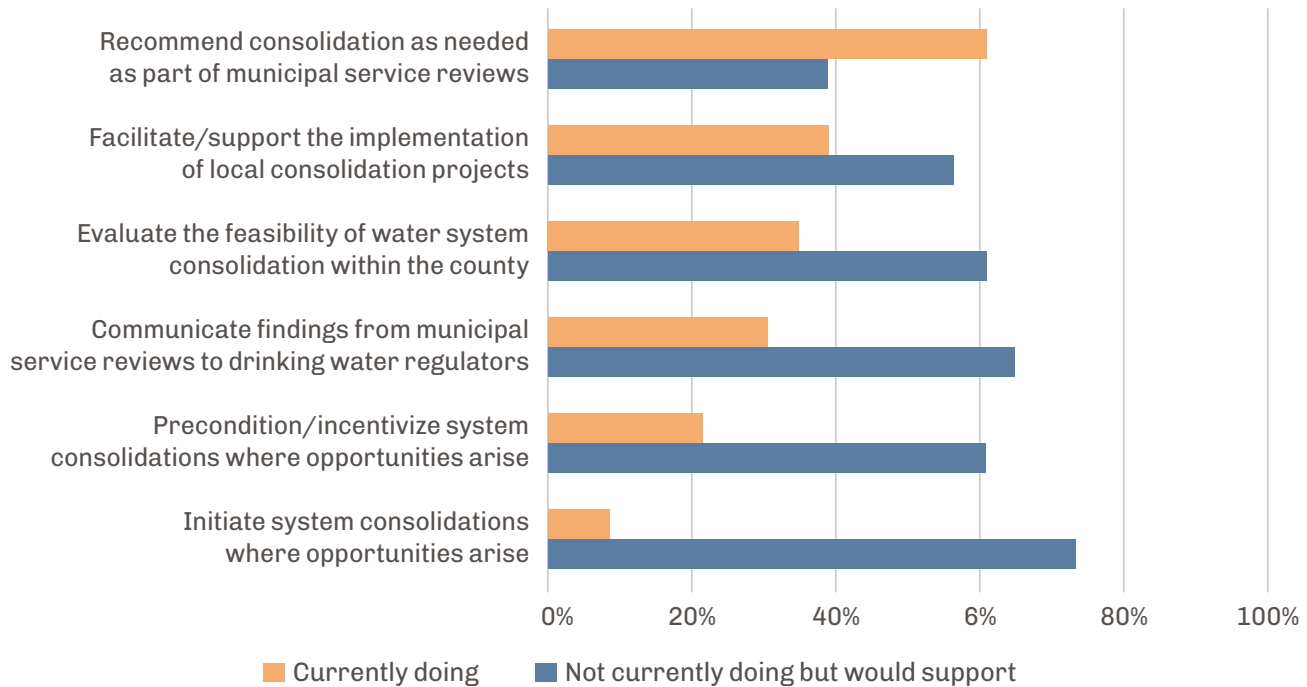
Identifying consolidation opportunities

- **Ensure robust and regular MSRs for drinking**

water service providers: Municipal Service Reviews (MSRs) are a valuable opportunity to both assess the functioning of local service providers and make recommendations for improvements. Ensuring that thorough MSRs are conducted regularly throughout the state could go a long way towards identifying and advancing consolidations. Importantly, identifying funding sources to support this work is likely key to achieving this goal.

- **Standardize assessment of consolidation feasibility as a part of the MSR process and recommend consolidation, as appropriate, in the findings:** California state law requires that LAFCoS explore “opportunities for shared facilities” for public water systems as a part of their MSR process. Some LAFCoS go beyond this requirement to assess consolidation opportunities for some or all systems under their jurisdiction. All LAFCoS should do so with an eye not only for physical consolidations but also managerial consolidations and water system partnerships (e.g., shared staff). Where appropriate based on these findings, LAFCoS should make formal recommendations for consolidation as part of their MSR findings. While not all counties responded to our survey, the results demonstrate unanimous support for both actions among those who did.
- **Fill data and oversight gaps for under-regulated water systems:** LAFCoS collect and maintain important information about the water systems operated by municipalities and special districts in their jurisdictions. The CPUC maintains similar information for the state’s Investor-Owned Utilities. For other private water systems like mutual water companies and mobile home parks data collection is limited to the drinking water needs assessment which necessarily provides very limited insights on system governance and management. Figuring out how to fill this gap should be a state priority. For example, these systems could be subject to reporting and oversight by the CPUC or included in MSRs.
- **Proactively identify priority consolidations and tie these into other opportunities for boundary expansion:** Some systems are reluctant to receive

Figure 2. Existing practices and policy preferences among surveyed LAFCoS for addressing local water challenges.



customers from struggling systems but are happy to expand with greenfield development. Working with both state drinking water regulators and local water managers (e.g. Groundwater Sustainability Agencies), LAFCoS should develop and maintain a list of priority consolidation projects in their county. LAFCoS should then use their existing authorities to tie these projects to locally promoted boundary changes, for example, annexations or sphere of influence updates, when feasible. More than 80% of LAFCoS that responded to the survey support this type of approach.

- **Clarify roles for identifying and promoting potential consolidations:** Currently the SWRCB is the primary entity identifying potential consolidation projects and initiating conversations with a particular focus on “failing systems” with pressing health and safety concerns and those at-risk of failing. There is a need to clarify who else, if anyone, should take responsibility for identifying and initiating potential consolidations among different subsets of systems such as

privately-owned non-Investor-Owned Utilities and low-hanging fruit consolidations (e.g., based on proximity or where system managers wish to retire).

Advancing locally-driven consolidation projects

- **Reduce financial impediments to locally-driven consolidations:** Proposed consolidations entail LAFCo related costs to be borne by a project proponent and/or the LAFCo itself. As such, promising projects can languish if they are not financially supported by the SWRCB and/or a local government proponent. Establishing a funding source to support LAFCoS or other local proponents to advance consolidation projects could help increase the number of locally initiated projects. Similarly, state and federal funding and technical assistance is often essential to make consolidation feasible. Creating clear pathways for accessing these resources for locally-initiated projects could similarly increase local leadership on the issue.

- **Reduce administrative and procedural hurdles to implementing consolidations:** Consolidation is a complicated and difficult process constrained by convoluted statutes with significant limitations and even contradictions. Often a single consolidation project may trigger several concurrent actions which only further increases the administrative burden and associated costs. To every extent possible, the associated statutory requirements should be clarified and streamlined.
- **Create local pathways for consolidation of mutual water companies, mobile home park systems, and other small private systems:** LAFcos do not have authority over private water systems and therefore cannot initiate consolidation among them. Thus, the state must explore possibilities to promote the consolidation of small private systems that are not Investor-Owned Utilities.
- **Allow LAFcos to initiate annexations:** Currently LAFcos can initiate dissolutions but not annexations. Given that annexation is a common and often preferred mechanism for consolidating water systems, granting LAFcos the ability to initiate annexations could increase the number of projects advanced locally.
- **Ensure technical assistance providers working on consolidations have a clear understanding of work plan elements and project requirements related to LAFCo:** The SWRCB should provide technical assistance providers clear guidance for addressing the local planning dimensions of consolidations including working with LAFCo. Ensuring that LAFCo tasks and expenses are accounted for in work plans and budgets will streamline implementation.

Resources and Further Reading

Assembly Committee on Local Government. (2023). Guide to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. <https://alcl.assembly.ca.gov/system/files/2024-01/ckh-local-goverment-reorganization-act-of-2000-2023.pdf>

Bui, T. & Ihrke, B. (2003). It's time to draw the line: A citizen's guide to LAFCos. https://humboldtLAFCo.org/wp-content/uploads/TimetoDrawLine_LAFCos.pdf

Dobbin, K., McBride, J. & Pierce, G. (2022). Designing Water Systems Consolidation Projects. <https://innovation.luskin.ucla.edu/wp-content/uploads/2022/10/Designing-Water-System-Consolidation-Projects.pdf>

Senate Governance and Finance Committee. (2013). 50 Years of LAFCos: A guide to LAFCos. https://caLAFCo.org/sites/default/files/resources/50%20Years%20of%20LAFCos%20%282013%29%20-%20A%20guide%20to%20LAFCos_0.pdf

State Water Resources Control Board (SWRCB). (2021). Permits for Water Systems. https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/Permits.html

State Water Resources Control Board (SWRCB). (2023). Drinking water system partnerships and consolidations. https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/waterpartnership.html

US Water Alliance. (2022). Catalyzing Community-Driven Utility Consolidations and Partnerships. https://uswateralliance.org/wp-content/uploads/2023/09/Catalyzing-Community-Driven-Utility-Consolidations-and-Partnerships-PAGES_0.pdf

Appendix

LAFCo information and select survey results by county

County	# of Staff	Offers Fee Wavers?	Approx. Range for Consolidation-Related Fees
Alameda	2	N	\$6,500 - \$13,000
Alpine	1	Did not respond to survey	Did not respond to survey
Amador	4	Did not respond to survey	Did not respond to survey
Butte	4	Y	\$1,000 – \$25,000
Calaveras	2	Did not respond to survey	Did not respond to survey
Colusa	2	Did not respond to survey	Did not respond to survey
Contra Costa	2	Y	\$4,000 - \$8,500
Del Norte	2	Did not respond to survey	Did not respond to survey
El Dorado	2	Y	\$1,000 – \$50,000
Fresno	5	Did not respond to survey	Did not respond to survey
Glenn	1	Did not respond to survey	Did not respond to survey
Humboldt	3	Did not respond to survey	Did not respond to survey
Imperial	4	Did not respond to survey	Did not respond to survey
Inyo	2	Did not respond to survey	Did not respond to survey
Kern	3	Did not respond to survey	Did not respond to survey
Kings	2	Did not respond to survey	Did not respond to survey
Lake	2	Did not respond to survey	Did not respond to survey
Lassen	3	Did not respond to survey	Did not respond to survey
Los Angeles	7	Y	\$6,000 - \$30,000
Madera	2	N	\$3,000 - \$6,000
Marin	2	Did not respond to survey	Did not respond to survey
Mariposa	1	Did not respond to survey	Did not respond to survey
Mendocino	2	Did not respond to survey	Did not respond to survey
Merced	2	N	\$2,000 - \$5,000
Modoc	2	Did not respond to survey	Did not respond to survey
Mono	1	Did not respond to survey	Did not respond to survey
Monterey	4	Did not respond to survey	Did not respond to survey
Napa	2	Y	\$8,500 - \$34,000

County	# of Staff	Offers Fee Waivers?	Approx. Range for Consolidation-Related Fees
Nevada	2	Did not respond to survey	Did not respond to survey
Orange	5	N	\$10,000 - \$30,000
Placer	2	Y	\$20,000 - \$40,000
Plumas	2	Did not respond to survey	Did not respond to survey
Riverside	5	Did not respond to survey	Did not respond to survey
Sacramento	2	Y	\$3,000 - \$10,000
San Benito	2	Did not respond to survey	Did not respond to survey
San Bernardino	4	Did not respond to survey	Did not respond to survey
San Diego	10	Y	\$6,500 - \$25,000
San Francisco	1	Did not respond to survey	Did not respond to survey
San Joaquin	3	N	\$2,000 - \$2,500
San Luis Obispo	3	Y	\$3,000 - \$7,500
San Mateo	3	Y	\$2,000 - \$10,000
Santa Barbara	2	Y	\$2,000 - \$6,000
Santa Clara	2	Y	\$4,000 - \$8,500
Santa Cruz	2	Y	\$1,000 - \$2,000
Shasta	2	Did not respond to survey	Did not respond to survey
Sierra	1	Did not respond to survey	Did not respond to survey
Siskiyou	2	Did not respond to survey	Did not respond to survey
Solano	3	N	\$7,500 - \$35,000
Sonoma	3	Y	\$4,000 - \$6,000
Stanislaus	3	Y	\$500 - \$3,500
Sutter	3	Did not respond to survey	Did not respond to survey
Tehama	1	Did not respond to survey	Did not respond to survey
Trinity	2	Did not respond to survey	Did not respond to survey
Tulare	3	Y	\$3,500 - \$4,000
Tuolumne	2	Did not respond to survey	Did not respond to survey
Ventura	3	Did not respond to survey	Did not respond to survey
Yolo	2	Y	\$1,500 - \$6,500
Yuba	2	Did not respond to survey	Did not respond to survey

References and Notes

- 1 Dobbin, K. B., McBride, J., & Pierce, G. (2023). Panacea or placebo? The diverse pathways and implications of drinking water system consolidation. *Water Resources Research*, 59(12), <https://doi.org/10.1029/2023WR035179>.
- 2 CALAFCo website, What Are LAFCos responsibilities? Accessed 11/6/23. <https://caLAFCo.org/LAFCo-law/faq/what-are-LAFCos-responsibilities>
- 3 CA Government Code §56000 et seq.
- 4 CA Government Code §54950 et seq.
- 5 A consolidating water system is a system that will stop providing drinking water service after a consolidation is completed. In contrast, a receiving water system is a system that continues to provide drinking water service including to new customers/territory added through the consolidation.
- 6 CA Government Code §56133(c)
- 7 CA Government Code §56425(g); A sphere of influence or SOI is a planning boundary outside of an agency's jurisdictional boundary (such as the city limit line or water service area) that designates the agency's probable future boundary and service area.
- 8 Countywide Water Service and Sphere Review. Local Agency Formation Commission of Santa Cruz County. Accessed 01/22/24. <https://santacruzlafco.org/wp-content/uploads/2022/09/Countywide-Water-MSR-Adopted-Version.pdf>
- 9 CA Government Code §56430(7)(d)
- 10 A public water system is a water system serving at least 15 connections or 25 people for a minimum of 60 days per year. This is the body of water systems that is regulated by the SWRCB under the Federal Safe Drinking Water Act.
- 11 Extraterritorial, Out-of-Agency, Out-of-Boundary or Outside service agreements all refer to situations where a city or special district extend services outside of their jurisdictional boundaries. For drinking water service this means outside of their approved service area. Prior to 1994 service extensions only required LAFCo approval if they involved annexation. Since 1994 service extensions always require approval by LAFCo (with some exceptions such as the transfer of non-treated water).
- 12 CA Government Code §56035; For a LAFCo, a dissolution entails the “disincorporation, extinguishment, or termination of the existence of a district and the cessation of all its corporate powers.”



January 27, 2025

Letter of Joint Legislative Interest

Advancing Report Recommendations

LAFCO and Water System Consolidations in California, 2024

In January 2024, with funding from the University of California Agriculture and Natural Resources, a report entitled “LAFCo and Water System Consolidation” published by Kristin Dobbin (UC Berkeley/UC ANR) and Justin McBride (UCLA) addressing the relationship between State regulators and Local Agency Formation Commissions (LAFCOs) in achieving the State’s interest in consolidating and otherwise remedying problems with small public water systems. The report draws on surveys and related analysis showing priority deviations and communication barriers that underlie the ongoing challenges in advancing the State’s interest in making public water systems more resilient through consolidations with specific focus on disadvantaged and otherwise underserved communities. A copy of the report is available online at bit.ly/LAFCO_systemconsolidation.

The signatories to this letter represent several LAFCOs as well as non-profit organizations located throughout California. We jointly believe the time is now to put the report’s recommendations into action. Most notably, now is the time to propose common sense legislative solutions to advance LAFCOs ability to help ensure the timely and sustainable extension of municipal water and wastewater services – as well as other interrelated core urban services – to all Californians with the following legislative proposals:

- **Expand LAFCOs ability to initiate organizations and reorganizations under certain circumstances**
Amend California Government Code 56375(a) and its enumeration of LAFCO initiating powers to support timely water or wastewater services consistent with community needs.
- **Amplify MSRs Role in Communicating Community Needs**

Amend California Government Code 56430 and its provisions on preparing municipal service reviews to require LAFCOs to take up these studies at noticed hearings as well as require the affected agencies to formally receive the studies at their own noticed hearing and provide confirmation in doing so back to LAFCOs.

- **Address Service Barriers for Mutual Water Companies and Mobile Home Parks**

Amend California Government Code 56036 and its definition of “special district” for LAFCO purposes to include mutual water companies. Similarly, amend California Corporations Code Section 14300 to address documented gaps in oversight.

The signatories welcome your interest and support in this important effort and anyone of us are available to meet with you at your earliest convenience.

With appreciation,

Carolyn Emery, Executive Officer – Orange County LAFCO

Brendon Freeman, Executive Officer – Napa LAFCO

José Henríquez, Executive Officer – Sacramento LAFCO

Rachel Jones, Executive Officer – Alameda LAFCO

Steve Lucas, Executive Officer – Butte County LAFCO

Joe Serrano, Executive Officer – Santa Cruz County LAFCO

Keene Simonds, Executive Officer – San Diego County LAFCO

Janaki Anagha, Staff Attorney – Community Water Center

Nataly Escobedo Garcia – Leadership Counsel for Justice and Accountability



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

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

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

Agenda Item 8c (Action)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer *BF*

MEETING DATE: February 3, 2025

SUBJECT: Draft Request for Proposals for City of St. Helena Municipal Service Review

RECOMMENDATION

It is recommended the Commission discuss the draft request for proposals (RFP) for the scheduled City of St. Helena Municipal Service Review (MSR), included as Attachment 1, and provide formal direction to staff to circulate the RFP with any desired changes.

BACKGROUND AND SUMMARY

The Commission's adopted Work Program includes a scheduled MSR for the City of St. Helena. The most recent MSR for St. Helena was completed in 2008.

At its prior meeting on December 9, 2024, the Commission directed staff to return with a draft RFP for purposes of entering into a contract with a private consulting firm to prepare the MSR. The MSR will address the Commission's state mandates pursuant to California Government Code (G.C.) section 56430. The MSR will include a review of St. Helena's sphere of influence (SOI) to inform whether a comprehensive SOI update is necessary.

A draft RFP is included as Attachment 1. The recommended action is for the Commission to authorize staff to release the RFP with or without any desired revisions. Staff anticipates interviewing top ranking candidates during the week of March 17-21 before returning at the Commission's April 7, 2025 meeting with a recommendation to enter into a contract with a preferred consultant.

ATTACHMENT

- 1) Draft RFP for City of St. Helena MSR

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Beth Painter, Vice Chair
Councilmember, City of Napa

David Oro, Alternate Commissioner
Councilmember, City of American Canyon

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

Belia Ramos, Commissioner
County of Napa Supervisor, 5th District

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

Kenneth Leary, Chair
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



Request for Proposals

City of St. Helena
Municipal Service Review

Response due by March 7, 2025 at 12:00 p.m.

Issued February 3, 2025

REQUEST FOR PROPOSALS FOR CITY OF ST. HELENA MUNICIPAL SERVICE REVIEW

Local Agency Formation Commissions (LAFCOs) are local public regulatory and planning agencies created by the State Legislature to coordinate the orderly development of local agencies, such as cities and special districts, and associated provision of public services. This is accomplished primarily through the regulation of public agency boundaries. Periodic comprehensive analyses, such as municipal service reviews (MSRs), help guide these decisions.

Objective

The Local Agency Formation Commission of Napa County ("Napa LAFCO") is seeking proposals from experienced consultants with Municipal Service Review (MSR) and LAFCO experience and knowledge to prepare a City of St. Helena MSR.

The MSR will include a comprehensive evaluation of all municipal services provided by St. Helena as well as a review of the City's sphere of influence (SOI) to inform whether a comprehensive update of the SOI is necessary. This work is to be completed in compliance with California Government Code section 56430.

The MSR is intended to serve as a tool to help Napa LAFCO, St. Helena, and the public better understand St. Helena's existing public service structure and consider alternatives that would optimize long-term service delivery. LAFCO, St. Helena, or the public may subsequently use the MSR, together with additional analysis where necessary, to pursue changes in St. Helena's governance structure, jurisdictional boundary, and/or SOI.

About St. Helena

The City of St. Helena, located in Napa County, is a small, picturesque town known as the "Heart of Napa Valley." Its history dates back to the mid-19th century when it was established as an agricultural hub. Initially a resting stop for travelers, it soon became a center for wine production, contributing significantly to Napa Valley's rise as a world-renowned wine region. St. Helena's historical charm is preserved through its many Victorian-era homes and buildings, as well as landmarks such as the Beringer Vineyards, established in 1876.

St. Helena spans approximately five square miles and is home to an estimated population of 5,300 residents. Despite its small size, the city has an outsized reputation for its vibrant culture, which revolves around wine, food, and art. It is home to high-end wineries, gourmet restaurants, boutique shops, and art galleries, making it a popular destination for tourists seeking a sophisticated, yet relaxed, experience.

The community of St. Helena values sustainability, heritage, and a strong sense of connection among its residents. The city embraces its agricultural roots, prioritizing the preservation of the natural environment and the support of local businesses. Community events, such as farmers' markets, art walks, and wine festivals, foster a sense of togetherness while celebrating its unique culture. Residents and visitors alike appreciate the city's tranquil atmosphere, scenic beauty, and emphasis on a high quality of life.

Expectations of the Consultant

The successful firm will accomplish the following:

1. The MSR shall use all available information including interviews, surveys, previous research, reports, engineering reports, adopted budgets, audit reports, general plans, previous MSRs, etc. Examples of previous MSRs can be found on the Napa LAFCO website (<https://napa.lafco.ca.gov/municipal-service-reviews>). Sufficient data and information shall be collected to construct an accurate, clear, concise, current, and comprehensive report.
2. The MSR shall reflect local Napa LAFCO policies. Specific information can be found on the Napa LAFCO website (<https://napa.lafco.ca.gov/general-policy-determinations>).
3. Development of the MSR shall involve regular and effective communication with St. Helena and Napa LAFCO staff.
4. Development of the MSR shall be conducted in a fair, accurate, and objective manner.
5. The MSR shall provide valuable and practical conclusions for improvements, modifications, interagency options, and/or organizational changes to enhance and improve municipal services where appropriate, including regional opportunities, reorganization, consolidation, partnerships, dissolution, cooperative agreements and other changes.
6. Development of the MSR shall provide effective and meaningful opportunities for public participation in the review process.

Scope of Services

A Draft Scope of Services is attached to this RFP as Exhibit A. A final statement of services will be negotiated with the firm selected to ensure the MSR costs fit within LAFCO's budget, and will be included as part of the professional services agreement. A Sample Professional Services Agreement is attached to this RFP as Exhibit B.

Budget

LAFCO has limited resources to devote to MSRs. Proposals that demonstrate the final product will meet the requirements of the Cortese-Knox-Hertzberg (CKH) Act and provide useful information in a concise format will be looked upon most favorably. A final budget amount for this project will be negotiated with the firm selected for the work prior to execution of an agreement.

Proposal Requirements

The proposal shall be specifically responsive to this request and shall include, but not necessarily be limited to, the following:

1. A statement about the firm that describes history, as well as the competencies and resumes of the principals and all professionals who will be involved in the work. This statement should address the following:
 - Familiarity with the CKH Act, the role and functions of LAFCO, and the MSR process.
 - A management level understanding of how municipal services are planned, financed, and delivered.
 - Experience in governmental organization analysis, including performance measurement and evaluation.
 - Ability to analyze and present information in an organized format.
 - Ability to interpret varied engineering, financial, and planning documents.
 - Ability to facilitate and synthesize input from stakeholders.
 - Familiarity with public input processes and experience presenting and disseminating public information for review and comment in a public setting.
 - Ability to provide flexible and creative alternatives where necessary to resolve service and policy issues.
2. Identification of the lead professional responsible for the project and identification of the professional(s) who will be performing the day-to-day work. Note that any subsequent changes in staff performing the work will require prior approval by Napa LAFCO.
3. Documentation of similar or related experience accomplished in the last five years and references for each such project, including the contact name, address, and telephone number. Electronic copies of, or links to, such analyses must be provided. Prior directly related experience will be an important consideration in the selection of a consultant.

4. Description of the anticipated approach for this project, explicitly discussing and identifying any suggested changes to the Draft Scope of Services (Exhibit A). The consultant should propose its scope to accomplish the listed goals and tasks.
5. Disclosure of potential conflicts of interest.
6. Provide a preliminary project schedule showing start and ending times for each work task.
7. The anticipated project cost, including:
 - a. A not-to-exceed total budget amount.
 - b. The cost for each major task identified in the Draft Scope of Services.
 - c. The hourly rates for each person who will be involved in the work.

Additional Information

Agreement Provisions:

Napa LAFCO reserves the right to reject any and all proposals, waive any irregularity in the proposals, and/or to conduct negotiations with any firms or individuals, whether or not they have submitted a proposal. The Commission's initial Sample Professional Services Agreement is attached to this RFP as Exhibit B. Although the attached Sample Professional Services Agreement is subject to revision before execution by the parties, by submission of a proposal or statement of qualification the potential contractor indicates that except as specifically and expressly noted in its submission, it has no objection to the Sample Professional Services Agreement or any of its provisions, and if selected will enter into a final agreement based substantially upon the Sample Professional Services Agreement.

No prior, current, or post award verbal conversations or agreement with any officer, agent, or employee of Napa LAFCO shall affect or modify any terms or obligations of the RFP, or any contract resulting from this RFP. The selected consultant's proposal will become part of the agreement. Price quotations and other time-dependent information contained in any proposal shall remain firm for a minimum of 90 days from the proposal submission deadline.

Non-Conforming Terms and Conditions:

Any proposal that includes terms and conditions that do not conform to this RFP is subject to rejection as non-responsive. Napa LAFCO reserves the right to waive any informalities or minor irregularities in connection with proposals received. Napa LAFCO reserves the right to permit a consultant to withdraw non-conforming terms and conditions from their proposal prior to the Commission taking action.

Collusion Among Respondents:

Each consultant, by submitting a proposal, certifies that it is not party to any collusive action relating to this RFP.

Conflict of Interest:

Proposers warrant and covenant that no official or employee of Napa LAFCO, nor any business entity in which an official of Napa LAFCO has an interest, has been employed or retained to solicit or aid in the procuring of the resulting contract, nor that any such person will be employed in the performance of such contract without immediate divulgence of such fact to Napa LAFCO. Proposers will notify LAFCO of any potential conflict of interest regarding other work or third party contracts.

Consultants:

During the preparation phases, Napa LAFCO reserves the right to hire consultants as necessary, in its discretion, to represent the Commission in this project.

Expenses Incurred:

There is no expressed or implied obligation for Napa LAFCO to reimburse consultants for any expenses associated with the response to this RFP.

Late Submissions:

Any proposal received after 12:00 p.m. PST on March 7, 2025 will not be considered.

Public Records:

Until award of a contract, the proposals shall be held in confidence and shall not be available for public review. No proposal shall be returned after the date and time set for the opening thereof. All proposals shall become the property of Napa LAFCO, and upon award of a contract to the successful proposer, all proposals shall be public records.

About Us

Napa LAFCO is currently staffed with one full-time Executive Officer and one full-time Clerk/Junior Analyst. The Commission is represented by two county members, two city members, and one member of the public. Napa LAFCO's annual budget is approximately \$0.8 million. Napa LAFCO oversees four incorporated cities, one incorporated town, and 18 special districts in Napa County.

Proposal Submittal

Confirmation of receipt is the responsibility of the sender. Proposals received after the deadline will not be considered. Questions regarding the RFP shall be directed to the Executive Officer via e-mail at BFreeman@napa.lafco.ca.gov or telephone at (707) 259-8645.

Proposals shall be submitted electronically (preferred) to BFreeman@napa.lafco.ca.gov or mailed to:

Napa LAFCO
Attn: Brendon Freeman, Executive Officer
1754 Second Street, Suite C
Napa, California 94559

Proposal deadline: **12:00 p.m. on March 7, 2025**

Proposal Evaluation Process

Napa LAFCO staff will review each proposal and evaluate the ability of each firm to meet the expectations defined herein. References will be contacted. The proposals will be ranked and the top firms will be invited to an interview with staff, Commissioners, and representatives from local agencies. The principal of the firm is required to be present during the interview. A consultant will then be selected and the contract approval process will begin. Napa LAFCO may modify this evaluation process as appropriate or needed.

Interviews with top ranked consultants are expected to be held in Napa County during the week of March 17 - 21, 2025.

Consultant Selection

Napa LAFCO reserves the right to award a contract to the firm or individual(s) that presents the proposal which, in the sole judgment of Napa LAFCO, best accomplishes the desired results. Napa LAFCO reserves the right to reject any or all proposals, to waive minor irregularities in said proposals, or to negotiate deviations with the successful firm. The following attributes will be considered in determining the award of the contract:

1. Understanding of the project and commitment to meet the expectations outlined in this RFP.
2. Ability to build and maintain effective relationships with Napa LAFCO and St. Helena staff.
3. Ability to understand the goals of the study and the professional/technical competency to produce an excellent product.

4. Quality and comparability of previous related work products on which the proposer was the sole or lead consultant.
5. Ability to produce an accurate, concise, and well-researched product.
6. Provide clear and reasonable outline of cost estimates and past performance with staying within budget.
7. Ability to meet the Draft Scope of Services included as Exhibit A.
8. Communication approach with staff, Commissioners, and stakeholders.

Tentative Schedule

It is strongly desired that the MSR is completed by December 2025. The final schedule for the MSR is flexible and subject to negotiation with the firm selected for the work prior to an agreement being recommended to LAFCO for adoption.

LAFCO Contact

Brendon Freeman, Executive Officer
Napa LAFCO
1754 Second Street, Suite C
Napa, CA 94559
(707) 259-8645

Exhibits:

- A) Draft Scope of Services
- B) Sample Professional Services Agreement

REQUEST FOR PROPOSALS FOR CITY OF ST. HELENA MUNICIPAL SERVICE REVIEW

SCOPE OF SERVICES

Napa LAFCO intends to conduct a comprehensive municipal service review (MSR) for the City of St. Helena. The information necessary to conduct the MSR is technical in nature. LAFCO desires to engage a consultant to gather information, draw conclusions from existing studies, including engineering studies, conduct public outreach sessions, and develop recommendations to the Commission about what actions may be appropriate in light of the Cortese-Knox-Hertzberg Act. A final scope of services will be negotiated with the firm selected to conduct the MSR and will be incorporated as part of a professional services agreement to be approved by LAFCO.

MSR Guidelines

The Cortese-Knox-Hertzberg Act requires LAFCOs to complete MSRs to develop baseline information for updating spheres of influence (SOIs). The statute sets forth the form and content of the MSR, which must inform the Commission on the following seven issues pursuant to California Government Code section 56430:

1. Growth and population projections for the area.
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
3. Capacity of public facilities, adequacy of public service and infrastructure needs or deficiencies.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared services.
6. Accountability for community service needs, including governmental structure and operation efficiencies.
7. Any other matter related to effective or efficient service delivery.

Additionally, Napa LAFCO's adopted Policy on MSRs requires the Commission to make additional determinations with respect to the following eight factors:

1. Agricultural Preserve and Measure P
2. Location and characteristics of existing outside service agreements
3. Joint powers agreements involving the direct provision of public services
4. Growth goals and policies of the land use authorities in Napa County
5. Climate change
6. Housing, including affordable housing and workforce housing
7. Transportation
8. Cumulative service impacts related to current and planned development

Objectives & Expectations of the Consultant

In completing all tasks and work products, it is the express desire of LAFCO for the consultant to:

- Comply with Government Code section 56430; specifically, to enable the Commission to make determinations with respect to the seven factors delineated in the statute as well as the eight additional factors delineated in policy as provided above.
- Conduct the required analyses in the most cost-effective manner possible.
- Whenever possible, utilize information that is currently available rather than initiate new analyses, including but not limited to urban water management plans, water supply assessments, capital improvement plans, engineering master plans, financial master plans, other relevant master plans, city and county general plans, adopted budgets, audits, previous MSRs, and information regarding Disadvantaged Unincorporated Communities (DUCs).
- Conduct the service review process in a collaborative fashion with opportunities for input and review by St. Helena representatives.
- Create a product that will be beneficial to public agencies as a planning tool.
- Create a product that evaluates the current state of delivering services and presents recommendations, options, opportunities, comparisons to other areas, and industry best practices to be considered by agencies to enhance future service delivery.
- Provide comparisons to other areas, and industry best practices to be considered by agencies to enhance future service delivery.
- Have all published work products be readily accessible to, and easily understandable by, the general public.
- Use all available information relevant to the MSR including interviews, surveys, previous research, reports, engineering reports, adopted budgets, audit reports, state regulatory agency reports, general plans, previous MSRs, authorities under the law, etc. Sufficient data and information should be collected to construct a clear, concise, and comprehensive report.

MSR Process & Deliverables

Preparation of the MSR will include the following steps:

1. Data collection: including distribution of requests for information and research of existing information. Meetings and/or telephone interviews with St. Helena staff are required.
2. Review, interpretation, and analysis of all the information collected, including engineering reports and financial data.
3. Produce an Administrative Draft MSR, including appropriate findings, determinations, and recommendations for Napa LAFCO staff review (electronic Word version). A copy of all reference materials should also be provided. Incorporate LAFCO staff comments, edits, and corrections to the Administrative Draft MSR and submit a revised Administrative Draft MSR for distribution to St. Helena staff for review and comment (electronic PDF and Word versions).
4. Produce a Draft MSR incorporating comments, edits, and corrections provided by St. Helena staff. Submit the Draft MSR to Napa LAFCO for distribution to the Commission, St. Helena, and the public for review and comment (electronic PDF and Word versions). Attendance at the Commission meeting to present the Draft MSR for discussion is required.
5. Produce a Final MSR addressing comments from the Commission, Napa LAFCO staff, St. Helena, and the public. This includes findings, determinations, and recommendations (electronic PDF and Word versions). Attendance at the Commission meeting to present the Final MSR proposed for adoption is required.
6. Napa LAFCO will be responsible for determining the appropriate level of environmental review and preparing all CEQA documentation for the MSR. CEQA analysis should not be included in the proposal.
7. Following Commission approval of the MSR, provide Napa LAFCO with a final electronic version (both PDF and Word versions) for distribution.

AGREEMENT NO. _____

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into as of this _____ day of _____, _____, by and between the Local Agency Formation Commission of Napa LAFCO, a political subdivision of the State of California, hereinafter referred to as "LAFCO", and _____ **[TYPE IN LEGAL NAME OF CONTRACTOR; IF THE CONTRACTOR USES A FICTITIOUS BUSINESS NAME AS WELL, ADD "doing business as _____"; IF THE CONTRACTOR IS A CORPORATION, ADD THE STATE OF INCORPORATION BY SAYING, "a _____ corporation.**

RECITALS

WHEREAS, LAFCO wishes to obtain specialized services in order to _____; and

WHEREAS, CONTRACTOR represents that it is qualified and willing to provide such specialized services to LAFCO under the terms and conditions set forth herein.

TERMS

NOW, THEREFORE, LAFCO hereby engages the services of CONTRACTOR, and CONTRACTOR agrees to serve LAFCO in accordance with the terms and conditions set forth herein:

- Term of the Agreement.** The term of this Agreement shall commence on the date first above written and shall expire on _____, unless terminated earlier in accordance with Paragraphs 9 (Termination for Cause), 10 (Other Termination) or 23(a) (Covenant of No Undisclosed Conflict), except that the obligations of the parties under Paragraphs 7 (Insurance) and 8 (Indemnification) shall continue in full force and effect after said expiration date or early termination in relation to acts or omissions occurring prior to such dates during the term of the Agreement, and the obligations of CONTRACTOR to LAFCO shall also continue after said expiration date or early termination in relation to the obligations prescribed by Paragraphs 15 (Confidentiality), 20 (Taxes) and 21 (Access to Records/Retention). **[IF THE TERM NEEDS TO ROLLOVER, ADD THE FOLLOWING:** The term of this Agreement shall be automatically renewed for an additional year at the end of each fiscal year, under the terms and conditions then in effect, unless either party gives the other party written notice of intention not to renew no less than thirty (30) days prior to the expiration of the then current term. Such notice of nonrenewal may be given on behalf of LAFCO by the Napa LAFCO Executive Officer or designee thereof. For purposes of this Agreement, "fiscal year" shall mean the period commencing on July 1 and ending on June 30.]

2. **Scope of Services.** CONTRACTOR shall provide LAFCO those services set forth in Exhibit "A", attached hereto and incorporated by reference herein. All work performed by CONTRACTOR under this Agreement shall be in accordance with all applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in CONTRACTOR's field of expertise.

3. **Compensation.**

(a) Rates. In consideration of CONTRACTOR's fulfillment of the promised work, LAFCO shall pay CONTRACTOR at the rates set forth in Exhibit "B", attached hereto and incorporated by reference herein.

(b) Expenses. No travel or other expenses will be reimbursed by LAFCO. **[OR, USE THIS ALTERNATE LANGUAGE]** Travel and other expenses will be reimbursed by LAFCO upon submission of an invoice in accordance with Paragraph 4 at the rates and/or in accordance with the policy(s) set forth in Exhibit "B."

(c) Maximum Amount. Notwithstanding subparagraphs (a) and (b), the maximum payments under this Agreement **[ADD "per fiscal year" IF PARAGRAPH 1 HAS AN AUTOMATIC ROLLOVER]** shall be a total of _____ (\$ _____) for professional services and _____ (\$ _____) for expenses; provided, however, that such amounts shall not be construed as guaranteed sums, and compensation shall be based upon services actually rendered and expenses actually incurred. **[DELETE THE TWO REFERENCES TO EXPENSES IF (b) SAYS NO EXPENSES WILL BE REIMBURSED]** In no instance shall LAFCO be liable for any payments or costs for work in excess of this amount, nor for any unauthorized or ineligible costs. CONTRACTOR shall be paid at the times and in the manner set forth in this Agreement. The consideration to be paid CONTRACTOR, as provided in this Agreement, shall be in compensation for all of CONTRACTOR's expenses incurred in the performance of work under this Agreement, including travel and expenses, unless otherwise expressly so provided.

4. **Method of Payment.**

(a) Invoices. All payments for compensation and reimbursement for expenses shall be made only upon presentation by CONTRACTOR to LAFCO of an itemized billing invoice in a form acceptable to the LAFCO Executive Officer which indicates, at a minimum, CONTRACTOR's name, address, Social Security or Taxpayer Identification Number, itemization of the hours worked or, where compensation is on a per-task basis, a description of the tasks completed during the billing period, the person(s) actually performing the services and the position(s) held by such person(s), and the approved hourly or task rate. Invoices shall also indicate the number of hours worked by each of CONTRACTOR's personnel and reimbursable costs incurred to the date of such billing since the date of the preceding billing, if any. The invoices shall include documentation of reimbursable expenses and other invoiced items sufficient for LAFCO, in its opinion, to substantiate billings.

(b) CONTRACTOR shall submit invoices not more often than monthly to the Executive Officer. Approved invoices shall be submitted to the Napa County Auditor for payment no later than fifteen (15) calendar days following receipt. CONTRACTOR shall be notified within fifteen (15) calendar days following receipt of its invoice by LAFCO of any circumstances or data identified by LAFCO in CONTRACTOR's written billing which would

cause withholding of approval and subsequent payment. LAFCO reserves the right to withhold payment of disputed amounts. **[DELETE ALL SENTENCES AND PHRASES IN THIS SUBPARAGRAPH WHICH REFER TO EXPENSES IF PARAGRAPH 3(b) DOES NOT PROVIDE FOR EXPENSE REIMBURSEMENT]**

(c) Legal status. So that LAFCO may properly comply with its reporting obligations under federal and state laws pertaining to taxation, if CONTRACTOR is or becomes a corporation during the term of this Agreement, proof that such status is currently recognized by and complies with the laws of both the state of incorporation or organization and the State of California, if different, shall be provided to the LAFCO Executive Officer upon request in a form satisfactory to the LAFCO Executive Officer. Such proof shall include, but need not be limited to, a copy of any annual or other periodic filings or registrations required by the state of origin or California, the current address for service of process on the corporation or limited liability partnership, and the name of any agent designated for service of process by CONTRACTOR within the State of California.

5. **Independent Contractor.** CONTRACTOR shall perform this Agreement as an independent contractor. CONTRACTOR and the officers, agents and employees of CONTRACTOR are not, and shall not be deemed, LAFCO employees for any purpose, including workers' compensation and employee benefits. CONTRACTOR shall, at CONTRACTOR's own risk and expense, determine the method and manner by which duties imposed on CONTRACTOR by this Agreement shall be performed; provided, however, that LAFCO may monitor the work performed by CONTRACTOR. LAFCO shall not deduct or withhold any amounts whatsoever from the compensation paid to CONTRACTOR, including, but not limited to amounts required to be withheld for state and federal taxes. As between the parties to this Agreement, CONTRACTOR shall be solely responsible for all such payments.

6. **[Reserved.]**

7. **Insurance.** CONTRACTOR shall obtain and maintain in full force and effect throughout the term of this Agreement, and thereafter as to matters occurring during the term of this Agreement, the following insurance coverage:

(a) Workers' Compensation insurance. To the extent required by law during the term of this Agreement, CONTRACTOR shall provide workers' compensation insurance for the performance of any of CONTRACTOR's duties under this Agreement, including but not limited to, coverage for workers' compensation and employer's liability and a waiver of subrogation, and shall provide LAFCO with certification of all such coverages as set forth in subsection (c), below.

(b) Liability insurance. CONTRACTOR shall obtain and maintain in full force and effect during the term of this Agreement the following liability insurance coverages, issued by a company admitted to do business in California and having an A.M. Best rating of A:VII or better or equivalent self-insurance:

(1) General Liability. Commercial general liability [CGL] insurance coverage (personal injury and property damage) of not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit per occurrence, covering liability or claims for any personal injury, including death, to any person and/or damage to the property of any person arising from the acts or omissions of CONTRACTOR or any officer, agent, or employee of CONTRACTOR under

this Agreement. If the coverage includes an aggregate limit, the aggregate limit shall be no less than twice the per occurrence limit.

[COMMENT: IF THIS IS A CONSTRUCTION CONTRACT, CHECK WITH LAFCO'S RISK MANAGER FOR THE CORRECT AGGREGATE AMOUNT, BEFORE LETTING BIDS BECAUSE THE AMOUNTS MUST BE STATED IN THE BID SOLICITATION, NOT JUST IN THE EVENTUAL CONTRACT DOCUMENT]

(2) Professional Liability/Errors and Omissions. Professional liability [or errors and omissions] insurance for all activities of CONTRACTOR arising out of or in connection with this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000) per claim.

(3) Comprehensive Automobile Liability Insurance. Comprehensive automobile liability insurance (Bodily Injury and Property Damage) on owned, hired, leased and non-owned vehicles used in conjunction with CONTRACTOR's business of not less than FIVE HUNDRED THOUSAND DOLLARS (\$500,000) combined single limit per occurrence.

(c) Certificates. All insurance coverages referenced in 7(a) and (b), above, shall be evidenced by one or more certificates of coverage or, with the consent of LAFCO's Risk Manager, demonstrated by other evidence of coverage acceptable to LAFCO's Risk Manager, which shall be filed by CONTRACTOR with LAFCO's Executive Officer prior to commencement of performance of any of CONTRACTOR's duties. Such certificate(s) shall (1) reference this Agreement by its LAFCO number or title;(2) shall provide that LAFCO shall be given no less than thirty (30) days prior written notice of any non-renewal, cancellation, other termination, or material change, except that only ten (10) days prior written notice shall be required where the cause of non-renewal or cancellation is non-payment of premium; and (3) shall provide that the inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, the coverage afforded applying as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the company's liability.

(d) For the commercial general liability insurance coverage referenced in 7(b)(1) and the comprehensive automobile liability insurance coverage referenced in 7(b)(3), CONTRACTOR shall also file with the evidence of coverage, an endorsement from the insurance provider naming LAFCO, its officers, employees, agents and volunteers as additional insureds and waiving subrogation. The certificate or other evidence of coverage shall also provide that if the same policy applies to activities of CONTRACTOR not covered by this Agreement then the limits in the applicable certificate relating to the additional insured coverage of LAFCO shall pertain only to liability for activities of CONTRACTOR under this Agreement, and that the insurance provided is primary coverage to LAFCO with respect to any insurance or self-insurance programs maintained by LAFCO. The additional insured endorsements for the general liability coverage shall use Insurance Services Office (ISO) Form No. CG 20 09 11 85 or CG 20 10 11 85, or equivalent, including (if used together) CG 2010 10 01 and CG 2037 10 01; but shall not use the following forms: CG 20 10 10 93 or 03 94. Upon request by LAFCO's Risk Manager, CONTRACTOR shall provide or arrange for the insurer to provide within thirty (30) days of the request, certified copies of the actual insurance policies or relevant portions thereof.

(e) Deductibles/Retentions. Any deductibles or self-insured retentions shall be

declared to, and be subject to approval by, LAFCO's Risk Manager, which approval shall not be denied unless the LAFCO's Risk Manager determines that the deductibles or self-insured retentions are unreasonably large in relation to compensation payable under this Agreement and the risks of liability associated with the activities required of CONTRACTOR by this Agreement. At the option of and upon request by LAFCO's Risk Manager, if the Risk Manager determines that such deductibles or retentions are unreasonably high, either the insurer shall reduce or eliminate such deductibles or self-insurance retentions as respects LAFCO, its officers, employees, agents and volunteers, or CONTRACTOR shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses.

8. **Hold Harmless/Defense/Indemnification.**

(a) In General. To the full extent permitted by law, CONTRACTOR shall hold harmless, defend at its own expense, and indemnify LAFCO and the officers, agents, employees and volunteers of LAFCO from any and all liability, claims, losses, damages or expenses, including reasonable attorney's fees, arising from all acts or omissions of CONTRACTOR or its officers, agents, employees, volunteers, contractors and subcontractors in rendering services under this Agreement, including any patent or copyright infringements, but excluding, however, such liability, claims, losses, damages or expenses arising from the sole negligence or willful acts of LAFCO or its officers, agents, employees, volunteers, or other contractors or their subcontractors. Each party shall notify the other party immediately in writing of any claim or damage related to activities performed under this Agreement. The parties shall cooperate with each other in the investigation and disposition of any claim arising out of the activities under this Agreement, providing that nothing shall require either party to disclose any documents, records or communications that are protected under peer review privilege, attorney-client privilege, or attorney work product privilege.

(b) Employee Character and Fitness. CONTRACTOR accepts responsibility for determining and approving the character and fitness of its employees (including volunteers, agents or representatives) to provide the services required of CONTRACTOR under this Agreement, including completion of a satisfactory criminal/background check and periodic rechecks to the extent permitted by law. Notwithstanding anything to the contrary in this Paragraph, CONTRACTOR shall hold LAFCO and its officers, agents and employees harmless from any liability for injuries or damages resulting from a breach of this provision or CONTRACTOR's actions in this regard.

9. **Termination.**

(a) LAFCO shall have the right to terminate this Agreement for any reason, with or without cause, at any time, by giving CONTRACTOR fifteen (15) days written notice. The notice shall be deemed served and effective for all purposes on the date it is deposited in the U.S. mail, certified, return receipt requested, addressed to CONTRACTOR at the address indicated in Section 13.

(b) If LAFCO issues a notice of termination:

(1) Contractor shall immediately cease rendering services pursuant to this Agreement.

(2) Contractor shall deliver to LAFCO copies of all Writings, whether or not completed, which were prepared by Contractor, its employees or its subcontractors, if any, pursuant to this Agreement. The term "Writings" shall include, but not be limited to, handwriting, typesetting, computer files and records, drawings, blueprints, printing, photostating, photographs, and every other means of recording upon any tangible thing, any form of communication or representation, including, letters, works, pictures, sounds, symbols computer data, or combinations thereof. Unless otherwise expressly provided in this Agreement, any copyrightable or patentable work created by CONTRACTOR under this Agreement shall be deemed a "work made for hire" for purposes of copyright or patent law and only LAFCO shall be entitled to claim or apply for the copyright or patent thereof.

(3) LAFCO shall pay Contractor for work actually performed up to the effective date of the notice of termination, subject to the limitations in Section 3, less any compensation to LAFCO for damages suffered as a result of Contractor's failure to comply with the terms of this Agreement. Such payment shall be in accordance with Section 4. However, if this Agreement is terminated because the work of Contractor does not meet the terms or standards specified in this Agreement, then LAFCO shall be obligated to compensate Contractor only for that portion of Contractor's services which is of benefit to LAFCO. LAFCO may withhold any payments not yet made to CONTRACTOR for purpose of setoff until such time as the exact amount of damages due to LAFCO from CONTRACTOR is determined.

10. **Time.** Time is of the essence in this Agreement.

11. **Campaign Contribution Disclosure.** Contractor has complied with the campaign contribution disclosure provisions of the California Levine Act (Government Code § 84308) and has completed the Levine Act Disclosure Statement attached hereto as Exhibit "C."

12. **No Waiver.** The waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement.

13. **Notices.** All notices required or authorized by this Agreement shall be in writing and shall be delivered in person or by deposit in the United States mail, by certified mail, postage prepaid, return receipt requested. Any mailed notice, demand, request, consent, approval or communication that either party desires to give the other party shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Any notice sent by mail in the manner prescribed by this paragraph shall be deemed to have been received on the date noted on the return receipt or five days following the date of deposit, whichever is earlier.

LAFCO

Brendon Freeman, Executive Officer
1030 Seminary Street, Suite B
Napa, CA 94559

CONTRACTOR

[Name]
[Address]

14. **National Labor Relations Board Certification.** CONTRACTOR, by signing this Agreement, does swear under penalty of perjury that no more than one final unappealable finding of contempt of court by a federal court has been issued against CONTRACTOR within the immediately preceding two-year period because of CONTRACTOR's failure to comply with an order of a federal court which orders CONTRACTOR to comply with an order of the National Labor Relations Board (Public Contract Code § 10296).

15. **Confidentiality.** Confidential information is defined as all information disclosed to CONTRACTOR which relates to LAFCO's past, present, and future activities, as well as activities under this Agreement. CONTRACTOR shall hold all such information as CONTRACTOR may receive, if any, in trust and confidence, except with the prior written approval of LAFCO, expressed through its Executive Officer. Upon cancellation or expiration of this Agreement, CONTRACTOR shall return to LAFCO all written and descriptive matter which contains any such confidential information, except that CONTRACTOR may retain for its files a copy of CONTRACTOR's work product if such product has been made available to the public by LAFCO.

16. **No Assignments or Subcontracts.**

(a) In general. A consideration of this Agreement is the personal reputation of CONTRACTOR; therefore, CONTRACTOR shall not assign any interest in this Agreement or subcontract any of the services CONTRACTOR is to perform hereunder without the prior written consent of LAFCO, which shall not be unreasonably withheld. The inability of the assignee to provide personnel equivalent in experience, expertise, and numbers to those provided by CONTRACTOR, or to perform any of the remaining services required under this Agreement within the same time frame required of CONTRACTOR shall be deemed to be reasonable grounds for LAFCO to withhold its consent to assignment. For purposes of this subparagraph, the consent of LAFCO may be given by the Executive Officer.

(b) Effect of Change in Status. If CONTRACTOR changes its status during the term of this Agreement from or to that of a corporation, limited liability partnership, limited liability company, general partnership, or sole proprietorship, such change in organizational status shall be viewed as an attempted assignment of this Agreement by CONTRACTOR. Failure of CONTRACTOR to obtain approval of such assignment under this Paragraph shall be viewed as a material breach of this Agreement.

17. **Amendment/Modification.** Except as specifically provided herein, this Agreement may be modified or amended only in writing and with the prior written consent of both parties. In particular, only LAFCO, through its Commission in the form of an amendment of this Agreement, may authorize extra and/or changed work if beyond the scope of services prescribed by Exhibit "A". Failure of CONTRACTOR to secure such authorization in writing in advance of performing any of the extra or changed work shall constitute a waiver of any and all rights to adjustment in the contract price or contract time and no compensation shall be paid for such extra work.

18. **Interpretation; Venue.**

(a) Interpretation. The headings of the various sections of this Agreement are intended solely for convenience of reference and are not intended to explain, modify, or place

any interpretation upon any of the provisions of this Agreement. This Agreement shall be governed by the laws of the State of California without regard to the choice of law or conflicts.

(b) Venue. This Agreement is made in Napa County, California. The venue for any legal action in state court filed by either party to this Agreement for the purpose of interpreting or enforcing any provision of this Agreement shall be in the Superior Court of California, County of Napa, a unified court. The venue for any legal action in federal court filed by either party to this Agreement for the purpose of interpreting or enforcing any provision of this Agreement lying within the jurisdiction of the federal courts shall be the Northern District of California. The appropriate venue for arbitration, mediation or similar legal proceedings under this Agreement shall be Napa County, California; however, nothing in this sentence shall obligate either party to submit to mediation or arbitration any dispute arising under this Agreement.

19. **Compliance with Laws.** CONTRACTOR shall observe and comply with all applicable Federal, State and local laws, ordinances, and codes. Such laws shall include, but not be limited to, the following, except where prohibited by law:

(a) Non-Discrimination. During the performance of this Agreement, CONTRACTOR and its subcontractors shall not deny the benefits thereof to any person on the basis of race, color, ancestry, national origin or ethnic group identification, religion or religious creed, gender or self-identified gender, sexual orientation, marital status, age, mental disability, physical disability or medical condition (including cancer, HIV and AIDS), or political affiliation or belief nor shall they discriminate unlawfully against any employee or applicant for employment because of race, color, ancestry, national origin or ethnic group identification, religion or religious creed, gender or self-identified gender, sexual orientation, marital status, age, mental disability, physical disability or medical condition (including cancer, HIV and AIDS), use of family care leave or political affiliation or belief. CONTRACTOR shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination or harassment. In addition to the foregoing general obligations, CONTRACTOR shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900, et seq.), the regulations promulgated thereunder (Title 2, California Code of Regulations, section 7285.0, et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (sections 11135-11139.5) and any state or local regulations adopted to implement any of the foregoing, as such statutes and regulations may be amended from time to time. To the extent this Agreement subcontracts to CONTRACTOR services or works required of LAFCO by the State of California pursuant to agreement between LAFCO and the State, the applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a) through (f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are expressly incorporated into this Agreement by reference and made a part hereof as if set forth in full, and CONTRACTOR and any of its subcontractors shall give written notice of their obligations thereunder to labor organizations with which they have collective bargaining or other agreements.

(b) Documentation of Right to Work. CONTRACTOR agrees to abide by the requirements of the Immigration and Control Reform Act pertaining to assuring that all newly-hired employees of CONTRACTOR performing any services under this Agreement have a legal right to work in the United States of America, that all required documentation of such right to work is inspected, and that INS Form 1-9 (as it may be amended from time to time) is completed and on file for each employee. CONTRACTOR shall make the required documentation

available upon request to LAFCO for inspection.

(c) Americans with Disabilities Act (ADA) of 1990. By signing this Agreement, CONTRACTOR assures LAFCO that it complies with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. § 12101, et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA, including but not limited to those found within the Code of Federal Regulations, title 49, parts 27, 37, and 38.

(d) Drug-Free Certification. By signing this Agreement, CONTRACTOR hereby certifies under penalty of perjury under the laws of the State of California that Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code § 8350, et seq.) and will provide a drug-free workplace by taking the following actions:

(1) Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited, and specifying actions to be taken against employees for violations.

(2) Establish a Drug-Free Awareness Program to inform employees about:

- i. The dangers of drug abuse in the workplace;
- ii. The person's or the organization's policy of maintaining a drug-free workplace;
- iii. Any available counseling, rehabilitation, and employee assistance programs; and
- iv. Penalties that may be imposed upon employees for drug abuse violations.

(3) Every employee of CONTRACTOR who works under this Agreement shall:

- i. Receive a copy of CONTRACTOR's Drug-Free Workplace Policy Statement; and
- ii. Agree to abide by the terms of Contractor's Statement as a condition of employment on this Agreement.

(e) Union Organizing: By signing this Agreement, CONTRACTOR hereby acknowledges the applicability of Government Code § 16645 through § 16649 to this Agreement, excluding § 16645.2 and § 16645.7.

(1) CONTRACTOR will not assist, promote, or deter union organizing by employees performing work on this Agreement if such assistance, promotion, or deterrence contains a threat of reprisal or force, or a promise of benefit.

(2) CONTRACTOR will not meet with employees or supervisors on LAFCO or state property if the purpose of the meeting is to assist, promote, or deter union organizing, unless the property is equally available to the general public for meetings.

(3) No funds received from LAFCO under this Agreement shall be used to assist, promote, or deter union organizing.

(f) Inclusion in Subcontracts. To the extent any of the services required of CONTRACTOR under this Agreement are subcontracted to a third party, CONTRACTOR shall include all of the provisions of this Paragraph in all such subcontracts as obligations of the subcontractor.

20. **Taxes.** CONTRACTOR agrees to file federal and state tax returns or applicable withholding documents and to pay all applicable taxes or make all required withholdings on

amounts paid pursuant to this Agreement and shall be solely liable and responsible to make such withholdings and/or pay such taxes and other obligations including, without limitation, state and federal income and FICA taxes. CONTRACTOR agrees to indemnify and hold LAFCO harmless from any liability it may incur to the United States or the State of California as a consequence of CONTRACTOR's failure to pay or withhold, when due, all such taxes and obligations. In the event that LAFCO is audited for compliance regarding any withholding or other applicable taxes or amounts, CONTRACTOR agrees to furnish LAFCO with proof of payment of taxes or withholdings on those earnings.

21. **Access to Records/Retention.** LAFCO, any federal or state grantor agency funding all or part of the compensation payable hereunder, the State Controller, the Comptroller General of the United States, or the duly authorized representatives of any of the above, shall have access to any books, documents, papers and records of CONTRACTOR which are directly pertinent to the subject matter of this Agreement for the purpose of making audit, examination, excerpts and transcriptions. Except where longer retention is required by any federal or state law, CONTRACTOR shall maintain all required records for at least seven (7) years after LAFCO makes final payment for any of the work authorized hereunder and all pending matters are closed, whichever is later.

22. **Authority to Contract.** CONTRACTOR and LAFCO each warrant hereby that they are legally permitted and otherwise have the authority to enter into and perform this Agreement.

23. **Conflict of Interest.**

(a) Covenant of No Undisclosed Conflict. The parties to the Agreement acknowledge that they are aware of the provisions of Government Code section 1090, et seq., and section 87100, et seq., relating to conflict of interest of public officers and employees. CONTRACTOR hereby covenants that it presently has no interest not disclosed to LAFCO and shall not, during the term of this Agreement, acquire any interest, direct or indirect, which would conflict in any material manner or degree with the performance of its services or confidentiality obligation hereunder, except as such as LAFCO may consent to in writing prior to the acquisition by CONTRACTOR of such conflict. CONTRACTOR further warrants that it is unaware of any financial or economic interest of any public officer or employee of LAFCO relating to this Agreement. CONTRACTOR agrees that if such financial interest does exist at the inception of this Agreement, LAFCO may terminate this Agreement immediately upon giving written notice without further obligation by LAFCO to CONTRACTOR under this Agreement.

(b) Statements of Economic Interest. CONTRACTOR acknowledges and understands that LAFCO has developed and approved a Conflict of Interest Code as required by state law which requires CONTRACTOR to file with the Elections Division of the Napa County Assessor-Clerk Recorder "assuming office", "annual", and "leaving office" Statements of Economic Interest as a "consultant", as defined in section 18701(a)(2) of Title 2 of the California Code of Regulations, unless it has been determined in writing that CONTRACTOR, although holding a "designated" position as a consultant, has been hired to perform a range of duties so limited in scope as to not be required to fully comply with such disclosure obligation.

By authorizing its Chair to execute this Agreement on its behalf, LAFCO's Commission hereby determines in writing on behalf of LAFCO that CONTRACTOR has been hired to perform a

range of duties so limited in scope as to not be required to comply with such disclosure obligation.

24. **Non-Solicitation of Employees.** Each party agrees not to solicit for employment the employees of the other party who were directly involved in the performance of the services hereunder for the term of this Agreement and a period of six (6) months after termination of this Agreement except with the written permission of the other party, except that nothing in this Paragraph shall preclude either party from publishing or otherwise distributing applications and information regarding that party's job openings where such publication or distribution is directed to the public generally.

25. **Ownership; Permission.**

- a. CONTRACTOR agrees that all work products, including but not limited to, notes, designs, drawings, reports, memoranda, and all other tangible personal property produced in the performance of this Agreement, shall be the sole property of LAFCO, provided that CONTRACTOR may retain file copies of said work products. CONTRACTOR shall provide said work products to LAFCO upon request.
- b. CONTRACTOR represents and warrants that: (i) all materials used or work products produced in the performance of this Agreement, including, without limitation, all computer software materials and all written materials, are either owned by or produced by CONTRACTOR or that all required permissions and license agreements have been obtained and paid for by CONTRACTOR; and (ii) LAFCO is free to use, reuse, publish or otherwise deal with all such materials or work products except as otherwise specifically provided in Exhibit "A." CONTRACTOR shall defend, indemnify and hold harmless LAFCO and its directors, officers, employees, and agents from any claim, loss, damage, cost, liability, or expense to the extent of any violation or falsity of the foregoing representation and warranty.

26. **Third Party Beneficiaries.** Nothing contained in this Agreement shall be construed to create any rights in third parties and the parties do not intend to create such rights.

27. **Attorney's Fees.** In the event that either party commences legal action of any kind or character to either enforce the provisions of this Agreement or to obtain damages for breach thereof, the prevailing party in such litigation shall be entitled to all costs and reasonable attorney's fees incurred in connection with such action.

28. **Severability.** If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

29. **Entirety of Contract.** This Agreement, including any documents expressly incorporated

by reference whether or not attached hereto, constitutes the entire agreement between the parties relating to the subject of this Agreement and supersedes all previous agreements, promises, representations, understandings and negotiations, whether written or oral, among the parties with respect to the subject matter hereof.

30. **Counterparts.** This Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, this Agreement was executed by the parties hereto as of the date first above written.

TYPE IN LEGAL NAME OF CONTRACTOR; IF THE CONTRACTOR USES A FICTITIOUS BUSINESS NAME AS WELL, ADD "doing business as" FOLLOWED BY THE FICTITIOUS BUSINESS NAME]

By _____
[NAME] , [Title]

[IF CONTRACTOR IS A CORPORATION, EITHER ADD A SECOND SIGNATURE LINE AND MAKE SURE THAT ONE SIGNATURE IS BY THE CORPORATION'S PRESIDENT, VICE-PRESIDENT OR CHAIRMAN AND THE OTHER IS BY THE SECRETARY, TREASURER OR CHIEF FINANCIAL OFFICER OR OBTAIN AUTHORIZATION FROM THE CORPORATION FOR A SINGLE PERSON OR POSITION TO SIGN THE CORPORATION'S CONTRACTS]

By _____
[NAME] , [Title]

"CONTRACTOR"

Local Agency Formation Commission of Napa County, a political subdivision of the State of California

By _____
 , Commission Chair

"LAFCO"

ATTEST: Clerk of LAFCO

By: _____

<p>APPROVED AS TO FORM Commission Counsel</p> <p>By: _____</p> <p>Date: _____</p>
--

<p>APPROVED BY LAFCO</p> <p>Date: _____</p> <p>Processed by: _____ Clerk of LAFCO</p>
--

EXHIBIT “A”

Scope of Work

(Include detailed description of tasks to be performed and timing)

EXHIBIT “B”

Rates of Compensation/Expenses

(Include detailed description of terms of payment, e.g., specify fixed amount with no reimbursable costs, specify hourly rate with identified reimbursable costs up to a “not to exceed” figure)

EXHIBIT "C"
LEVINE ACT DISCLOSURE STATEMENT

(To be completed by all proposers on LAFCO consultant contracts)

California Government Code § 84308, commonly referred to as the "Levine Act," precludes an Officer of a local government agency from participating in the award of a contract if he or she receives any political contributions totaling more than \$250 in the 12 months preceding the pendency of the contract award, and for three months following the final decision, from the person or company awarded the contract. This prohibition applies to contributions to the Officer, or received by the Officer on behalf of any other Officer, or on behalf of any candidate for office or on behalf of any committee. The Levine Act also requires disclosure of such contributions by a party to be awarded a specified contract. Please refer to the attachment for the complete statutory language.

Current members of the Napa County LAFCO are:

Margie Mohler	Diane Dillon
Gregory Rodeno	Brad Wagenknecht
Scott Sedgley	Ryan Gregory, Alternate
Kenneth Leary, Alternate	Erik Lawrence, Alternate

1. Have you or your company, or any agent on behalf of you or your company, made any political contributions of more than \$250 to any LAFCO Commissioner(s) in the 12 months preceding the date of the issuance of this request for proposal or request for qualifications? YES NO

If yes, please identify the Commissioner(s): _____

2. Do you or your company, or any agency on behalf of you or your company, anticipate or plan to make any political contributions of more than \$250 to any LAFCO Commissioner(s) in the three months following the award of the contract?

YES NO

If yes, please identify the Commissioner(s): _____

Answering yes to either of the two questions above does not preclude LAFCO from awarding a contract to your firm. It does, however, preclude the identified Commissioners from participating in the contract award process for this contract.

DATE

(SIGNATURE OF AUTHORIZED OFFICIAL)

(TYPE OR WRITE APPROPRIATE NAME, TITLE)

(TYPE OR WRITE NAME OF COMPANY)



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

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

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

Agenda Item 8d (Action)

TO: Local Agency Formation Commission

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

MEETING DATE: February 3, 2025

SUBJECT: Proposed Amendments to Budget Policy and Policy on Conducting Commission Meetings and Business

RECOMMENDATION

It is recommended the Commission take the following actions:

- 1) Adopt the Resolution of the Local Agency Formation Commission of Napa County Amending the *Budget Policy*, included as Attachment 1; and
- 2) Adopt the Resolution of the Local Agency Formation Commission of Napa County Amending the *Policy on Conducting Commission Meetings and Business*, included as Attachment 2.

SUMMARY

On December 9, 2024, the Commission established an ad hoc Policy Committee and appointed Commissioners Gallagher and Ramos to advise staff in the review of local policies. Staff will recommend amendments to policies as appropriate.

On January 21, 2025, the Policy Committee met and agreed to recommend amendments to the Commission's *Budget Policy* and *Policy on Conducting Commission Meetings and Business*.

The proposed amendments are summarized as follows:

- Reduce the commissions undesignated slash unreserved fund balance to 10% of budgeted expenditures
- Change from Rosenberg's Rules of Order to Roberts Rules of Order for conducting Commission meetings
- Reduce the circumstances in which a commissioner earns a stipend meetings, trainings, and other business related to LAFCO

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Beth Painter, Vice Chair
Councilmember, City of Napa

David Oro, Alternate Commissioner
Councilmember, City of American Canyon

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

Belia Ramos, Commissioner
County of Napa Supervisor, 5th District

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

Kenneth Leary, Chair
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

A clean version of the proposed amendment to the *Budget Policy* is an exhibit to the draft resolution, included as Attachment 1. A tracked change version of the amendment is included as Attachment 3.

A clean version of the proposed amendment to the *Policy on Conducting Commission Meetings and Business* is an exhibit to the draft resolution, included as Attachment 2. A tracked change version of the amendment is included as Attachment 4.

ATTACHMENTS

- 1) Draft Resolution Amending the *Budget Policy*
- 2) Draft Resolution Amending the *Policy on Conducting Commission Meetings and Business*
- 3) Proposed Amendments to *Budget Policy* (Tracked Changes)
- 4) Proposed Amendments to *Policy on Conducting Commission Meetings and Business* (Tracked Changes)

RESOLUTION NO. _____

**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
AMENDING ITS BUDGET POLICY**

WHEREAS, on August 9, 2001, the Local Agency Formation Commission of Napa County (the “Commission”) adopted a *Budget Policy*; and

WHEREAS, the Commission most recently amended the *Budget Policy* on November 18, 2019; and

WHEREAS, the Commission considered a proposed amendment to the *Budget Policy* at its regular meeting on February 3, 2025; and

NOW, THEREFORE, BE IT RESOLVED that the Commission hereby amends the *Budget Policy* as attached hereto as “Exhibit A”.

This Resolution shall take effect immediately.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on February 3, 2025, after a motion by Commissioner _____, seconded by Commissioner _____, by the following vote:

AYES:	Commissioners	_____
NOES:	Commissioners	_____
ABSENT:	Commissioners	_____
ABSTAIN:	Commissioners	_____

Kenneth Leary
Commission Chair

ATTEST: _____
Brendon Freeman
Executive Officer

Recorded by: Stephanie Pratt
Clerk/ Jr. Analyst



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

Budget Policy

(Adopted: August 9, 2001; Last Amended: February 3, 2025)

I. Background

The Cortese-Knox-Hertzberg Local Government Reorganization (CKH) Act of 2000 includes provisions for establishing a budget and for the receipt of funds. [Government Code \(G.C.\) §56381](#) establishes that the Commission shall annually adopt a budget for the purpose of fulfilling its duties under CKH.

II. Purpose

It is the intent of the Commission to adopt a policy for budget purposes which establishes procedures for compiling, adopting and administering the budget. The Commission is committed to providing transparency of its operations including its fiscal activities. The Commission follows recognized accounting principles and best practices in recognition of its responsibility to the public.

III. Preparation of Annual Budget

- A) An annual budget shall be prepared, adopted and administered in accordance with [\(G.C.\) §56381](#).
- B) The Commission should annually consider the Fee Schedule, including any anticipated changes, and Work Program in conjunction with the budget process.
- C) The Commission is committed to ensuring the agency is appropriately funded each fiscal year to effectively meet its prescribed regulatory and planning responsibilities. The Commission is also committed to controlling operating expenses to reduce the financial obligations on the County of Napa, the cities and town, hereafter referred to as the “funding agencies,” whenever possible and appropriate.
- D) The budget shall include an undesignated/unreserved fund balance equal to 10% of annually budgeted operating expenses.
- E) The Commission shall establish an ad-hoc budget committee at the last meeting of each calendar year comprising of two Commissioners which will terminate with the adoption of the final budget. Commissioners appointed to a budget committee shall receive a regular per diem payment for each meeting attended.
- F) The adopted final budget should be posted on the Commission’s website for public viewing for a minimum of five years.
- G) The Executive Officer shall provide quarterly budget reports to the Commission for informational purposes.

IV. Budget Contributions and Collection of Funds

[G.C. §56381](#) establishes that the Commission shall adopt annually a budget for the purpose of fulfilling its duties under CKH. It further establishes that the County Auditor shall apportion the operating expenses from this budget in the manner prescribed by [G.C. §56381\(b\)](#), or in a manner mutually agreed upon by the agencies responsible for the funding of the Commission's budget [G.C. §56381\(c\)](#) states that:

After apportioning the costs as required in subdivision (b), the auditor shall request payment from the Board of Supervisors and from each city no later than July 1 of each year for the amount that entity owes and the actual administrative costs incurred by the auditor in apportioning costs and requesting payment from each entity. If the County or a city does not remit its required payment within 60 days, the Commission may determine an appropriate method of collecting the required payment, including a request to the auditor to collect an equivalent amount from the property tax, or any fee or eligible revenue owed to the County or city. The auditor shall provide written notice to the County or city prior to appropriating a share of the property tax or other revenue to the Commission for the payment due the Commission pursuant to this section.

It is the intent of the Commission that all agencies provide the costs apportioned to them from the LAFCO budget. Pursuant to [G.C. §56381\(c\)](#), the policy of the Commission is:

- A) If the County or a city or a town does not remit its required payment within 45 days of the July 1 deadline, the County Auditor shall send written notice to the agency in question that pursuant to [G.C. §56381\(c\)](#) and this policy, the Auditor has the authority to collect the amount of the Commission's operating expenses apportioned to that agency after 60 days from the July 1 deadline.
- B) If the County or a city or a town does not remit its required payment within 60 days of the July 1 deadline, the County Auditor shall collect an amount equivalent to the cost apportioned to that agency from the property tax owed to that agency, or some other eligible revenue deemed appropriate or necessary by the County Auditor. The County Auditor shall send written notice of the action taken to the agency and to the Commission.

V. Executive Officer Purchasing and Budget Adjustment Authority

Pursuant to [G.C. §56380](#), the Commission shall make its own provision for necessary quarters, equipment, supplies, and services. The associated operating costs are provided for through the Commission's adoption of its annual budget in the manner prescribed in [G.C. §56381](#).

It is the intent of the Commission to charge the LAFCO Executive Officer with the responsibility and authority for coordinating and managing the procurement of necessary quarters, equipment, supplies, and services, and to adjust the annual budget as necessary under certain circumstances. The policy of the Commission is:

- A) The Executive Officer is charged with the responsibility and authority for coordinating and managing the procurement of necessary quarters, equipment, supplies, and services in accordance with applicable laws, regulations and policies.
- B) The Executive Officer is authorized to act as the agent for LAFCO in procuring necessary quarters, equipment, supplies, and services.
- C) Only the Commission itself or the Executive Officer may commit LAFCO funds for the purchase of any necessary quarters, equipment, supplies, or services for LAFCO use.
- D) The Executive Officer is delegated purchasing authority on behalf of LAFCO for necessary quarters, equipment, supplies, and services not to exceed \$5,000 per transaction. The Commission must approve any purchase of necessary quarters, equipment, supplies, and services that exceed the monetary limits set forth in this policy.
- E) Following review and approval by the Chair, the Executive Officer is authorized to make adjustments and administrative corrections to the budget without Commission action provided the adjustments and corrections are within the total budget allocations adopted by the Commission and within the same budget category pursuant to [Revenue and Taxation Code §29125](#).
- F) Following review and approval by the Chair, the Executive Officer is authorized to adjust the budget for purposes of carrying over to the new fiscal year any encumbered funds that have been approved by the Commission in a prior fiscal year and involve unspent balances. Said funds include committed contracts for services that were not completed in the prior fiscal year and must be re-encumbered by way of a budget adjustment in the new fiscal year.

RESOLUTION NO. _____

**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
AMENDING ITS POLICY ON CONDUCTING COMMISSION MEETINGS AND BUSINESS**

WHEREAS, on August 9, 2001, the Local Agency Formation Commission of Napa County (the “Commission”) adopted a *Policy on Conducting Commission Meetings and Business*; and

WHEREAS, the Commission most recently amended the *Policy on Conducting Commission Meetings and Business* on June 4, 2018; and

WHEREAS, the Commission considered a proposed amendment to the *Policy on Conducting Commission Meetings and Business* at its regular meeting on February 3, 2025; and

NOW, THEREFORE, BE IT RESOLVED that the Commission hereby amends the *Policy on Conducting Commission Meetings and Business* as attached hereto as “Exhibit A”.

This Resolution shall take effect immediately.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on February 3, 2025, after a motion by Commissioner _____, seconded by Commissioner _____, by the following vote:

AYES:	Commissioners	_____
NOES:	Commissioners	_____
ABSENT:	Commissioners	_____
ABSTAIN:	Commissioners	_____

Kenneth Leary
Commission Chair

ATTEST: _____
Brendon Freeman
Executive Officer

Recorded by: Stephanie Pratt
Clerk/ Jr. Analyst



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

Policy on Conducting Commission Meetings and Business

(Adopted: August 9, 2001; Last Amended: February 3, 2025)

I. Background

The Cortese-Knox-Hertzberg Local Government Reorganization (“CKH”) Act of 2000, pursuant to California Government Code Section 56300, directs the Commission to exercise its regulatory and planning responsibilities consistent with its written policies and procedures.¹ This includes establishing written rules to help ensure all meetings and related business occurs in an orderly and transparent manner.

II. Purpose

The purpose of this policy is to provide clear and concise direction to Commissioners and staff with regard to conducting Commission meetings and related business involving the preparation of agendas, issuance of per diems, and reimbursement for member expenses.

III. Rules and Procedures in Conducting Business

A. Conducting Meetings

1. The Commission acknowledges and affirms the conducting of its meetings and related business are subject to applicable California laws, most notably the provisions of Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) and the Ralph M. Brown Act (“Brown Act”).
2. Three members of the Commission constitute a quorum. In the absence of a regular member, his or her alternate member (city, county, or public member as applicable) may serve and vote. In the absence of a quorum, the members present shall adjourn the meeting to a stated time and place of their choosing. If all members are absent, the Executive Officer or his or her designee may adjourn the meeting to a stated time and place. In such case, the Executive Officer shall cause written notice of adjournment to be given and shall post a notice of adjournment, consistent with the requirements of the Brown Act.
3. A regular and/or special meeting of the Commission may be adjourned to any day prior to the date established for the next succeeding regular meeting of the Commission.
4. If there is no business for the Commission's consideration five days before any regular scheduled meeting, the Executive Officer shall have the power to cancel the meeting by notifying the Chair and members there is no business before the Commission and the meeting has been cancelled.

¹ Hereinafter all section references are to the California Government Code unless otherwise noted.

5. Special meetings may be called by the Chair at his or her discretion. Special meetings may also be called upon the written request of a majority of the members of the Commission submitted to the Chair. Notice of special meetings shall be given in accordance with the Ralph M. Brown Act.
6. The Commission shall conduct its meetings in accordance with the rules of procedure set forth in the edition of "Robert's Rules of Order" that is most current at the time of the meeting.
7. If a Commission meeting takes the form of a teleconference or hybrid format, any vote of the Commission shall occur by way of a roll call vote. On all roll call votes, the names of the Commissioners shall be called in alphabetical order with the Chair voting last.
8. It is the responsibility of the Executive Officer to ensure that adequate staff and related resources are available for all Commission meetings.

B. Meeting Agendas

1. It is the responsibility of the Executive Officer to prepare an agenda and all supporting documents for the Commission, and to distribute these materials to the Commission and all affected and interested parties not less than five days prior to a scheduled regular meeting.
2. Meeting agendas shall concisely list the various items being considered and include a formal title along with a brief description of the underlying action or discussion and the Executive Officer's recommendation, if applicable.
3. The Executive Officer shall ensure items are agendized in an appropriate and timely manner relative to the Commission meeting its regulatory and planning responsibilities under CKH.
4. Each meeting agenda shall provide an opportunity for Commissioners to identify and request a matter for future discussion or action with the concurrence of the majority of the voting membership present. The Chair shall also have discretion to direct the Executive Officer to agendize a matter for the next available meeting to address an urgent or otherwise time-sensitive issue in which applicable legal notice can be provided.
5. It is the responsibility of the Executive Officer to see that legal notice for all agenda items to be considered by the Commission is given in accordance with the provisions of CKH and all other applicable laws.

C. Commissioner Stipends

1. Each Commissioner shall receive a stipend of \$150.00 per day for time and attendance at the following meetings:
 - a) Regular and special meetings of the Commission.
 - b) Meetings of standing committees of the Commission.
2. A Commissioner shall receive no more than three stipends per month pursuant to this policy.

D. Commissioner Reimbursement for Expenses

1. Each Commissioner may claim reimbursement for the actual amount of reasonable and necessary expenses incurred in performing the duties of his or her office, to be approved by the Executive Officer in accordance with Section D.2., below, and the Commission's approved budget for such expenses, including:
 - a) Attending conferences, workshops, and training programs of CALAFCO.
 - b) Attending CALAFCO meetings if the member is on the Board.
 - c) Attending other Commission related meetings, trainings, classes, or activities that are mandated or related to LAFCO business, with prior authorization from the Commission or Chair.
2. All reimbursement of expenses for Commissioners shall be provided in accordance with the same rules and manner as provided for Commission staff pursuant to the travel expense policy approved by the County Board of Supervisors in effect on the date of travel.



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

Budget Policy

(Adopted: August 9, 2001; Last Amended: ~~November 18, 2019~~ February 3, 2025)

I. Background

The Cortese-Knox-Hertzberg Local Government Reorganization (CKH) Act of 2000 includes provisions for establishing a budget and for the receipt of funds. [Government Code \(G.C.\) §56381](#) establishes that the Commission shall annually adopt a budget for the purpose of fulfilling its duties under CKH.

II. Purpose

It is the intent of the Commission to adopt a policy for budget purposes which establishes procedures for compiling, adopting and administering the budget. The Commission is committed to providing transparency of its operations including its fiscal activities. The Commission follows recognized accounting principles and best practices in recognition of its responsibility to the public.

III. Preparation of Annual Budget

- A) An annual budget shall be prepared, adopted and administered in accordance with [\(G.C.\) §56381](#).
- B) The Commission should annually consider the Fee Schedule, including any anticipated changes, and Work Program in conjunction with the budget process.
- C) The Commission is committed to ensuring the agency is appropriately funded each fiscal year to effectively meet its prescribed regulatory and planning responsibilities. The Commission is also committed to controlling operating expenses to reduce the financial obligations on the County of Napa, the cities and town, hereafter referred to as the “funding agencies,” whenever possible and appropriate.
- D) The budget shall include an undesignated/unreserved fund balance equal to ~~a minimum of one-third (i.e., four months)~~ 10% of annually budgeted operating expenses.
- E) The Commission shall establish an ad-hoc budget committee at the last meeting of each calendar year comprising of two Commissioners which will terminate with the adoption of the final budget. Commissioners appointed to a budget committee shall receive a regular per diem payment for each meeting attended.
- F) The adopted final budget should be posted on the Commission’s website for public viewing for a minimum of five years.
- G) The Executive Officer shall provide quarterly budget reports to the Commission for informational purposes.

IV. Budget Contributions and Collection of Funds

[G.C. §56381](#) establishes that the Commission shall adopt annually a budget for the purpose of fulfilling its duties under CKH. It further establishes that the County Auditor shall apportion the operating expenses from this budget in the manner prescribed by [G.C. §56381\(b\)](#), or in a manner mutually agreed upon by the agencies responsible for the funding of the Commission's budget [G.C. §56381\(c\)](#) states that:

After apportioning the costs as required in subdivision (b), the auditor shall request payment from the Board of Supervisors and from each city no later than July 1 of each year for the amount that entity owes and the actual administrative costs incurred by the auditor in apportioning costs and requesting payment from each entity. If the County or a city does not remit its required payment within 60 days, the Commission may determine an appropriate method of collecting the required payment, including a request to the auditor to collect an equivalent amount from the property tax, or any fee or eligible revenue owed to the County or city. The auditor shall provide written notice to the County or city prior to appropriating a share of the property tax or other revenue to the Commission for the payment due the Commission pursuant to this section.

It is the intent of the Commission that all agencies provide the costs apportioned to them from the LAFCO budget. Pursuant to [G.C. §56381\(c\)](#), the policy of the Commission is:

- A) If the County or a city or a town does not remit its required payment within 45 days of the July 1 deadline, the County Auditor shall send written notice to the agency in question that pursuant to [G.C. §56381\(c\)](#) and this policy, the Auditor has the authority to collect the amount of the Commission's operating expenses apportioned to that agency after 60 days from the July 1 deadline.
- B) If the County or a city or a town does not remit its required payment within 60 days of the July 1 deadline, the County Auditor shall collect an amount equivalent to the cost apportioned to that agency from the property tax owed to that agency, or some other eligible revenue deemed appropriate or necessary by the County Auditor. The County Auditor shall send written notice of the action taken to the agency and to the Commission.

V. Executive Officer Purchasing and Budget Adjustment Authority

Pursuant to [G.C. §56380](#), the Commission shall make its own provision for necessary quarters, equipment, supplies, and services. The associated operating costs are provided for through the Commission's adoption of its annual budget in the manner prescribed in [G.C. §56381](#).

It is the intent of the Commission to charge the LAFCO Executive Officer with the responsibility and authority for coordinating and managing the procurement of necessary quarters, equipment, supplies, and services, and to adjust the annual budget as necessary under certain circumstances. The policy of the Commission is:

- A) The Executive Officer is charged with the responsibility and authority for coordinating and managing the procurement of necessary quarters, equipment, supplies, and services in accordance with applicable laws, regulations and policies.
- B) The Executive Officer is authorized to act as the agent for LAFCO in procuring necessary quarters, equipment, supplies, and services.
- C) Only the Commission itself or the Executive Officer may commit LAFCO funds for the purchase of any necessary quarters, equipment, supplies, or services for LAFCO use.
- D) The Executive Officer is delegated purchasing authority on behalf of LAFCO for necessary quarters, equipment, supplies, and services not to exceed \$5,000 per transaction. The Commission must approve any purchase of necessary quarters, equipment, supplies, and services that exceed the monetary limits set forth in this policy.
- E) Following review and approval by the Chair, the Executive Officer is authorized to make adjustments and administrative corrections to the budget without Commission action provided the adjustments and corrections are within the total budget allocations adopted by the Commission and within the same budget category pursuant to Revenue and Taxation Code §29125.
- F) Following review and approval by the Chair, the Executive Officer is authorized to adjust the budget for purposes of carrying over to the new fiscal year any encumbered funds that have been approved by the Commission in a prior fiscal year and involve unspent balances. Said funds include committed contracts for services that were not completed in the prior fiscal year and must be re-encumbered by way of a budget adjustment in the new fiscal year.



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

Policy on Conducting Commission Meetings and Business

(Adopted: August 9, 2001; Last Amended: ~~June 4, 2018~~ February 3, 2025)

I. Background

The Cortese-Knox-Hertzberg Local Government Reorganization (“CKH”) Act of 2000, pursuant to California Government Code Section 56300, directs the Commission to exercise its regulatory and planning responsibilities consistent with its written policies and procedures.¹ This includes establishing written rules to help ensure all meetings and related business occurs in an orderly and transparent manner.

II. Purpose

The purpose of this policy is to provide clear and concise direction to Commissioners and staff with regard to conducting Commission meetings and related business involving the preparation of agendas, issuance of per diems, and reimbursement for member expenses.

III. Rules and Procedures in Conducting Business

A. Conducting Meetings

1. The Commission acknowledges and affirms the conducting of its meetings and related business are subject to applicable California laws, most notably the provisions of Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) and the Ralph M. Brown Act (“Brown Act”).
2. Three members of the Commission constitute a quorum. In the absence of a regular member, his or her alternate member (city, county, or public member as applicable) may serve and vote. In the absence of a quorum, the members present shall adjourn the meeting to a stated time and place of their choosing. If all members are absent, the Executive Officer or his or her designee may adjourn the meeting to a stated time and place. In such case, the Executive Officer shall cause written notice of adjournment to be given and shall post a notice of adjournment, consistent with the requirements of the Brown Act.
3. A regular and/or special meeting of the Commission may be adjourned to any day prior to the date established for the next succeeding regular meeting of the Commission.
4. If there is no business for the Commission's consideration five days before any regular scheduled meeting, the Executive Officer shall have the power to cancel the meeting by notifying the Chair and members there is no business before the Commission and the meeting has been cancelled.

¹ Hereinafter all section references are to the California Government Code unless otherwise noted.

5. Special meetings may be called by the Chair at his or her discretion. Special meetings may also be called upon the written request of a majority of the members of the Commission submitted to the Chair. Notice of special meetings shall be given in accordance with the Ralph M. Brown Act.
6. The Commission shall conduct its meetings in accordance with the rules of procedure set forth in the edition of "~~Rosenberg's~~ Robert's Rules of Order" that is most current at the time of the meeting.
7. If a Commission meeting takes the form of a teleconference or hybrid format, any vote of the Commission shall occur by way of a roll call vote. On all roll call votes, the names of the Commissioners shall be called in alphabetical order with the Chair voting last.
8. It is the responsibility of the Executive Officer to ensure that adequate staff and related resources are available for all Commission meetings.

B. Meeting Agendas

1. It is the responsibility of the Executive Officer to prepare an agenda and all supporting documents for the Commission, and to distribute these materials to the Commission and all affected and interested parties not less than five days prior to a scheduled regular meeting.
2. Meeting agendas shall concisely list the various items being considered and include a formal title along with a brief description of the underlying action or discussion and the Executive Officer's recommendation, if applicable.
3. The Executive Officer shall ensure items are agendized in an appropriate and timely manner relative to the Commission meeting its regulatory and planning responsibilities under CKH.
4. Each meeting agenda shall provide an opportunity for Commissioners to identify and request a matter for future discussion or action with the concurrence of the majority of the voting membership present. The Chair shall also have discretion to direct the Executive Officer to agendize a matter for the next available meeting to address an urgent or otherwise time-sensitive issue in which applicable legal notice can be provided.
5. It is the responsibility of the Executive Officer to see that legal notice for all agenda items to be considered by the Commission is given in accordance with the provisions of CKH and all other applicable laws.

C. Commissioner Stipends

1. Each Commissioner shall receive a stipend of \$150.00 per day for time and attendance at the following meetings:
 - a) Regular and special meetings of the Commission.
 - b) Meetings of standing ~~or ad hoc~~ committees of the Commission.
 - ~~c) Attendance at the annual conference held by the California Association of Local Agency Formation Commissions (CALAFCO).~~
 - ~~d) Meetings of CALAFCO when a Commissioner is a member of the CALAFCO Board of Directors.~~
 - ~~e) Up to four days per year for other trainings, classes, or activities that are mandated or related to LAFCO business, with prior authorization from the Commission or Chair.~~
2. A Commissioner shall receive no more than ~~five~~three stipends per month pursuant to this policy.

D. Commissioner Reimbursement for Expenses

1. Each Commissioner may claim reimbursement for the actual amount of reasonable and necessary expenses incurred in performing the duties of his or her office, to be approved by the Executive Officer in accordance with Section D.2., below, and the Commission's approved budget for such expenses, including:
 - a) Attending conferences, workshops, and training programs of CALAFCO.
 - b) Attending CALAFCO meetings if the member is on the Board.
 - c) Attending other Commission related meetings, trainings, classes, or activities that are mandated or related to LAFCO business, with prior authorization from the Commission or Chair.
2. All reimbursement of expenses for Commissioners shall be provided in accordance with the same rules and manner as provided for Commission staff pursuant to the travel expense policy approved by the County Board of Supervisors in effect on the date of travel.²

² ~~Refer to the current agreement for staff support services between the Commission and County of Napa, calling for reimbursement pursuant to the travel expense policy approved by the County Board of Supervisors in effect on the date of travel.~~



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

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

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

Agenda Item 8e (Action)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer B F

MEETING DATE: February 3, 2025

SUBJECT: Consider Appointments to Ad Hoc Budget Committee and Ad Hoc Legislative Committee

RECOMMENDATION

It is recommended the Commission make appointments to the ad hoc Fiscal Year 2025-26 Budget Committee and the ad hoc Legislative Committee.

SUMMARY

The Commission will consider the membership of two ad hoc subcommittees. A summary of the subcommittees and recommended actions follows.

Fiscal Year 2025-26 Budget Committee

The Commission establishes an ad hoc Budget Committee each year to advise the Executive Officer in preparing a budget for review and adoption by the Commission. The Budget Committee is also tasked with considering the Commission's fee schedule and work program. The Budget Committee automatically terminates with the adoption of a final budget. For reference, Commissioners Mohler and Leary served on the most recent Budget Committee. Staff recommends the Commission appoint two members to the Fiscal Year 2025-26 Budget Committee.

Legislative Committee

The Commission establishes an ad hoc Legislative Committee each year to advise the Executive Officer in the review of proposed legislation related to LAFCOs and making recommendations to the full Commission to take positions on pertinent bills. The Legislative Committee automatically terminates at the end of the calendar year. For reference, Commissioners Cottrell and Painter served on the Legislative Committee for calendar year 2024. Staff recommends the Commission appoint two members to the Legislative Committee for calendar year 2025.

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Beth Painter, Vice Chair
Councilmember, City of Napa

David Oro, Alternate Commissioner
Councilmember, City of American Canyon

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

Belia Ramos, Commissioner
County of Napa Supervisor, 5th District

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

Kenneth Leary, Chair
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer