



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

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

Agenda Item 5d

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer

MEETING DATE: April 4, 2016

SUBJECT: Commission Workshop Summary

SUMMARY

The Commission met February 1, 2016 in a workshop format as part of a special meeting to discuss its strategic priorities, expectations, and opportunities. The Commission workshop was facilitated by Liz Yager, who serves as the Program Manager of the Energy and Sustainability Division for the County of Sonoma. The workshop provided a review of the Commission's core mandates, mission, and existing resources while also highlighting accomplishments from 2015; a year in which the agency experienced several significant transitions. The workshop also explored program management principles, the process of management, Napa LAFCO's initiatives and responsibilities, and "S.M.A.R.T." objectives that result in attainable and valuable outcomes. This report is for information only. A summary of key takeaways from the workshop is provided below.

2015 Accomplishments

Recent accomplishments were reviewed briefly by staff and the Commission. Prominent accomplishments from 2015 included (a) conducting a Commission workshop in January, (b) adoption of a comprehensive Work Program to track current and near-term future agency activities, (c) approval of seven annexation proposals, (d) comprehensively updating two special district spheres of influence, and (e) finishing the 2014-2015 fiscal year with a substantial operating surplus relative to the adopted budget. The Commission also experienced tremendous staff turnover, highlighted by a legal services transition away from County Counsel to private counsel as well as hiring a new Executive Officer following approximately seven months of recruitment efforts. The hiring of the new Executive Officer created a vacancy in the Analyst position; a position that remains vacant as of date. To address the loss of staff resources associated with the referenced Analyst vacancy, the Commission entered into a contract with a private consultant (SWALE) to assist in the preparation of State mandated municipal service reviews and sphere of influence updates. The Commission commented that agency operations were challenged during the referenced Executive Officer recruitment period.

Juliana Inman, Chair
Councilmember, City of Napa

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

Brian J. Kelly, Commissioner
Representative of the General Public

Greg Pitts, Commissioner
Councilmember, City of St. Helena

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Joan Bennett, Alternate Commissioner
Councilmember, City of American Canyon

Keith Caldwell, Alternate Commissioner
County of Napa Supervisor, 5th District

Brendon Freeman
Executive Officer

Priorities

The Commission was clear in its direction to staff to focus on the highest priority activities included in the adopted Work Program. These activities predominantly involve the preparation of municipal service reviews and sphere of influence updates for the City of Calistoga, the City of St. Helena, and the Town of Yountville. These three local agencies are beyond their due dates in terms of receiving their scheduled studies and are each currently relying on the Commission to make pertinent agency determinations and sphere updates to inform their respective decision-making processes to address various planning and policy issues. To this end, and as referenced in the preceding section, the Commission has entered into a contract with a SWALE to prepare municipal service reviews and sphere of influence updates for the three referenced cities as well as two special districts: Circle Oaks County Water District and Los Carneros Water District. Draft combination municipal service review and sphere of influence reports for each of these agencies are expected to be presented at the Commission's regular meeting in June with final reports to follow during public hearings as early as a special meeting in July.

Opportunities

The Commission discussed potential opportunities for the agency to consider as part of future iterations of the Work Program. Of the topics discussed, island annexation generated the highest level of interest among Commissioners. Further, Commissioners expressed interest in identifying creative solutions to the back-log of municipal service reviews and sphere of influence updates included in the agency's Work Program. The Work Program and potential solutions to address the referenced back-log of studies will be discussed as part of item 8a on today's agenda. A full list of specific future opportunities reviewed and discussed by Commissioners and staff follows.

- *Adding special studies*
The Commission retains the authority, but is not required, to initiate studies and request information from governmental agencies other than the cities and special districts that are explicitly under LAFCO's purview. This includes school districts, community college districts, joint powers agencies, joint powers authorities, regional agencies, and State agencies and departments. The Commission did not express any interest in pursuing special studies at this time.
- *Water system consolidation (Senate Bill 88)*
The State of California recently enacted legislation encouraging consolidation of public water systems under Senate Bill 88. The bill also encourages the extension of service from existing public water systems to areas which currently rely on under-performing or failing small water systems and private wells. The bill authorizes the State Water Resources Control Board to require systems that consistently fail to meet standards to consolidate with, or obtain service from, a public water system. There are nearly 300 existing public water systems in Napa County as defined under the California Safe Drinking Water Act, many of which

could potentially benefit from eventual consolidation with other local water systems. However, the role of LAFCOs in proactively encouraging water system consolidation under Senate Bill 88 remains unclear until the State provides further guidance and resources.

- *Comprehensive policy review*

The Commission's current policies are generally effective in terms of administering the Cortese-Knox-Hertzberg Act in a manner that is responsive to unique local circumstances and conditions. It may be appropriate in the future to designate an ad hoc committee to review existing policies and seek opportunities for improvement to ensure the Commission is appropriately and effectively administering State law within Napa County. However, this item generated insufficient discussion to pursue in the near term.

- *Island annexations*

The Commission expressed significant interest in pursuing new strategies to address the issue of unincorporated islands and the service inefficiencies they perpetuate. Staff was directed to consider opportunities to work with the City of Napa and the County to eliminate the islands. The Commission noted that previous attempts to build momentum with this activity may have been stifled in part due to inadequate support-generating outreach on the part of staff with respect to efforts with City Councilmembers and members of the public.

- *Encouraging shared resources and shared services*

The Commission commented that this particular opportunity has already been attempted in the past and it is ultimately the decision of affected agencies to implement the Commission's recommendations. LAFCO already fulfills its role in this capacity through municipal service review determinations.

- *Outside services (G.C. Section 56133)*

The Commission discussed previous efforts to track and regulate outside services, in particular with respect to trucked water service. It was mentioned that the Commission considered an amendment to its outside service agreement policy that would have created an additional role for the agency in enforcing Government Code Section 56133, but this activity would be unreasonable for an agency of LAFCO's size given the staffing structure. Potential future opportunities include elevated levels of outside service agreement identification for local agencies in terms of mapping, but the Commission did not express interest in pursuing this opportunity further.

- *Precedent-setting project appetite*

This opportunity did not generate discussion amongst the Commission, indicating a strong preference to maintain existing policies and procedures discouraging the extension of jurisdictional boundaries and urban services to agricultural and open space lands. The Commission's role in this respect is clear and well-functioning.

- *LAFCO's role in climate change*
A discussion of LAFCO's role in climate change was added at the Commission's request. The Commission expressed light interest in identifying opportunities to address climate change. It was mentioned that the County of Napa is working on a comprehensive Climate Action Plan that will address issues pertaining to projects that would generate significant greenhouse gas emissions and/or threaten natural resources. Given the Commission's existing mandates to ensure the logical and orderly formation and development of local agencies as well as protect agricultural and open space resources, it remains unclear if additional opportunities exist to further address the issue of climate change.
- *Water supply issues*
A discussion of LAFCO's role in addressing local agency water supply issues was added at the Commission's request. The Commission discussed the fundamental issue of water supply sustainability for local agencies and what role, if any, LAFCO may have in terms of assisting local agencies in securing more stable water sources. One potential opportunity that was discussed in this regard involved inviting staff from local agencies with expertise in water supply issues to present pertinent information at future Commission meetings. Towards this end, staff is coordinating with the County of Napa to present information on water issues as early as the Commission's June 6th regular meeting.

The Commission concluded that many identified opportunities would hinder staff's ability to effectively address the existing priorities that were identified in the preceding section. However, the Commission did express interest in pursuing islands annexations. Towards this end, staff has begun discussing and developing collaborative island annexation strategies with City of Napa and County staff. The focus of these efforts is to identify a process that will engage the public early and ultimately be successful. This includes better informing the Commission, City Council, and island landowners and residents of the need for, and benefits of, island annexation. Staff is currently developing a report summarizing many of the service inefficiencies that unincorporated islands perpetuate as well as the process required to eventually annex some or all of the islands. Staff is also working with the City and the County on commitments to reduce or waive certain fees associated with processing island annexation proposals.

Additionally, the Commission expressed earnest interest in becoming better informed about staff activities and completion timelines. Staff agreed to meet this interest by way of preparing Work Program progress reports for each regular meeting to provide the Commission with opportunities to address changes in priorities and resources. As previously stated, the Work Program will be discussed as part of item 8a on today's agenda and will provide the Commission with the aforementioned desired opportunities.

ATTACHMENT

- 1) February 1, 2016 Workshop PowerPoint Presentation

Welcome

Local Agency Formation Commission
of Napa County

2016 Strategic Planning Workshop

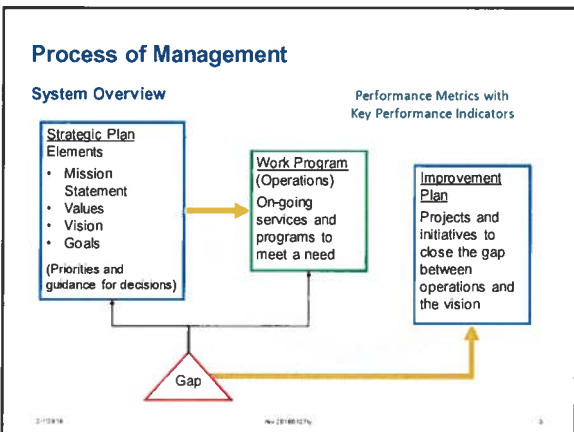
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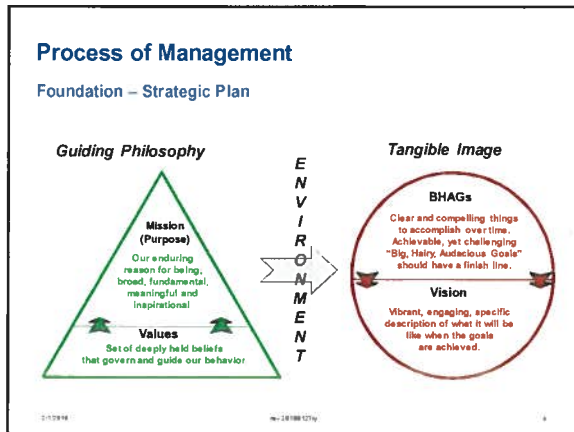
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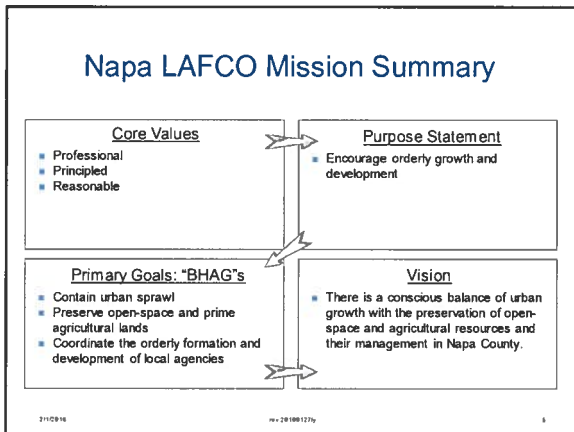
Workshop Outline and Objectives

1. *Review and acceptance of the Napa LAFCO strategic plan summary and initiatives matrix*
2. *Review of 2015 accomplishments and challenges*
3. *Discussion of priorities and performance indicators*
4. *Discussion of new opportunities for 2016*

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Initiatives Matrix

Goals/Objectives	Strategies		
	A. Education and Outreach	B. Policy Development	C. Technical Assistance
1. Contain urban sprawl	Review and consider local agency planning processes with dialogue with key staff to identify service and boundary issues with urban sprawl	<ul style="list-style-type: none"> Boundary Changes Special District Consolidations 	<ul style="list-style-type: none"> Municipal Service Reviews Sphere of Influence Updates Outside Service Agreements
2. Preserve open-space and prime agricultural lands	Communicate with local agencies to emphasize the importance of preserving open-space and agricultural lands	<ul style="list-style-type: none"> Boundary Changes Special District Consolidations 	<ul style="list-style-type: none"> Municipal Service Reviews Sphere of Influence Updates Outside Service Agreements
3. Coordinate the orderly formation and development of local agencies	Consistent dialogue with local agencies regarding growth and development goals	CEH and existing policies appear to provide effective guidance	<ul style="list-style-type: none"> Agency Formation Municipal Service Reviews Sphere of Influence Updates Outside Service Agreements

Summary of Napa LAFCO Responsibilities
(in alphabetical order)

- Agency Formation
- Boundary Changes, most often these are annexations
- Communication with the community through various media as to the role and results of Napa LAFCO
- Communication, education, and outreach to local government and agency staff
- Municipal Service Reviews
- Outside Service Agreements
- Special District Consolidations
- Sphere of Influence Updates

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2015 Accomplishments:

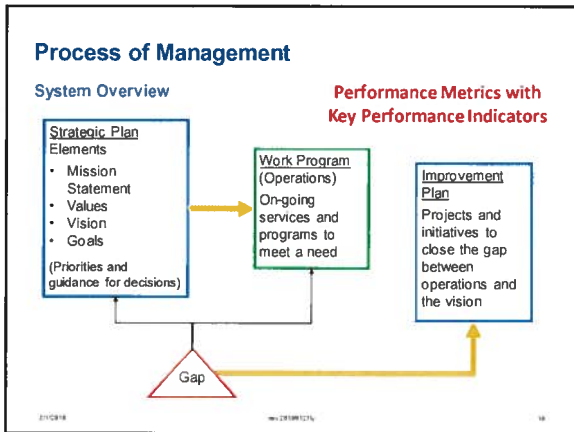
- ✓ Commission's Workshop with Dana Smith, Henson Consulting Group
- ✓ County Counsel Jackie Gong retired. Retained new legal counsel, Jennifer Gore with Renne Sloan Holtzman and Sakai (formerly Miller & Owen)
- ✓ New Executive Officer recruitment and appointment of Brendon Freeman
- ✓ Adopted a new Work Program
- ✓ Approved seven annexation proposals
- ✓ Updated two spheres of influence prepared in-house, Napa Sanitation District and Silverado Community Services District and three individual sphere amendments
- ✓ Selected a private consultant (SWALE, Inc.) to assist in the preparation of municipal service reviews and sphere of influence updates
- ✓ Updated the agency's policies and procedures to improve and streamline the implementation of LAFCO law in Napa County
- ✓ Completed the 2014-15 fiscal year with operating expenses significantly below budget (budgeted expenses = \$511,055, actual expenses = \$425,314)

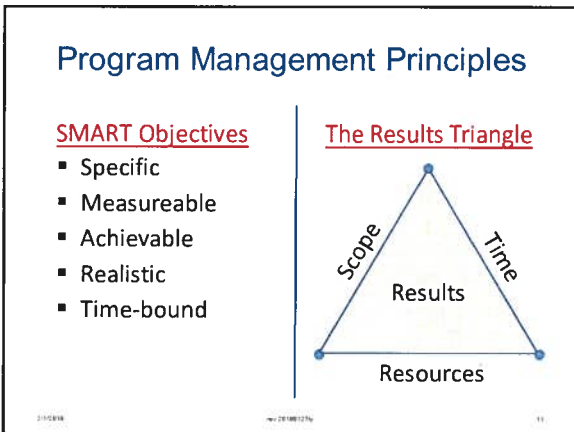
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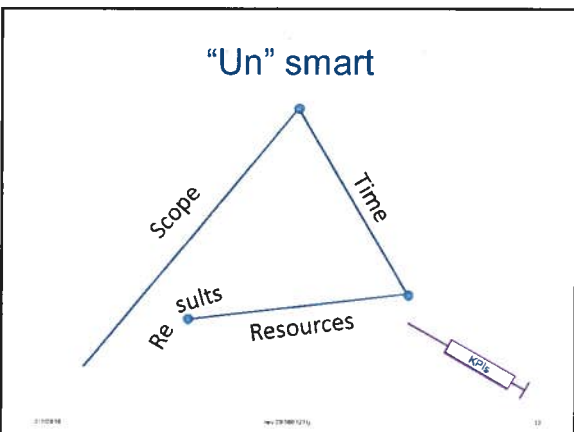
Looking Ahead to 2016:

- Strategic planning workshop to determine Commission expectations and objectives
- Comprehensive municipal service reviews and sphere of influence updates for the City of Calistoga, City of St. Helena and the Town of Yountville
- Appointment of Regular County Member and Alternate Public Member to fill expiring terms in May
- Website upgrades
- Resume island annexation program
- Complete current round of municipal service reviews and sphere of influence updates
- Amendments to Application Packet

2/1/2016 2/1/2016







Following the Priorities of the Strategic Plan

Strategic Plan Elements

- Mission Statement
- Values
- Vision
- Goals

(Priorities and guidance for decisions)

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Y/N

Key Performance Indicators

Work Program

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Potential Opportunities

1. Adding Special Studies
2. Water system consolidation – SB88
3. Policy review
4. Island annexations
5. Encouraging shared resources and shared services
6. Outside services - G.C. Section 56133
7. Initiating service and infrastructure efficiencies and sharing opportunities to provide fiscal health support
8. Precedent-setting project appetite

Results
Resources
KPIs

Thank you
