



**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*

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**Agenda Item 9a (Action)**

**TO:** Local Agency Formation Commission

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

**MEETING DATE:** April 3, 2017

**SUBJECT:** Authorize Commission Chair to Execute Consultant Contract for Municipal Service Reviews and Sphere of Influence Updates and Approve Proposed Budget Adjustment

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**RECOMMENDATION**

It is recommended the Commission approve take the following actions:

- 1) Authorize the Executive Officer to negotiate a contract with E Mulberg & Associates for municipal service reviews (MSRs) and sphere of influence (SOI) updates, and authorize the Chair to sign the contract.
- 2) Approve a budget adjustment to transfer \$24,700 from Administration Services to Consulting Services (Attachment Two).

**BACKGROUND AND SUMMARY**

At its December 5, 2016, meeting, the Commission established an ad hoc committee (“the Committee”) for developing and issuing a request for proposals (RFP), reviewing proposals from consultants in response to the RFP, and recommending a preferred consultant to the Commission. The Commission appointed Chair Dillon and Commissioner Kelly to serve with the Executive Officer on the Committee. Town of Yountville Manager Steve Rogers also agreed to participate on the Committee.

An RFP was released on February 1, 2017 to solicit proposals for consulting services, including preparation of an MSR and SOI updates for the South County Region. The South County Region includes the City of American Canyon, American Canyon Fire Protection District, and County Service Area No. 3. The RFP also states the Commission would like to enter into an on-call contract for additional MSR and SOI update services as needed.

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Juliana Inman, Vice Chair  
Councilmember, City of Napa

Paul Dohring, Commissioner  
Councilmember, City of St. Helena

Kenneth Leary, Alternate Commissioner  
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Commissioner  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Brendon Freeman  
Executive Officer

Two proposals were received by the RFP deadline. The proposals were submitted by (1) E Mulberg & Associates and (2) QK. The Committee assigned weighted scores to the proposals according to proposed costs, timelines, experience and skill level of personnel, hourly rates for potential additional work, interview quality, and quality of reference checks. The caliber and quality of each consultant was high, with both firms appearing to be capable, professional, and qualified to perform the scope of services needed by the Commission. The Committee ultimately selected E Mulberg & Associates for the following reasons:

- Proposal is thorough, well organized, and the most cost effective;
- E Mulberg & Associates appears exceptionally experienced, professional, and qualified to provide services specific to the preparation of MSRs and SOI updates;
- Reference checks were entirely positive;
- Interview quality was high; and
- E Mulberg & Associates received the highest weighted score as ranked by the Committee according to the earlier referenced factors.

A copy of the proposed scope of services and rates for E Mulberg & Associates is included as Attachment One to this staff report. It includes the MSR and SOI updates for the South County Region, which includes the City of American Canyon, American Canyon Fire Protection District, and County Service Area No. 3. The not-to-exceed amount for this work will be \$24,700. Additional work on other MSRs and SOI updates will be provided at the hourly rate of \$100, as identified in E Mulberg & Associates' proposal. Additional work would require an individual work order and future authorization from the Commission on a case by case basis.

Staff is working with Commission Counsel and Elliot Mulberg to finalize a professional services agreement, using the Commission's standard professional services agreement. Staff anticipates that a final agreement will be complete and ready for signature by the Chair of the Commission later this month. Staff recommends the Commission authorize the Chair to sign the contract once it is complete, with the assistance of Counsel.

Additionally, a budget transfer is needed to allocate funding within the appropriate expense account. The Commission currently allocates approximately \$92,000 for salary and benefit expenses associated with the vacant Analyst position. It appears appropriate to transfer a portion of this amount to the consulting services expense account for purposes of allocating funding for a contract with E Mulberg & Associates. Any expenses associated with the contract that remain unspent at the end of the current fiscal year would be re-encumbered next fiscal year. Toward this end, staff recommends the Commission approve a budget adjustment to transfer \$24,700 from Administration Services (Account No. 52100) to Consulting Services (Account No. 52310) as identified in Attachment Two.

## **ATTACHMENTS**

- 1) Proposed Scope of Work for E Mulberg & Associates
- 2) Budget Adjustment

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## SECTION 4: SCOPE OF WORK

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Napa LAFCO has requested the services of a contractor to perform Municipal Service Reviews for the City of American Canyon, American Canyon Fire Protection District, and Napa County Service Area 3. Each agency was reviewed in the Municipal Service Review: Southeast Napa County approved in June 2009. The final document will follow the methodology guidelines outlined in Napa LAFCO policies and reference Governor's Office of Planning Research guidelines. The MSR will contain research and analysis required for the Commission to make

determinations for each agency as to their ability to provide services. In addition our proposal includes agency specific sphere of influence updates based on the data of the MSR.

Since the 2009 MSR was completed the requirements for an MSR have been revised. In 2012 SB 244 added the requirement to review and identify disadvantaged unincorporated communities. The legislation was designed to promote infrastructure improvement investments in these areas. It established new requirements for LAFCOs and for land use agencies (cities and counties), requiring them to identify Disadvantaged Unincorporated Communities and to consider the provision of water, wastewater and structural fire protection services to these areas.

Of the seven areas that will be addressed in the MSR, the population, present and planned capacity, and the financial ability of the agencies to provide services are most likely to have changed since 2009. The focus of this MSR will be to evaluate those areas with current data. In addition the MSR will identify DUCs and address Napa LAFCO policies that may affect service delivery. We will also review the other analysis areas to be sure there were no changes and if found will update those as well. After completing the MSR we will then update the SOI of each agency as requested in the RFP.

### **The Agencies**

The scope of this MSR and SOI study will be an update of the Southeast Napa County MSR completed in June 2009. That reviewed included three agencies, the City of American Canyon, the American Canyon Fire Protection District and County Service Area 3.

### **City of American Canyon**

The City of American Canyon is a general law city incorporated in 1992. The City provides police, planning and public works. In addition it operates a system of parks and provides recreation

programs to its residents. Growth in the city is limited by physical constraints as well as the voter approved Urban Limit Line (ULL) in 2008. The ULL is the product of an agreement between the City and the County to limit growth. The ULL was subsequently included in the General Plan through an initiative petition that same year. The ULL is a formal commitment by the Citizens of American Canyon that the City will not request any annexations outside the ULL before the year 2030. The ULL may be and should be considered for the sphere of influence update since by definition the sphere of influence is the logical extent of urban services.

### **American Canyon Fire Protection District**

The American Canyon Fire Protection District provides fire and emergency services primarily to residents of the City of American Canyon. The District was formed as an independent special district in 1957. It serves a 6 square mile area that includes the City of American Canyon and a limited area north of the city limits. In 1992 the District was reorganized into a subsidiary district of the City of American Canyon as part of the City's incorporation. The District has a five member board of directors but as a subsidiary district the board of directors is the City Council. In 2009 the operating budget was approximately \$3.8 million to serve approximately 16,000 residents.

### **Napa County Service Area 3 (CSA 3)**

CSA 3 was formed in 1979 as a dependent special district by the Board of Supervisors to serve commercial and industrial areas near the Napa County Airport. It provides fire protection services and street maintenance by contracting with other public and private agencies. At the time of formation, the District was also authorized to provide water and sewer service by contract. The district remained dormant until 1994 when it was restructured to eliminate water and sewer services. CSA 3 is funded through a special assessment. In 2009 the operating budget was \$370,000 to service 5 million square feet of commercial and industrial development and approximately 13 residents.

This Scope of Work and the succeeding cost proposal are for a comprehensive updated with some adjustments for an abbreviated MSR and SOI. Should Napa LAFCO decide on an abbreviated study we can adjust the scope and cost appropriately as shown in shown in Table 1 and Table 2. Our experience has shown MSR studies can be as comprehensive or abbreviated as desired by the client as long as the required determinations are supported by data. In addition to issues raised in the previous MSR our team will address the issues identified in the RFP. In order to fulfill the requirements of the contract, Elliot Mulberg and Harry Ehrlich will be available to provide the following services:

### **TASK 1: PROJECT INITIATION, DATA COLLECTION, AND REVIEW**

1. Project initiation will be completed with a review of the schedule, the format for the reports, and a review of the questionnaire. At E Mulberg & Associates rather than just sending a questionnaire and waiting for responses, we prefer to meet with general managers of districts

or department staff of the city to complete the information needed to for the MSR. As part of this process we will transmit the questionnaire and a list of documents in prior to our meeting for efficiency.

**Meetings:** Consultant will hold a kickoff meeting with LAFCO staff.

## **TASK 2: DATA COLLECTION, AND REVIEW**

1. Collect and review the adopted MSRs and sphere of influence (SOI) documents from the first round of MSRs. Additional sources may also include the County General Plan, cities' general plans, strategic plans, agency budgets, financial audits, capital improvement plans, organizational charts, 2015 Urban Water Management Plan Updates, the most recent Integrated Regional Water Management Plan, recent environmental documents, State Controller's reports, Department of Finance demographic projections, 2010 Census, and other relevant documents.
2. Communicate with the city and districts to ensure all necessary data has been made available for analysis. This includes interviews with key staff and board members, emails or telephone conversations with key personnel. Consultant will also verify the information with each agency. The consultant may request LAFCo staff assistance with contact information for each district/city department or other assistance as needed in accessing data.
3. Analyze data and prepare preliminary findings. Consultant will analyze the data in the context of the seven factors of the MSR and make a preliminary assessment of determinations that the Commission may adopt.

**Meetings:** Consultant will present and discuss preliminary findings with LAFCO staff and the agencies.

## **TASK 3: ADMINISTRATIVE DRAFT**

1. Prepare a Draft for the City of American Canyon and the two districts , which will include determinations with respect to the seven areas outlined in Government Code Section 56430 (MSR). The Draft will contain the following chapters and sections:
  - **Introduction** – Describes the role and responsibility of LAFCo, the purpose and use of the municipal service review, the sphere of influence, and the application of the California Environmental Quality Act.
  - **Executive Summary** – Summarizes the findings for each agency and the seven areas required to complete a municipal service review, identifies issues, and includes recommendations for amendments or updates to the sphere of influence and changes of organization.
  - **Agency Profile** – This section will provide background information on the formation, enabling legislation, services provided and general information about each agency. The section will include a table of the boundary changes approved by LAFCO in the initial MSR plus any changes approved by the Commission since 2005. This section will also include a

map of the agency's boundaries and current sphere of influence.

- **Growth and Population Projections** – This section will discuss trends in growth and population for the agency. Population projections will be for a minimum of five years to comply with the update requirements for municipal service reviews. The section will also look at potential demand based on population projections through the next 15 years.
- **The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.** This section was added by Senate Bill (SB) 244, which became effective in January 2012. A disadvantaged community is defined as one with a median household income of 80 percent or less than the statewide median income.
- **Present and Planned Capacity of Public Facilities** – This section will review the facilities and capacities of each district's ability to provide water services. This section will compare the demand with available supply for normal years, a single dry year, and multiple dry years. It will address the adequacy of service as well as the ability to meet projected demand.
- **Financial Ability to Provide Services** – This section will review the budgets and audits of the agency. The section will address sources of revenues, expenses, and capital improvement plans. The review will also identify financing constraints and opportunities, cost avoidance opportunities, for enterprise functions this section will discuss the rate structure, and whether there are opportunities for rate restructuring.
- **Status and Opportunity for Shared Facilities** – This section will discuss how the agencies work cooperatively with each other and other local agencies. In addition, this section will discuss management efficiencies and staffing, and include an organizational chart if appropriate. This portion of the report will also cover participation in joint powers authorities.
- **Government Structure and Accountability** – This section will describe how the governing boards are selected, compensated, and their meeting schedule. It will also discuss outreach efforts to residents, and how citizens participate in the governing process. A portion of this section will identify key issues and the potential for expansion or update of the sphere of influence, as well as potential changes of organization.
- **Other Matters Related to Efficient Service Delivery** – This section will discuss how Napa LAFCo policies may affect service delivery.
- **Summary of Determinations** – This section will list the determinations for each of the MSR and SOI areas.
- **Recommendations** – This section will contain recommendations based on the analysis in the previous sections for changes to the sphere of influence or changes of organization such as dissolution, detachments, consolidations, or annexations

- **Acronyms and Abbreviations** – This section lists and defines the acronyms and abbreviations used in the review.
  - **References** – This part will include a bibliography of references used to complete the report.
2. Review the administrative draft with the Napa LAFCO staff.
  3. Review the administrative draft with the Napa LAFCO MSR Committee.

**Deliverables:** Consultant will deliver to LAFCO the Administrative Draft MSR in PDF and MS Word format.

**Meetings:** Consultant will meet with LAFCO staff and the MSR committee to review and solicit comments on the administrative draft. **This meeting will not be included in the abbreviated MSR cost.**

#### **TASK 4: DRAFT MSR UPDATE**

1. Consultant will incorporate comments received from districts and LAFCO staff into a Draft MSR. It is anticipated the Draft will be circulated for public comment.
2. Consultant will make a presentation of the Draft MSR to the full NAPA LAFCO Commission to solicit their comments for inclusion in the final MSR.
3. Consultant will consider any comments received from the public at the public hearing or during the comment period for inclusion in the final draft.

**Meetings:** Consultant will make a presentation to LAFCO Commission.

#### **TASK 5: FINAL MSR/REPORT**

1. Comments received will be attached in an appendix along with responses to comments as appropriate.
2. Submit the Final Draft MSR to LAFCO. The Final Draft will be completed and submitted in time to meet LAFCO noticing requirements.
3. Present final MSR report to LAFCO at a public meeting for approval by the Commission.

**Deliverables:** Consultant will deliver to LAFCO the final MSR in PDF and MS Word format.

**Meetings:** Consultant will make a presentation to LAFCO Commission.

#### **TASK 6: DRAFT SPHERE OF INFLUENCE UPDATES**

Prepare a Draft Sphere of Influence Update report for the City of American Canyon and each district, which will include determinations with respect to the five areas outlined in Government Code Section 56425 (SOI). Much of the analysis will be based on the

determinations of the MSR. The SOI analysis will be a separate chapter for the City and each district in the DRAFT SOI Report:

- **Introduction** – Describes the role and responsibility of LAFCO, the purpose and use of the sphere of influence, and the application of the California Environmental Quality Act.
- **Executive Summary** – Summarizes the findings for each agency and the five areas required to complete a sphere update.
- **Agency Profile** – This section will provide background information on the formation, enabling legislation, and general information about each agency. This section will also include a map of the agency’s boundaries and, the approved urban limit line for the City of American Canyon, the current sphere of influence and a proposed sphere if appropriate.
- **Present and planned land uses in the area, including agricultural and open space lands** - This consists of a review of current and planned land uses based on planning documents to include agricultural and open-space lands.
- **Present and probable need for public facilities and services** - This includes a review of the services available in the area and the need for additional services.
- **Present capacity of public facilities and adequacy of public services provided by the agency** - This section includes an analysis of the capacity of public facilities and the adequacy of public services that the city provides or is authorized to provide.
- **Social or economic communities of interest** - This section discusses the existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the city or district. These are areas that may be affected by services provided by the city or may be receiving services in the future.
- **Present and probable need for services to disadvantaged communities** - Beginning July 1, 2012 the commission must also consider services to disadvantaged communities which are defined as populated areas within the SOI whose median household income is less than or equal to 80 percent of the statewide median income.
- **CEQA considerations** - A sphere of influence update is subject to CEQA. This section will briefly discuss the appropriate level of CEQA analysis although it is understood that the final determination and the CEQA document will be prepared by Napa LAFCO.
- **Abbreviated Proposal:** In the abbreviated proposal this SOI section will be added as a separate section of the MSR for each agency. In that case the SOI chapter will discuss the five determinations required by Government Code 56425. The net result will be to move the completion date of the MSR back approximately 6 to 8 weeks.



**SECTION 5:  
PROJECT SCHEDULE**

The proposed schedule is shown in Table 1. We anticipate beginning work in February 2014 and completing the final report by the end of July.

**Table 1: Proposed Work Schedule**

<b>TASK</b>	<b>DESCRIPTION</b>	<b>COMPLETION DATE</b>
<b>1</b>	<b>Project Initiation</b>	4/14/17
<b>2</b>	<b>Data Collection</b>	5/12/17
<b>3</b>	<b>Administrative Draft</b>	6/16/17
<b>4</b>	<b>Draft MSR</b>	7/21/17
	<b>Presentation of MSR to Commission</b>	August/September Meeting
<b>5</b>	<b>Final MSR to Staff</b>	9/15/17
	<b>Presentation of MSR to Commission</b>	October Meeting
<b>6</b>	<b>Agency Specific SOI Updates</b>	
	<b>Napa County Service Area No. 3</b>	1/12/18
	<b>Draft City of American Canyon / American Canyon Fire Protection District</b>	1/12/18
	<b>Final City of American Canyon / American Canyon Fire Protection District</b>	3/9/18

**SECTION 6:  
PROJECT COSTS**

The work will be completed by Elliot Mulberg and Harry Ehrlich. Elliot Mulberg will have primary responsibility for completing the reports. We are proposing 247 hours to for the comprehensive update and 192 hours for the abbreviated update. The proposal is for an abbreviated update and a comprehensive update.

**Table 2: Proposed Fee Schedule**

Task	Sub Task	Cost	
		Abbreviated	Comprehensive
1	Project Initiation	\$ 600 <sup>1</sup>	\$ 600 <sup>1</sup>
2	Data Collection And Review	\$ 2,200 <sup>1</sup>	\$ 3,200 <sup>1</sup>
3	Administrative Draft MSR	\$ 8,000	\$ 10,500 <sup>2</sup>
4	Draft MSR	\$ 4,000 <sup>3</sup>	\$ 4,000 <sup>3</sup>
5	Final MSR	\$ 1,200 <sup>3</sup>	\$ 1,600 <sup>3</sup>
6	Sphere Updates	\$ 3,200	\$ 4,800 <sup>1</sup>
<b>Total</b>		<b>\$ 19,600</b>	<b>\$ 24,700</b>

<sup>1</sup> Includes meeting with LAFCO Staff

<sup>2</sup> Includes meeting with LAFCO Staff and LAFCO MSR Committee

<sup>3</sup> Includes presentation to LAFCO Commission

Costs are based on a rate of \$100 per hour for E Mulberg & Associates and \$100 per hour for Mr. Ehrlich. The cost proposal includes the work of the GIS technician and a professional editor. There are no additional direct costs. Any future requests for on call services would be provided at the same hourly rate. There are no scheduling conflicts or any conflicts of interest with the special districts or the cities.

