



## Local Agency Formation Commission of Napa County

Subdivision of the State of California

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

■ Margie Mohler, Chair ■ Diane Dillon, Vice Chair ■ Brad Wagenknecht ■ Vacant ■ Vacant  
■ Ryan Gregory, Alternate ■ Eve Kahn, Alternate ■ Scott Sedgley, Alternate

Administrative Office  
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Consistent with the California Governor's Executive Order N-29-20 promoting social distancing, there will be no physical or in-person meeting location available to the public. Instead, the meeting will be conducted by teleconference. All staff reports for items on the meeting agenda are available on the Commission's website at [https://www.napa.lafco.ca.gov/staff\\_reports.aspx](https://www.napa.lafco.ca.gov/staff_reports.aspx). The meeting will be accessible for all members of the public to attend via the link and phone number listed below.

### REGULAR MEETING AGENDA Monday, December 7, 2020, 2:00 PM

**This meeting will be conducted by Teleconference**

**Written public comments may be submitted PRIOR to the meeting (Deadline: December 7, 2020 at 10:00 A.M.). Public comments DURING the meeting: See "Coronavirus (COVID-19) – Notice of Meeting Procedures" on page 3 of the agenda.**

Join Teleconference Meeting **Electronically** (computer, tablet or smartphone): click on the link below:

<https://countyofnapa.zoom.us/j/84082240842>

Join Teleconference Meeting by **Telephone**:

Dial: (669) 900-6833

Follow the prompts: Meeting ID: 84082240842#

Please avoid the speakerphone function to prevent echoing.

If you need assistance before or during the meeting, please contact Commission Clerk Kathy Mabry at: [kmabry@napa.lafco.ca.gov](mailto:kmabry@napa.lafco.ca.gov) or call the LAFCO office at (707) 259-8645.

**1. CALL TO ORDER BY CHAIR; ROLL CALL**

**2. PLEDGE OF ALLEGIANCE**

**3. APPROVAL OF AGENDA**

The Chair will consider a motion to approve the agenda as prepared by the Executive Officer with any requests to remove or rearrange items by members or staff.

**4. PUBLIC COMMENTS**

The public is encouraged to 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. *See Coronavirus (COVID-19) – Notice of Meeting Procedure on page 3 of the agenda to submit comments.*

**5. RECOGNITION OF SERVICE: Gregory Rodeno**

**6. CONSENT ITEMS**

All items calendared as consent are considered ministerial or non-substantive action items. As such, all consent items may be approved under one vote of the Commission. With the concurrence of the Chair, a Commissioner may request discussion of an item on the consent calendar.

- a) **Approval of Meeting Minutes:** November 2, 2020 Special Meeting
- b) **Budget Adjustment No. 3 for Fiscal Year 2020-2021**
- c) **Approval of Meeting Calendar for 2021**

**7. INFORMATION ITEMS**

Information items will be received by the Commission without a presentation from staff unless requested by the Commission. Information items do not involve any action by the Commission.

- a) **Chair Rotation Due to Vacancy**
- b) **Current and Future Proposals**
- c) **First Quarter Budget Report for Fiscal Year 2020-2021**
- d) **Napa County Water and Wastewater Municipal Service Review Prologue**
- e) **Work Program Progress Report**
- f) **Expiring Commissioner Terms in 2021**
- g) **Executive Officer Report**

**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. *See Coronavirus (COVID-19) – Notice of Meeting Procedure on page 3 of the agenda to submit comments.*

**a) Audit Report for Fiscal Year Ending June 30, 2020 (Approx. 10 Minutes)**

The Commission will consider a financial audit prepared by Brown Armstrong for the 2019-2020 fiscal year. The recommended action is for the Commission to receive and file the audit.

**b) Consideration of Appointment Procedure for Public Member and possible appointment of Alternate Public Member as Public Member (Approx. 10 Minutes)**

The city and county members of the Commission will consider their options under local policy to fill the vacant Public Member position with an unexpired term ending May 2, 2022. The city and county members of the Commission may appoint the Alternate Public Member as the Public Member at this meeting, or provide direction to the Executive Officer with respect to appointing a Public Member as part of a public hearing at a future Commission meeting.

**c) Subcommittee Appointments (Approx. 10 Minutes)**

The Commission will consider the membership of three ad hoc subcommittees and one standing subcommittee. The recommended action is for the Commission to make appointments or re-appointments, as appropriate, to the following: 2021-2022 Budget Committee; Legislative Committee; Policy Committee; and Outreach Committee.

**d) Establishing a Matching Retirement Savings Contribution for the Executive Officer in 2021 (Approx. 5 Minutes)**

The Commission will consider designating a matching \$1,000 contribution to a 401(a) retirement savings account for the Executive Officer. The recommended action is for the Commission to adopt a resolution consenting to participation in the County of Napa 401(a) Retirement Savings Plan and establishing the LAFCO match for the 2021 calendar year.

**e) Consideration of Legal Services Contract (Approx. 10 Minutes)**

The Commission will consider its options related to contracted legal services prior to the expiration of the contract term on June 30, 2021. The recommended action is for the Commission to provide direction to the Executive Officer with respect to contracted legal services.

**9. COMMISSIONER COMMENTS/REQUESTS FOR FUTURE AGENDA ITEMS**

This is an opportunity for Commissioners to comment on issues not listed on the agenda, provided that the subject matter is within the jurisdiction of the Commission. No discussion or action may occur or be taken, except to place the item on a future agenda if approved by a majority of the Commission.

**10. CLOSED SESSIONS:**

- a) **Public Employee Performance Evaluation – (Government Code Section 54957(b)(1))**  
Employee: Executive Officer
- b) **Conference with Labor Negotiators – (Government Code Section 54957.6)**  
Agency Designated Representative: Commission Chair  
Unrepresented Employee: Executive Officer

**11. ADJOURNMENT TO NEXT SCHEDULED MEETING**

Monday, February 1, 2021 at 2:00 P.M. The meeting will be conducted by teleconference due to COVID-19 in compliance with Executive Order N-29-20.

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**MEETING INFORMATION**

**\*\*CORONAVIRUS (COVID-19) – Notice of Meeting Procedures**

TELCONFERENCE MEETING: In order to slow the spread of the Coronavirus (COVID-19) pandemic, the Commission will conduct this meeting as a teleconference in compliance with the Governor’s Executive Order N-29-20 and Napa County Shelter at Home Order issued March 18, 2020, and members of the Commission or Commission staff may participate in this meeting telephonically or electronically. Members of the public may participate in the meeting, as described below.

*Join Teleconference Meeting **Electronically** (computer, tablet or smartphone):* click on the link below:  
<https://countyofnapa.zoom.us/j/84082240842>

*Join Teleconference Meeting by **Telephone**:*  
Dial: (669) 900-6833  
Follow the prompts: Meeting ID: 84082240842#  
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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 **December 7, 2020 at 10:00 A.M.** by email to [kmabry@napa.lafco.ca.gov](mailto:kmabry@napa.lafco.ca.gov) or by mail to Napa LAFCO at 1030 Seminary Street, Suite B, Napa, CA 94559-2814. 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 Clerk prior to the deadline of **December 7, 2020 at 10:00 A.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.

**SUBMITTING SPOKEN COMMENTS DURING THE COMMISSION MEETING:**

Electronically:

1. We request that you identify yourself by name as this will be visible online and will be used to notify you that it is your turn to speak.
2. When the Commission calls for the item on which you wish to speak, click “participants”, a menu will appear. On computer or tablet: click on the “raise hand” icon or word. On a smartphone: click on your name in the list of participants, click on “raise hand”. Staff will activate and unmute speakers in turn.
3. When you are called upon to speak please provide your name and address for the record.
4. When called, please limit your remarks to the time limit allotted (3 minutes).

By phone (landline):

1. Your phone number will appear but not your name.
2. When the Commission calls for the item on which you wish to speak, press \*9 to “raise your hand”. Staff will activate and unmute speakers in turn. You will be called upon using the last four digits of your phone number, since your name is not visible.
3. When you are called upon to speak please provide your name and address for the record.
4. When called, please limit your remarks to the time limit allotted (3 minutes).

**VIEWING RECORDING OF TELECONFERENCE MEETING:** The Commission’s teleconference meeting will be recorded. Members of the public may access the teleconference meeting and other archived Commission meetings by going to [https://www.napa.lafco.ca.gov/cm\\_meeting\\_video.aspx](https://www.napa.lafco.ca.gov/cm_meeting_video.aspx). Please allow up to one week for production time.

**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 the environmental document; (2) testimony of proponent; (3) testimony of opponent; (4) public testimony; (5) rebuttal by proponent; (6) provision of additional clarification by staff as required; (7) close of the public hearing; (8) Commission discussion and Commission vote.

**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 and in conformance with the COVID-19-Notice of Meeting Procedures. 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 the Commission Clerk at (707) 259-8645 or [kmabry@napa.lafco.ca.gov](mailto:kmabry@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 three 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 <https://www.napa.lafco.ca.gov> or by contacting the Commission Clerk at [kmabry@napa.lafco.ca.gov](mailto:kmabry@napa.lafco.ca.gov) or call the LAFCO office at (707) 259-8645. If the supplemental materials are made available to the members of the Commission at the meeting, a copy will be available for public review at <https://www.napa.lafco.ca.gov>. Staff reports are available online at [https://www.napa.lafco.ca.gov/staff\\_reports.aspx](https://www.napa.lafco.ca.gov/staff_reports.aspx) or upon request to the Commission Clerk at [kmabry@napa.lafco.ca.gov](mailto:kmabry@napa.lafco.ca.gov) or call the LAFCO office at (707) 259-8645.

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**Agenda Item 6a (Consent/Action)**

**TO:** Local Agency Formation Commission

**PREPARED BY:** Kathy Mabry, Commission Clerk

**MEETING DATE:** December 7, 2020

**SUBJECT:** Approval of Meeting Minutes:  
**November 2, 2020 Special Meeting**

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**DISCUSSION AND RECOMMENDATION**

The Commission will consider approving the draft meeting minutes prepared by staff for the November 2, 2020 Special Meeting, included as Attachment One.

Staff recommends approval.

**ATTACHMENT**

- 1) Draft Minutes for November 2, 2020 Special Meeting

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Margie Mohler, Chair  
Councilmember, Town of Yountville

Vacant  
Councilmember, City of American Canyon

Scott Sedgley, Alternate Commissioner  
Councilmember, City of Napa

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

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

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

Vacant  
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 NOVEMBER 2, 2020

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

### 1. WELCOME AND CALL TO ORDER; ROLL CALL

Chair Leary called the special meeting of November 2, 2020 to order at 2:03 PM **via teleconference**. At the time of roll call, the following Commissioners and Staff were present:

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

### 2. PLEDGE OF ALLEGIANCE

Alternate Commissioner Kahn led the Pledge of Allegiance.

### 3. APPROVAL OF AGENDA

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

#### VOTE:

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

### 4. PUBLIC COMMENTS

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

No public comments were received.

Napa resident, James Hinton, questioned the volume of the Zoom meeting. Chair and staff reviewed the matter and found no adjustment needed.

### 5. CONSENT ITEM

#### a) Approval of Minutes: October 5, 2020 Regular Meeting

Upon motion by Commissioner Rodeno and second by Commissioner Mohler, the consent item was approved by roll call vote:

#### VOTE:

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

## 6. PUBLIC HEARING ITEM

### a) Revised Final Napa Countywide Water and Wastewater Municipal Service Review and Associated CEQA Findings

The Commission reviewed a revised final *Napa Countywide Water and Wastewater Municipal Service Review* (MSR). The public hearing was continued from the October 5, 2020 regular meeting. The report was prepared by Policy Consulting Associates (PCA) and includes written determinations making statements on the level and range of services provided by the 14 local government agencies in Napa County with a role in providing public water and/or wastewater services. Staff recommendations are to receive and file the final MSR and adopt a resolution confirming the report's determinations. Optional recommendations were for staff to provide resources to facilitate future meetings with subject agencies to discuss the MSR recommendations, and/or waive or reduce future processing fees for the water/wastewater providers in the MSR. Consultants Jennifer Stephenson and Richard Berkson were available to answer any questions the Commission had.

Staff noted it had received three public comment letters; two were from the Hess Collection Winery and were circulated to the Commission (Supplemental Items One and Two). The third letter was from the City of American Canyon and was circulated to the Commission (Supplemental Item Three). All three letters were posted to the Commission's website.

Staff provided a timeline from the release of the initial public draft report up to today's meeting, and a Power Point presentation. Staff noted that any changes from the previous report were based on direction from the MSR Comments Committee (Dillon and Mohler) and a 2x2 committee (Mohler and Wagenknecht) and are described in the staff report for this agenda item.

Staff displayed a map from the MSR, Figure 4-5 which shows American Canyon's water service area as recognized by LAFCO. The map included the Hess Property, which is located within the Extraterritorial Service Area, and recognized as part of LAFCO Resolution #07-27, adopted in 2007. The Hess property is located outside of the Airport Industrial Area. Staff noted this means that if the City of American Canyon were to provide water service to the Hess property in the future, they would need to seek LAFCO approval to do so. This is LAFCO's position on the matter, however, it should be noted that the City of American Canyon does have a different position than LAFCO as it relates to their water service area. Staff expects to continue the conversation about American Canyon's water service area by way of possible MOU discussions, which would involve the City and LAFCO, and include the County.

Commissioners Mohler and Wagenknecht reported out the actions of the 2x2 meetings held recently with LAFCO and American Canyon staff and counsel, which resulted in a possible MOU agreement.

Staff briefly discussed the Government Code Section 56133.5 Pilot Program (which expires at the end of 2020) which could potentially be utilized by two of our subject agencies in the future, as identified in the MSR, for service extensions outside agency boundaries and spheres of influence.

*(continued next page)*



**6. PUBLIC HEARING ITEM**

**a) Revised Final Napa Countywide Water and Wastewater Municipal Service Review and Associated CEQA Findings – *continued*:**

Chair Leary opened the public hearing. Public comments were received from the following:

- Jason Holley, American Canyon City Manager, thanked the Commission for its direction at the October meeting that allowed for the 2x2 committee to meet. Mr. Holley thanked Commissioners Mohler and Wagenknecht who met with City of American Canyon staff and counsel, and he believes resulted in a map that now accurately reflects American Canyon’s water service area. Mr. Holley stated the City added the source of the information (historical water agreements) which references the boundaries and highlighted in their letter received today. Mr. Holley asked LAFCO staff & counsel to continue to work with American Canyon staff in the hopes of having a unified perspective of the Figure 4-5 map and its boundaries.
- Mark Prestwich made himself available to answer any questions relating to St. Helena.
- John McDowell, Napa County Planning Dept. thanked the Commission, Executive Officer, staff and consultants for their responsiveness during this process. He also requested revising a section about extending services to Meadowood Resort and areas south of St. Helena and feels more discussions should occur before finalizing the MSR document.
- Jeri Hansen, Groundwater Sustainability group commented on the MSR report and believes it warrants further exploration, and doesn’t believe all parties have had ample time to respond to this review and respond to comments.
- Robert Hull spoke on behalf of Hess Collection Winery. He thanked the Commission for its consideration of the late letters submitted prior to the meeting. Mr. Hull asked for this matter to be continued until the water service area issues with American Canyon can be resolved.

Chair Leary closed the public hearing.

Chair Leary asked the Executive Officer to define a municipal services review, which he did. Chair Leary then asked each Commissioner to comment on where they are and where they want to go with this matter. The majority of the Commissioners expressed how proud and impressed they are of this document. Commissioner Mohler noted a comment from CALAFCO that they are amazed that Napa LAFCO undertook this important study. Still, some Commissioners agreed that there are more improvements needed (such as an appendix and a prologue to the MSR) and that we need to continue this important discussion.

Upon motion by Commissioner Mohler and second by Commissioner Wagenknecht, the Commission agreed to receive and file the revised final *Napa Countywide Water and Wastewater Municipal Service Review* report. The formal action included the addition of Figure 4-5a, which was included in an earlier version of the report, and the addition of a prologue to be presented to the Commission for information at the December 7, 2020 meeting. The Commission also directed staff to return in the future with a new appendix, which would include ongoing updates to other studies and activities undertaken by local agencies that are related to the MSR:

**VOTE:**

<b>AYES:</b>	<b><u>MOHLER, WAGENKNECHT, DILLON, LEARY AND RODENO</u></b>
<b>NOES:</b>	<b><u>NONE</u></b>
<b>ABSENT:</b>	<b><u>NONE</u></b>
<b>ABSTAIN:</b>	<b><u>NONE</u></b>

(continued next page)

**6. PUBLIC HEARING ITEM**

**a) Revised Final Napa Countywide Water and Wastewater Municipal Service Review and Associated CEQA Findings – *continued*:**

Upon motion by Commissioner Mohler and second by Commissioner Wagenknecht, the Commission adopted the resolution confirming the determinative statements in the revised final *Napa Countywide Water and Wastewater Municipal Service Review* report and finds the report is exempt from further review under the California Environmental Quality Act pursuant to California Code of Regulations Section 15306 (**Resolution #2020-10**).

The formal action included revising the resolution to note the addition of Figure 4-5a, which was included in an earlier version of the report, and the addition of a prologue to be presented to the Commission for information at the December 7, 2020 meeting:

**VOTE:**

<b>AYES:</b>	<b><u>MOHLER, WAGENKNECHT, DILLON, LEARY AND RODENO</u></b>
<b>NOES:</b>	<b><u>NONE</u></b>
<b>ABSENT:</b>	<b><u>NONE</u></b>
<b>ABSTAIN:</b>	<b><u>NONE</u></b>

**7. COMMISSIONER COMMENTS/REQUESTS FOR FUTURE AGENDA ITEMS**

Commissioner Gregory Rodeno announced his resignation from LAFCO, effectively immediately. Commissioner Rodeno was originally appointed as an alternate public member on LAFCO in 2007, then as a regular public member in April 2018. He also served as the LAFCO Chair in 2019. The Commission, staff and counsel thanked Commissioner Rodeno for his service and wished him well in future endeavors. LAFCO will present a plaque of appreciation of service and a Certificate of Recognition from CALAFCO to Commissioner Rodeno at the December 7, 2020 meeting. Staff will post a notice of vacancy for the Public Member position, and the Commission will be presented with its options to recruit a new Public Member at the December meeting.

Commissioner Mohler announced that she has recently been elected to CALAFCO Executive Board as their Treasurer, and will be the Chair of CALAFCO in four years from now.

The Commission, staff congratulated Commissioner Mohler on her achievement.

Chair Leary announced that he is not seeking re-election in American Canyon, therefore, he will no longer be on LAFCO, effective December 1, 2020. The Commission and staff thanked Chair Leary for his dedicated service and wished him well in the future.

**8. ADJOURNMENT TO NEXT SCHEDULED MEETING**

The meeting adjourned at 3:55 PM. The next meeting is scheduled for Monday, December 7, 2020 at 2:00 PM. **It is anticipated the meeting may be conducted by teleconference due to COVID-19 in compliance with Executive Order N-29-20.**

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Kenneth Leary, LAFCO Chair

ATTEST:  
Brendon Freeman, Executive Officer

Prepared by:

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Kathy Mabry, Commission Secretary



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

**Agenda Item 6b (Consent/Action)**

**TO:** Local Agency Formation Commission  
**PREPARED BY:** Brendon Freeman, Executive Officer  
**MEETING DATE:** December 7, 2020  
**SUBJECT:** Budget Adjustment No. 3 for Fiscal Year 2020-2021

**RECOMMENDATION**

It is recommended the Commission approve Budget Adjustment No. 3 to the budget for fiscal year 2020-2021 as reflected in Attachment One.

**BACKGROUND AND SUMMARY**

Following two administrative budget adjustments consistent with Section V of the Commission’s adopted *Budget Policy*, included as Attachment One, the Commission’s current budget for fiscal year 2020-2021 includes \$566,394 in total expenses. Of this amount, \$17,500 was budgeted under Legal Services (Account No. 52140), \$29,523 was budgeted under Rents and Leases: Building/Land (Account No. 52605), \$5,875 was budgeted under Training/Conference (Account No. 52900), and \$6,000 was budgeted under Computer Equipment/Accessories (Account No. 53410).

Staff recommends the Commission approve a budget adjustment for the four aforementioned expense accounts as described below:

- 1) Increase Legal Services by \$10,000 to account for the higher than anticipated demand for professional legal services related to the *Napa Countywide Water and Wastewater Municipal Service Review* and related legal issues. This fiscal year the legal services budget was reduced \$12,500 from the previous fiscal year, and reduced \$17,500 from the prior two fiscal years. The requested increase will adjust the legal services budget amount to be \$2,500 less than the previous fiscal year, and \$7,500 less than the prior two fiscal years.
- 2) Increase Rents and Leases: Building/Land by \$886 to account for the true cost of rent for the Commission’s office. Office rent was increased by 3% this year, with the increase inadvertently omitted from the adopted budget.
- 3) Decrease Training/Conference by \$4,886 to account for the cancellation of all conferences and availability of virtual training at no cost.
- 4) Decrease Computer Equipment/Accessories by \$6,000 to recognize staff will not require any computer purchases during the current fiscal year.

Margie Mohler, Chair  
Councilmember, Town of Yountville

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

Vacant  
Representative of the General Public

Vacant  
Councilmember, City of American Canyon

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

Eve Kahn, Alternate Commissioner  
Representative of the General Public

Scott Sedgley, Alternate Commissioner  
Councilmember, City of Napa

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

Brendon Freeman  
Executive Officer

***Net Financial Impact***

The recommended adjustment involving the four expense accounts as described on the previous page of this report would result in a total increase of \$10,886 and a total decrease of \$10,886. Therefore, the budget adjustment would have a zero net impact on the Commission's bottom line or require new contributions from the local funding agencies. Staff believes the transfer is reasonable and necessary to ensure the Commission can make timely payments on any invoices for legal services and office rent.

**ATTACHMENTS**

- 1) Budget Policy
- 2) Proposed Budget Adjustment No. 3 for Fiscal Year 2020-2021
- 3) Proposed Adjusted Budget for Fiscal Year 2020-2021



## LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

### *Budget Policy*

(Adopted: August 9, 2001; Last Amended: November 18, 2019)

#### **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) 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 Office 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.
- 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

Subdivision of the State of California

Attachment Three

## FY2020-2021 ADJUSTED BUDGET

Budget Adjustment No. 1 Approved on July 20, 2020

Budget Adjustment No. 2 Approved on August 13, 2020

Budget Adjustment No. 3 Proposed on December 7, 2020

Expenses		FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21	Difference	
		Adjusted <sup>1</sup>	Actual	Adjusted <sup>1</sup>	Actual	Adjusted <sup>1 2 3</sup>	Actual	Adjusted Budget <sup>1 4 5 6</sup>		
<b>Salaries and Benefits</b>										
<u>Account</u>	<u>Description</u>									
51210	Commissioner Per Diems	11,000	9,875	15,000	12,150	15,000	10,800	12,500	(2,500)	-16.7%
51300	Medicare - Commissioners	-	140	-	173	225	158	250	25	11.1%
51305	FICA - Commissioners	500	398	500	550	500	506	500	-	0.0%
	<b>Total Salaries &amp; Benefits</b>	11,500	10,413	15,500	12,873	15,725	11,464	13,250	(2,475)	-15.7%
<b>Services and Supplies</b>										
<u>Account</u>	<u>Description</u>									
52100	Administration Services <sup>2 3</sup>	348,201	245,673	371,069	319,297	424,278	407,298	415,869	(8,409)	-2.0%
52105	Election Services	100	-	500	-	200	-	-	(200)	-100.0%
52125	Accounting/Auditing Services	9,500	6,902	8,000	7,394	8,000	6,710	7,500	(500)	-6.3%
52130	Information Technology Services	16,859	16,859	17,301	16,653	24,590	24,590	24,323	(267)	-1.1%
52140	Legal Services <sup>6</sup>	35,000	35,000	35,000	27,152	30,000	30,000	27,500	(2,500)	-8.3%
52310	Consulting Services <sup>1 4</sup>	52,311	30,221	188,050	80,339	112,624	79,623	25,551	(87,073)	-77.3%
52345	Janitorial Services	200	75	150	165	300	300	300	-	0.0%
52515	Maintenance-Software	2,000	1,779	2,000	1,779	2,000	1,929	1,930	(70)	-3.5%
52600	Rents and Leases: Equipment	6,000	4,710	5,500	4,585	5,500	4,969	5,500	-	0.0%
52605	Rents and Leases: Building/Land <sup>6</sup>	27,828	27,828	27,828	28,663	29,523	29,523	30,409	886	3.0%
52700	Insurance: Liability	249	249	70	70	4,554	380	813	(3,741)	-82.1%
52800	Communications/Telephone	3,000	3,041	3,000	3,124	3,000	3,591	3,500	500	16.7%
52830	Publications and Notices	2,000	1,562	2,000	967	1,500	1,440	1,500	-	0.0%
52835	Filing Fees	500	150	500	200	250	154	50	(200)	-80.0%
52900	Training/Conference <sup>4 5 6</sup>	9,000	7,091	9,000	13,770	12,295	8,348	989	(11,306)	-92.0%
52905	Business Travel/Mileage	1,500	1,152	1,000	2,265	3,000	1,449	1,000	(2,000)	-66.7%
53100	Office Supplies	3,000	1,768	2,000	2,265	2,000	1,193	1,250	(750)	-37.5%
53110	Freight/Postage	300	253	300	100	300	158	350	50	16.7%
53120	Memberships/Certifications <sup>5</sup>	2,726	2,726	2,805	2,805	3,261	3,261	3,060	(201)	-6.2%
53205	Utilities: Electric	1,300	1,057	1,300	1,121	1,300	1,306	1,500	200	15.4%
53410	Computer Equipment/Accessories <sup>6</sup>	500	539	500	645	300	617	-	(300)	-100.0%
56350	Business Related Meal/Supplies	350	916	750	479	500	122	250	(250)	-50.0%
	<b>Total Services &amp; Supplies</b>	522,524	395,847	678,673	514,108	669,275	606,961	553,144	(116,131)	-17.4%
<b>EXPENSE TOTALS</b>		534,024	406,260	694,173	526,981	685,000	618,425	566,394	(118,606)	-17.3%

<sup>1</sup> Operating expenses in FYs 17-18, 18-19, 19-20, and 20-21 were adjusted to re-encumber existing consultant contracts that were not fully utilized in the preceding FYs.

<sup>2</sup> Administration Services (52100) includes the following eight expense accounts related to staff salaries and benefits: Salaries and Wages (51100); 401A Employer Contribution (51200); Cell Phone Allowance (51205); Medicare - Staff (51300); Employee Insurance-Premiums (51400); Worker's Compensation (51405); Retirement (51600); and OPEB (51605).

<sup>3</sup> Administration Services (52100) increased by \$25,000 in FY 19-20 to reflect actual expenses incurred associated with staff salaries and benefits. Offset with reserves.

<sup>4</sup> Consulting Services (52310) increased by \$50 and Training/Conference (52900) decreased by \$50 in FY 20-21.

<sup>5</sup> Memberships/Certifications (53120) increased by \$75 and Training/Conference (52900) decreased by \$75 in FY 20-21.

<sup>6</sup> Legal Services (52900) increased by \$10,000, Rents and Leases: Building/Land (52605) increased by \$886, Training/Conference (52900) decreased by \$4,886, and Computer Equipment/Accessories (53410) decreased by \$6,000 in FY 20-21.

Revenues

		FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21			
		Adopted Final	Actual	Adopted Final	Actual	Adopted Final	Actual	Adjusted Budget	<u>Difference</u>		
<b>Intergovernmental</b>											
<u>Account</u>	<u>Description</u>										
43910	County of Napa	213,724	213,724	224,410	224,410	235,631	235,631	242,700	7,070	3.0%	
43950	Other Governmental Agencies	213,724	213,724	224,410	224,410	235,631	235,631	242,700	7,070	3.0%	
----	<i>City of Napa</i>	143,028	143,028	148,793	148,793	154,514	154,514	162,800	8,286	5.4%	
----	<i>City of American Canyon</i>	34,380	34,380	35,803	35,803	38,707	38,707	41,166	2,459	6.4%	
----	<i>City of St. Helena</i>	13,856	13,856	14,897	14,897	15,357	15,357	15,159	(198)	-1.3%	
----	<i>City of Calistoga</i>	12,349	12,349	13,673	13,673	15,575	15,575	14,515	(1,060)	-6.8%	
----	<i>Town of Yountville</i>	10,111	10,111	11,243	11,243	11,478	11,478	9,060	(2,418)	-21.1%	
	<b>Total Intergovernmental</b>	427,448	427,448	448,820	448,820	471,261	471,261	485,400	14,139	3.0%	
<b>Service Charges</b>											
<u>Account</u>	<u>Description</u>										
42690	Application/Permit Fees	20,000	9,471	20,000	41,451	25,000	26,964	21,060	(3,940)	-15.8%	
46800	Charges for Services	500	250	500	500	500	781	624	124	24.8%	
	<b>Total Service Charges</b>	20,500	9,721	20,500	41,951	25,500	27,745	21,684	(3,816)	-15.0%	
<b>Investments</b>											
<u>Account</u>	<u>Description</u>										
45100	Interest	5,000	6,701	7,000	12,367	7,000	12,062	12,000	5,000	71.4%	
	<b>Total Investments</b>	5,000	6,701	7,000	12,367	7,000	12,062	12,000	5,000	71.4%	
	<b>REVENUE TOTALS</b>	452,948	443,870	476,320	503,138	503,761	511,068	519,084	15,323	3.0%	
	<b>OPERATING DIFFERENCE</b>	(81,076)	37,610	(217,853)	(23,843)	(181,239)	(107,357)	(47,310)			

Negative Balance Indicates Use of Unrestricted Fund Balance Reserves

	2017-18	2018-19	2019-20	2020-21
	Actual	Actual	Actual	Adjusted Budget
<b>RESTRICTED FUND BALANCE (EQUIPMENT REPLACEMENT RESERVE)</b>				
Beginning:	19,657	19,657	19,657	19,657
Ending:	19,657	19,657	19,657	19,657
<b>UNDESIGNATED/UNRESERVED FUND BALANCE ("RESERVES")</b>				
Beginning:	405,435	443,045	419,201	311,844
Ending:	443,045	419,201	311,844	264,535
<b>TOTAL FUND BALANCE</b>				
Beginning:	425,092	462,702	438,858	331,501
Ending:	462,702	438,858	331,501	284,192
<b>MINIMUM FOUR MONTH RESERVE GOAL</b>	178,008	231,391	228,333	188,798



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

1030 Seminary Street, Suite B  
Napa, California 94559  
Phone: (707) 259-8645  
[www.napa.lafco.ca.gov](http://www.napa.lafco.ca.gov)

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

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**Agenda Item 6c (Consent/Action)**

**TO:** Local Agency Formation Commission

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

**MEETING DATE:** December 7, 2020

**SUBJECT:** Approval of Meeting Calendar for 2021

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**RECOMMENDATION**

It is recommended the Commission approve a meeting calendar for 2021 consisting of the following meeting dates: February 1, April 5, June 7, August 2, October 4, and December 6.

**SUMMARY**

The Commission's *Policy on Scheduling of Commission Meetings* ("the Policy"), included as Attachment One, states the Commission shall meet on the first Monday of all even-numbered months in the County Board of Supervisors Chambers at 2:00 PM. It is important to note all meetings of the Commission are being conducted via teleconference until further notice in response to the COVID-19 pandemic.

Consistent with the Policy, it is recommended the Commission schedule its regular meetings in 2021 on February 1, April 5, June 7, August 2, October 4, and December 6.

Under the Policy, the Chair of the Commission may also schedule special meetings as needed. If additional special meetings are needed, each meeting would be called by the Chair, consistent with the Brown Act and the Policy. Commissioners would be provided with a minimum of one month notice of any special meetings that are called by the Chair.

**ATTACHMENT**

- 1) Policy on Scheduling of Commission Meetings

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Margie Mohler, Chair  
Councilmember, Town of Yountville

Vacant  
Councilmember, City of American Canyon

Scott Sedgley, Alternate Commissioner  
Councilmember, City of Napa

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

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

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

Vacant  
Representative of the General Public

Eve Kahn, Alternate Commissioner  
Representative of the General Public

Brendon Freeman  
*Executive Officer*



## LOCAL AGENCY FORMATION COMMISSION OF NAPA

### *Policy on Scheduling of Commission Meetings* (Adopted: June 14, 2001; Last Amended: June 6, 2016)

#### **I. Background**

Meetings will be noticed and conducted in accordance with the Ralph M. Brown Act, Government Code Section 54950 et seq. In response to Government Code Section 54954, this policy establishes the time and place for regular meetings and additionally establishes how a special meeting may be scheduled.

#### **II. Guidelines**

##### **A. Regular Meetings**

- 1) The regular meeting day of the Commission is the first Monday of each even-number month (February, April, June, August, October, and December) at 2:00 PM. The location will be the County of Napa Board of Supervisors Chambers located at 1195 Third Street, Third Floor, Napa, California 94559.
- 2) The Chair may cancel or change the date or time of a regular meeting if he or she determines the Commission cannot achieve a quorum or there is a lack of business. Regular meetings may also be canceled or changed with the consent of a majority of the regular members of the Commission. For the purpose of this policy, a majority includes at least one member representing the cities and one member representing the county.

##### **B. Special Meetings**

- 1) Special meetings may be scheduled in accordance with the Ralph M. Brown Act which at the time of the adoption of this policy allows the Commission Chair to schedule special meetings as needed. The Chair shall consult with the Executive Officer in scheduling special meetings to ensure a quorum is available at a specified place and time.
- 2) Requests from outside parties for special meetings must be made in writing and submitted to the Executive Officer. If approved and scheduled by the Chair, the affected outside party requesting the special meeting will be responsible for any related charges pursuant to the Commission's *Schedule of Fees and Deposits*.



**Local Agency Formation Commission of Napa County**  
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*We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture*

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**Agenda Item 7a (Information)**

**TO:** Local Agency Formation Commission

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

**MEETING DATE:** December 7, 2020

**SUBJECT:** Chair Rotation due to Vacancy

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**SUMMARY**

This item is for information purposes only. The Commission’s *Policy on Establishing the Officers of the Commission* (“the Policy”), included as Attachment One, provides an annual rotational system for the appointment of the Chair and Vice Chair offices based on seat designations. Each Commissioner is assigned a seat designation. Alternate Commissioners do not have seat designations and are not eligible for the Chair or Vice Chair offices. The Chair and Vice Chair serve one-year terms that begin on the first Monday in May. A full listing of current Commissioners and seat designations is provided below.

Current Member	Seat Designation
<i>Vacant</i>	City Member I
Margie Mohler	City Member II
Diane Dillon	County Member I
Brad Wagenknecht	County Member II
<i>Vacant</i>	Public Member
Scott Sedgley	Alternate City Member
Ryan Gregory	Alternate County Member
Eve Kahn	Alternate Public Member

The vacant City Member I seat was most recently occupied by Kenneth Leary, who served as Commission Chair from May 4, 2020, through November 30, 2020. On December 1, 2020, Kenneth Leary vacated the City Member I seat. Under Section VI of the Policy, Commissioner Mohler became the Chair on December 1, 2020, and will serve as Chair through May 2, 2021. Vice Chair Dillon will become Chair on May 3, 2021.

**ATTACHMENT**

- 1) Policy on Establishing the Officers of the Commission

Margie Mohler, Chair  
 Councilmember, Town of Yountville

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

Vacant  
 Representative of the General Public

Vacant  
 Councilmember, City of American Canyon

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

Eve Kahn, Alternate Commissioner  
 Representative of the General Public

Scott Sedgley, Alternate Commissioner  
 Councilmember, City of Napa

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

Brendon Freeman  
 Executive Officer



## LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

### *Policy on Establishing the Officers of the Commission*

(Adopted: August 9, 2001; Last Amended: November 18, 2019)

#### **I. Background**

The Cortese-Knox-Hertzberg Local Government Reorganization (“CKH”) Act of 2000 includes provisions specifying the composition of the Commission in [Chapter 2 \(commencing with Section 56325\)](#). In addition, these sections specify the procedures to select Commissioners, terms of office, and selection of the Chair of the Commission.

#### **II. Purpose**

It is the policy of the Commission to establish policies which provide for the smooth and consistent operations of Commission business. The selection of officers of the Commission is a regular occurrence and therefore should follow adopted policy.

#### **III. Officers of the Commission**

- A) The officers of LAFCO shall consist of a Chair, a Vice Chair, and a Clerk.
- B) The Chair and Vice Chair shall be appointed and serve terms in accordance with Section V “Appointment of Chair and Vice Chair.”
- C) The Executive Officer or the Executive Officer’s designee shall serve as the Clerk.

#### **IV. Duties of Officers**

- A) Duties of the Chair: The Chair shall preside at all meetings of the Commission and shall conduct the business of the Commission according to “Rosenberg’s Rules of Order.” The Chair shall preserve order and decorum and shall decide all questions of order subject to the action of a majority of the Commission.
- B) Duties of the Vice Chair: In the absence of the Chair, the Vice Chair shall assume all duties and responsibilities of the Chair's office.
- C) Duties of the Clerk: The Clerk shall call the roll, note approval of the minutes or corrections thereto, maintain record of testimony and action of the Commission on each item, and any other action deemed appropriate and necessary by the Commission to conduct its meetings and business.

## **V. Appointment of Chair and Vice Chair**

- A) Term of Office: The terms of office of the Chair and Vice Chair shall be for one year, beginning on the first Monday in May.
- B) Rotation: The Chair and Vice Chair shall be appointed by the Commission according to the following annual rotational system, effective May 4, 2020, unless a temporary change is made pursuant to Section V(C):

<u>Chair Designations</u>	<u>Vice Chair Designations</u>
City Member I	County Member I
County Member I	City Member II
City Member II	County Member II
County Member II	Public Member
Public Member	City Member I

It shall be the responsibility of the Executive Officer to maintain a record of the seat designations and occupants, and to annually inform the Commission prior to the rotation.

- C) The Commission may create temporary changes to the rotation as part of an action item placed on a meeting agenda.

## **VI. Vacancy**

The offices of Chair and Vice Chair shall reside with the particular appointing authority assigned to a designated seat. In the event that a Commissioner serving as Chair or Vice Chair is no longer able to serve on the Commission for any reason, the remainder of that Commissioner's term in office shall be fulfilled by the other Commissioner from the same appointing authority (for example, if the Commissioner designated as "City Member I" is removed from the office of Chair in January, the Commissioner designated "City Member II" shall serve as Chair through the day immediately prior to the first Monday in May), subject to the following:

- A) On the first Monday in May, the established rotation set forth in Section V(B) "Rotation," above, shall resume.
- B) Should the office of Chair or Vice Chair be vacated by the Public Member, the Commission shall appoint another Commissioner at its next meeting to fulfill the remainder of the officer's unexpired term.



**Agenda Item 7b (Information)**

**TO:** Local Agency Formation Commission  
**PREPARED BY:** Brendon Freeman, Executive Officer  
**MEETING DATE:** December 7, 2020  
**SUBJECT:** Current and Future Proposals

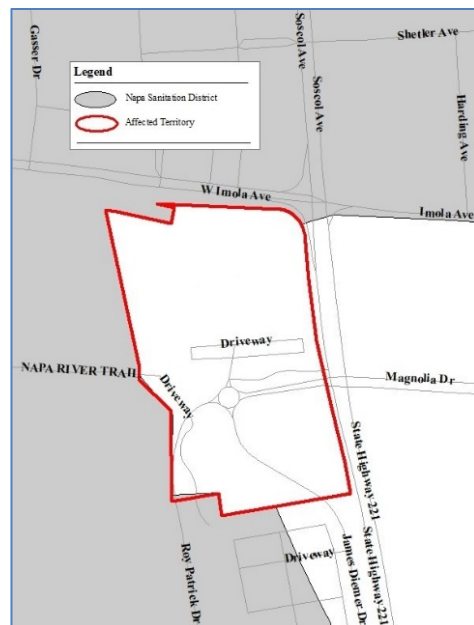
**SUMMARY**

This item is for information purposes only. This report summarizes all current and future boundary change proposals. There are currently two active proposals on file and six anticipated new proposals expected to be submitted in the foreseeable future. A summary of all active and anticipated proposals follows.

*Active Proposals*

**Magnolia Drive/State Highway 221 Annexation to Napa Sanitation District (NSD)**

The Napa Valley College (NVC) has proposed the annexation of approximately 23.0 acres of incorporated territory to NSD. The affected territory comprises one parcel located in the City of Napa at 2277 State Route 221/Napa-Vallejo Highway and is within NSD's sphere of influence (SOI). The affected territory is identified as Assessor Parcel Number 046-450-054. Annexation is intended to facilitate an affordable residential housing project that would serve NVC students. The project proposes a mix of apartments and traditional dorm-style units, study rooms and social gathering spaces, a new vehicle connection and parking lot, new pedestrian connections, and new wastewater and storm water infrastructure. It is anticipated the Commission will consider action on the proposal at its February 1, 2021 meeting.



Margie Mohler, Chair  
Councilmember, Town of Yountville

Vacant  
Councilmember, City of American Canyon

Scott Sedgley, Alternate Commissioner  
Councilmember, City of Napa

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

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

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

Vacant  
Representative of the General Public

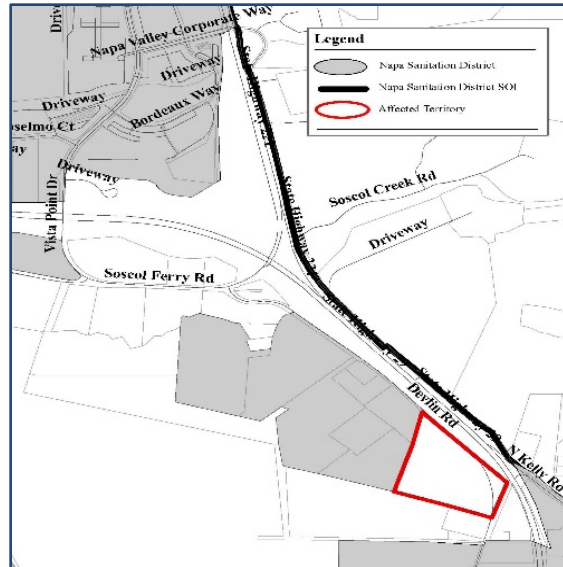
Eve Kahn, Alternate Commissioner  
Representative of the General Public

Brendon Freeman  
Executive Officer



### Devlin Road No. 5 Annexation to NSD

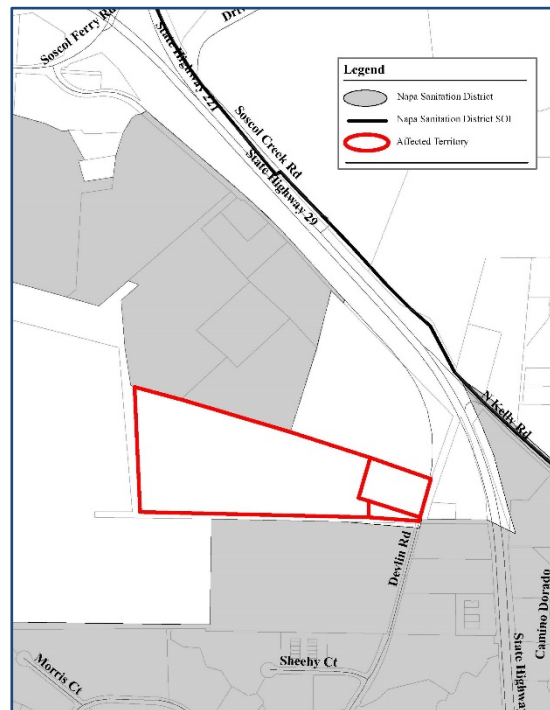
Nova Business Park LLC has proposed the annexation of approximately 24.3 acres of unincorporated territory to NSD. The affected territory comprises one parcel along with the adjacent portion of public right-of-way on Devlin Road. The affected territory is within NSD's SOI and identified as Assessor Parcel Number 057-020-025. Annexation is intended to facilitate the Nova Business Park Subdivision to create 11 total parcels in the Napa Valley Business Park area. It is anticipated the Commission will consider action on the proposal at its February 1, 2021 meeting.



### Anticipated Proposals

### Montalcino Resort No. 2 Annexation to NSD

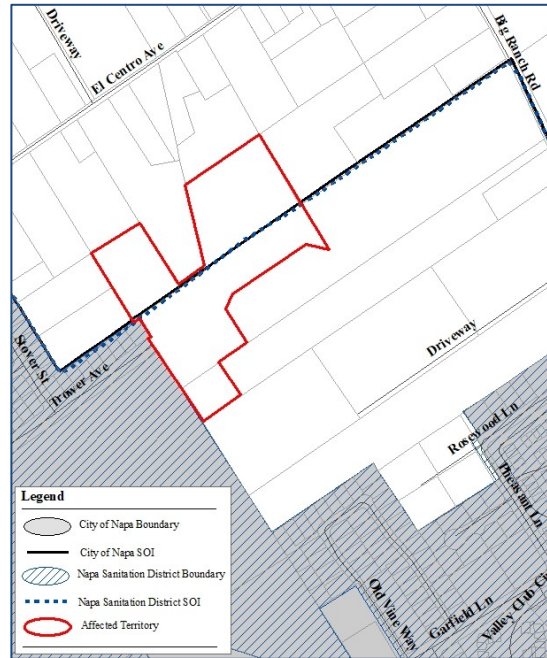
NSD is expected to adopt a resolution of application in the foreseeable future proposing the annexation of approximately 36.1 acres of unincorporated territory to the District. The affected territory comprises three entire parcels located within NSD's SOI and identified as Assessor Parcel Numbers 057-020-006, 057-020-017, and 057-020-018. Annexation is intended to facilitate the Montalcino Resort development project, which is planned for 316 hotel rooms, 20 villas, meeting space, recreational facilities, and food and beverage service consistent with a Final Environmental Impact Report (FEIR) certified in 2000 and a 2020 Addendum to the FEIR. It is anticipated the Commission will consider action on the proposal as early as its April 5, 2021 meeting.





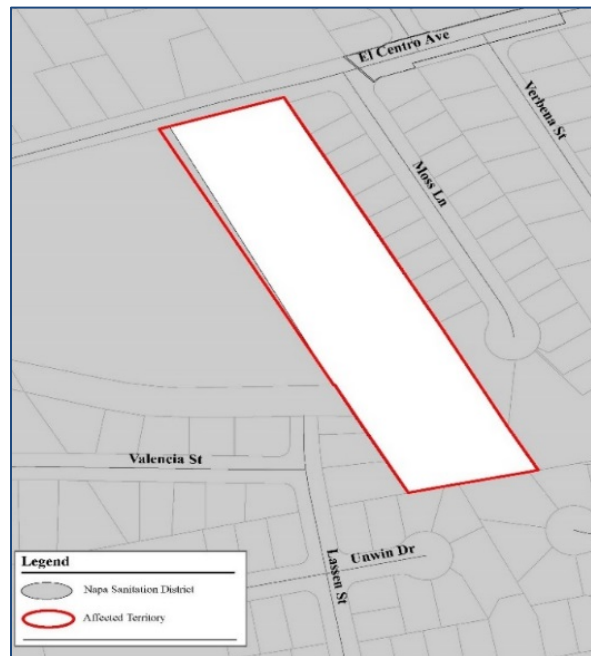
## Vintage High School Farm Sphere of Influence Amendment and Annexation to NSD

The Napa Valley Unified School District (NVUSD) previously submitted a preliminary application for an SOI amendment and annexation of approximately 12.8 acres of territory involving NSD. The affected territory is unincorporated and contiguous to the City of Napa near the eastern terminus of Trower Avenue. The affected territory is currently undeveloped and designated for residential land use under the County of Napa General Plan. The purpose of the SOI amendment and annexation is to facilitate NVUSD's planned relocation of the educational farm and retain proximity to Vintage High School. The preliminary application is deemed incomplete until additional information and documents are submitted by NVUSD. It is important to note in February 2020, without taking formal action, the Commission signaled to NVUSD a willingness to waive its local policy requiring concurrent annexation to the City of Napa. It is anticipated a proposal will be submitted to amend NSD's SOI and annex the subject parcels to NSD within the next year.



## El Centro Avenue Annexation to NSD

A landowner inquired about annexation of one parcel to NSD. The parcel is located at 1583 El Centro Avenue, in the City of Napa, and in NSD's SOI. Current land uses within the subject parcel include a single-family residence and a planted vineyard. The purpose of annexation would be to facilitate a residential development project under the City's land use authority. Based on parcel size and the City's land use designation, annexation to NSD could potentially facilitate the future development of the subject parcel to include up to 36 total single-family residential units. The City has indicated an environmental impact report will be prepared for the residential development project. It is anticipated a proposal for annexation will be submitted within the next 18 months.







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**Agenda Item 7c (Information)**

**TO:** Local Agency Formation Commission

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

**MEETING DATE:** December 7, 2020

**SUBJECT:** First Quarter Budget Report for 2020-2021

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**BACKGROUND AND SUMMARY**

This item is being presented to the Commission for information purposes only. The Commission will receive a first quarter budget report for fiscal year 2020-2021 that compares budgeted versus actual transactions through September 30, 2020.

On June 1, 2020, the Commission adopted a final budget for fiscal year 2020-2021.

Two budget adjustments have been approved consistent with the Commission's adopted *Budget Policy*. The adjustments involved re-encumbering (i.e., carrying over) the remaining \$25,501 balance of a consultant contract, allocating \$50 to a website project, allocating \$75 to the Executive Officer's membership with the Municipal Management Association of Northern California, and reducing the training/conference expense account by \$125. These budget adjustments had a net zero effect on the Commission's bottom line given that the re-encumbered (i.e., carried over) contract amount was budgeted in the 2019-2020 fiscal year but was unspent by June 30, 2020, and the other new budget expense allocations were offset by the reduction in a separate expense account.

The Commission's adjusted budget for 2020-2021 totals \$566,394. This amount represents the total approved operating expenditures divided between salaries and benefits, services and supplies, and contingencies. Budgeted revenues total \$519,084 and are divided between intergovernmental fees, service charges, and investments. An operating shortfall of \$47,310 has been intentionally budgeted to reduce the funding requirements of the local agencies. The intentional shortfall will be covered by drawing down on the Commission's undesignated/unreserved fund balance ("reserves").

A first quarter budget sheet with year-end projections is included as Attachment One. The Commission is projected to finish the fiscal year with a budget shortfall of \$50,499 as summarized on the following page.

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Margie Mohler, Chair  
Councilmember, Town of Yountville

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

Vacant  
Representative of the General Public

Vacant  
Councilmember, City of American Canyon

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

Eve Kahn, Alternate Commissioner  
Representative of the General Public

Scott Sedgley, Alternate Commissioner  
Councilmember, City of Napa

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

Brendon Freeman  
Executive Officer

### ***Operating Revenues***

The Commission's operating revenues for 2020-2021 are budgeted at \$519,084. Actual revenues collected through the first quarter totaled \$475,587. This amount represents 91.6% of the budgeted amount with 25% of the fiscal year complete. Actuals through the first quarter and related analysis suggest the Commission will finish the fiscal year with \$519,826 in total revenues, resulting in a surplus of \$742 or 0.1% relative to the amount in the adjusted budget. See Attachment One for additional information on actual revenues through the first quarter and projected year-end revenues.

### ***Operating Expenses***

The Commission's adjusted operating expenses for 2020-2021 are budgeted at \$566,394.<sup>1</sup> Actual expenses through the first quarter totaled \$110,144. This amount represents 19.4% of the budgeted total with 25% of the fiscal year complete. Actuals through the first quarter and related analysis suggest the Commission will finish the fiscal year with \$570,325 in total expenses and produce a deficit of \$3,931 or 0.7% relative to the amount in the adjusted budget. See Attachment One for additional information on actual expenses through the first quarter and projected year-end expenses.

### ***Reserves***

Local policy directs the Commission to maintain reserves equal to a minimum of four months, or 33.3%, of budgeted operating expenses. The Commission's reserves totaled \$311,844 as of July 1, 2020 and represent 55.1% of expenditures in the current budget. The Commission is projected to finish the fiscal year with a budget shortfall of \$50,499, which would reduce reserves to \$261,345, or 46.1%, of expenses in the current budget.

## **ATTACHMENT**

- 1) 2020-2021 First Quarter Budget Sheet with Year-End Projections

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<sup>1</sup> Two mid-year budget adjustments were administratively approved as described on page one of this report.

# LAFCO FY 2020-2021 First Quarter Budget Report

## Revenues and Expenses through 9/30/20 with Year-End Projections

Account	Category	Adopted Budget	Budget Adjustments	Adjusted Budget	Actual YTD	YTD Percent of Budget	Year-End Projection	Year-End Projection Percent of Budget
<b>Revenues</b>								
42690	Permits/Application Fees	21,060	-	21,060	2,340	11.1%	23,400	111.1%
43910	County of Napa	242,700	-	242,700	242,700	100.0%	242,700	100.0%
43950	Other-Governmental Agencies	242,700	-	242,700	227,541	93.8%	242,700	100.0%
45100	Interest	12,000	-	12,000	2,569	21.4%	10,277	85.6%
46800	Charges for Services	624	-	624	437	70.0%	749	120.0%
<b>Total Revenues</b>		<b>519,084</b>	<b>-</b>	<b>519,084</b>	<b>475,587</b>	<b>91.6%</b>	<b>519,826</b>	<b>100.1%</b>
<b>Expenses</b>								
51210	Director/Commissioner Pay	12,500	-	12,500	2,970	23.8%	12,270	98.2%
51300	Medicare	250	-	250	43	17.0%	250	100.0%
51305	FICA	500	-	500	120	23.9%	500	100.0%
52100	Administration Services	415,869	-	415,869	84,673	20.4%	415,869	100.0%
52125	Accounting/Auditing Services	7,500	-	7,500	466	6.2%	7,500	100.0%
52130	Information Technology Service	24,323	-	24,323	6,081	25.0%	24,323	100.0%
52140	Legal Services	17,500	-	17,500	3,053	17.4%	27,000	154.3%
52310	Consulting Services	-	25,551	25,551	-	0.0%	25,551	100.0%
52345	Janitorial Services	300	-	300	-	0.0%	300	100.0%
52515	Maintenance-Software	1,930	-	1,930	120	6.2%	1,930	100.0%
52600	Rents and Leases - Equipment	5,500	-	5,500	810	14.7%	5,500	100.0%
52605	Rents and Leases - Bldg/Land	29,523	-	29,523	7,602	25.7%	30,409	103.0%
52700	Insurance - Liability	813	-	813	203	25.0%	813	100.0%
52800	Communications/Telephone	3,500	-	3,500	392	11.2%	3,500	100.0%
52830	Publications & Legal Notices	1,500	-	1,500	-	0.0%	1,000	66.7%
52835	Filing Fees	50	-	50	-	0.0%	150	300.0%
52900	Training/Conference Expenses	6,000	(125)	5,875	125	2.1%	1,000	17.0%
52905	Business Travel/Mileage	1,000	-	1,000	-	0.0%	500	50.0%
53100	Office Supplies	1,250	-	1,250	241	19.3%	1,000	80.0%
53110	Freight/Postage	350	-	350	-	0.0%	250	71.4%
53120	Memberships/Certifications	2,985	75	3,060	2,985	97.5%	3,060	100.0%
53205	Utilities - Electric	1,500	-	1,500	229	15.3%	1,500	100.0%
53410	Computer Equipment/Accessories	6,000	-	6,000	-	0.0%	6,000	100.0%
53650	Business Related Meal/Supplies	250	-	250	33	13.1%	150	60.0%
<b>Total Expenditures</b>		<b>540,893</b>	<b>25,501</b>	<b>566,394</b>	<b>110,144</b>	<b>19.4%</b>	<b>570,325</b>	<b>100.7%</b>
<b>Net Surplus (Deficit)</b>		<b>(21,809)</b>	<b>(25,501)</b>	<b>(47,310)</b>	<b>365,443</b>	<b>64.5%</b>	<b>(50,499)</b>	<b>(8.9%)</b>



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**Agenda Item 7d (Information)**

**TO:** Local Agency Formation Commission

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

**MEETING DATE:** December 7, 2020

**SUBJECT:** Napa County Water and Wastewater Municipal Service Review  
Prologue

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**BACKGROUND AND SUMMARY**

This item is for information purposes only.

On November 2, 2020, the Commission received and filed a final *Napa Countywide Water and Wastewater Municipal Service Review* (MSR). As part of this action, the Commission directed staff to revise the report to add a prologue based on specific comments provided by Commissioners. The Commission directed staff to present the prologue for information purposes at the Commission's next meeting.

An unsigned prologue is included as Attachment One. Staff will update the MSR to include a prologue with the signatures of each voting member of the Commission at the November 2, 2020 meeting.

In addition, Figure 4-5a depicting the City of American Canyon's water service area and existing outside water connections was added to the report at the request of the Commission. In the future, staff will return with a new appendix to provide updated information on other studies and activities related to the MSR.

The revised final MSR is available online at:

[https://www.napa.lafco.ca.gov/uploads/documents/CountywideWaterWastewaterMSR\\_ApprovedFinal\\_11-2-20.pdf](https://www.napa.lafco.ca.gov/uploads/documents/CountywideWaterWastewaterMSR_ApprovedFinal_11-2-20.pdf).

**ATTACHMENT**

- 1) Prologue for Napa Countywide Water and Wastewater MSR

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Margie Mohler, Chair  
Councilmember, Town of Yountville

Vacant  
Councilmember, City of American Canyon

Scott Sedgley, Alternate Commissioner  
Councilmember, City of Napa

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

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

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

Vacant  
Representative of the General Public

Eve Kahn, Alternate Commissioner  
Representative of the General Public

Brendon Freeman  
Executive Officer



# *Prologue*

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The preparation of the Napa Countywide Water and Wastewater Municipal Service Review (MSR) occurred over a two-year period culminating in November 2020. During the course of preparing this MSR, substantial effort was expended to ensure the accuracy of the report and garner consensus to the greatest degree possible. However, as expected for studies of this nature, the MSR surfaced issues which will require further research, analysis, collaboration and agreement among the water and wastewater providers, other affected agencies, and LAFCO. These issues are anticipated to be addressed in the future as circumstances demand.

A number of natural and man-made disasters befell communities in Napa County, including wildfires, droughts, and an economic downturn triggered by the COVID-19 pandemic. These events damaged infrastructure and caused short- and long-term impacts on the ability of governments to provide public services, in addition to taking a toll on residents and businesses. As agencies respond to these serious circumstances, this MSR will be updated to reflect changed conditions. Future, ongoing updates to sections of this MSR will be included in Appendix C.

The Napa Local Agency Formation Commission appreciates the efforts provided by all participants: stakeholders (the County, cities, districts, and other organizations) for the information and input they provided throughout this process; the public for detailed review and feedback; and the consultants for their extraordinary effort compiling an informative report and useful tool for ongoing use by the Commission.

Respectfully,

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Kenneth Leary, Chair  
Napa Local Agency Formation Commission

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Diane Dillon, Vice Chair

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Gregory Rodeno, Commissioner

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Margie Mohler, Commissioner

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Brad Wagenknecht, Commissioner



**Agenda Item 7e (Information)**

**TO:** Local Agency Formation Commission

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

**MEETING DATE:** December 7, 2020

**SUBJECT:** Work Program Progress Report

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**BACKGROUND**

Local policy directs the Commission to annually adopt a Work Program for purposes of providing a comprehensive overview of agency activities over the course of the fiscal year. The Commission's financial and staff resources are predominantly allocated to studies and applications, which include municipal service reviews (MSRs), sphere of influence (SOI) updates, boundary change proposals, and outside service requests.

On June 1, 2020, the Commission adopted the *Work Program 2020-2021* ("Work Program"). Staff presents an informational progress report at each subsequent meeting to inform the Commission of pertinent updates.

**SUMMARY**

This item is for information purposes only and provides an update on progress made on the scheduled activities in the Work Program. This report also serves to inform the Commission of any changes in circumstances or priorities.

A Work Program progress chart is included as Attachment One. The following is an update on scheduled studies and applications.

***Studies: MSRs and SOI Updates***

- Countywide Water and Wastewater MSR  
This MSR was completed on November 2, 2020. The Commission directed staff to revise the MSR to add a prologue and return with an item at the next meeting for information purposes. See item 7d on today's agenda for more information.

- City of St. Helena MSR and SOI Update  
A preliminary draft MSR and SOI Update for the City of St. Helena was completed in August 2017. The City requested and the Commission granted an indefinite continuation. Staff will resume work on this MSR and SOI Update upon request by the City or direction from the Commission.
- Lake Berryessa Resort Improvement District SOI Update  
This SOI Update will be based on information contained in the Countywide Water and Wastewater MSR. The target completion date for this activity is April 2021.
- Napa Berryessa Resort Improvement District SOI Update  
This SOI Update will be based on information contained in the Countywide Water and Wastewater MSR. The target completion date for this activity is April 2021.
- Spanish Flat Water District SOI Update  
This SOI Update will be based on information contained in the Countywide Water and Wastewater MSR. The target completion date for this activity is April 2021.
- Napa Sanitation District SOI Update  
This SOI Update will be based on information contained in the Countywide Water and Wastewater MSR. The target completion date for this activity is June 2021.
- City of Napa MSR and SOI Update  
This MSR and SOI Update will be partially based on information contained in the Countywide Water and Wastewater MSR. The target completion date for this activity is December 2021.

***Applications: Boundary Changes and Outside Service Agreements***

- Annexation Proposals  
There are currently two active proposals on file and six anticipated proposals. A report on current and future proposals is included on today's agenda as item 7b.
- Island Annexation Program  
Staff has been coordinating with representatives of the City of Napa and the general public with respect to potential annexation of unincorporated islands. Staff recently added a new page with island annexation information to the Commission's website.
- Outside Service Agreements  
There are no current or anticipated outside service agreement requests at this time.

**ATTACHMENT**

- 1) Work Program 2020-2021 Progress Chart

NAPA LAFCO WORK PROGRAM FY 2020-2021				
		Timeline	Lead	Comments
STUDIES	Countywide Water and Wastewater MSR (Comprehensive)	12/18 - 12/20	Consultant	Completed on 11/2/20
	City of St. Helena MSR/SOI (Comprehensive)	TBD	Staff	Will resume at request of City or Commission
	Lake Berryessa Resort Improvement District SOI	12/20 - 4/21	Staff	Staff anticipates presenting a draft report on 2/1/21
	Napa Berryessa Resort Improvement District SOI	12/20 - 4/21	Staff	Staff anticipates presenting a draft report on 2/1/21
	Spanish Flat Water District SOI	12/20 - 4/21	Staff	Staff anticipates presenting a draft report on 2/1/21
	Napa Sanitation District SOI	12/20 - 6/21	Staff	Staff anticipates presenting a draft report on 4/5/21
	City of Napa MSR/SOI (Comprehensive)	12/20 - 12/21	Staff	Staff anticipates presenting a draft report on 10/4/21
APPLICATIONS	Change of Organization/Reorganization Proposals (3-6/yr)	Ongoing	Staff	2 active and 6 anticipated proposals; see item 7b
	Island Annexation Program	7/20 - 12/21	Staff	Staff is partnering with City of Napa and Napa County to align timing and process for island annexations
	Outside Service Agreement Requests (1-2/yr)	Ongoing	EO & Chair	No active or anticipated requests at this time
	Completion Proceedings for Approved Annexations (3-6/yr)	Ongoing	Staff	Staff continues processing annexations previously approved by Commission: terms and conditions, Certificates of Completion, GIS mapping, TRA determinations, Board of Equalization filings
PUBLIC OUTREACH	Conduct LAFCO Outreach; Agencies & Community Groups (6-10/mo)	Ongoing	Staff	Outreach Committee working on the strategies presented on 8/3/20
	Comments on Local Agency Projects (1-2/yr)	Ongoing	Staff	General Plan Updates, EIRs, Strategic Plans, etc.; none at this time
	Respond to Grand Jury Reports (0-1/yr)	Ongoing	Staff & Commission	No recommendations for LAFCO at this time
	Annual Countywide Update on Housing and General Plans	June 2021	Staff	2020 report presented to Commission on 8/3/20
	Conduct Informational Workshops & Meetings	Ongoing	Staff	Virtual public workshop on Countywide Water & Wastewater MSR held on 7/13/20
	Public Records Requests (0-1/yr)	Ongoing	Staff	Requests from the public for specific LAFCO records; one recent request involving island annexation communication
	Website Maintenance and Updates	Ongoing	Staff	Meeting info, financial info, policies, public notices, maps, staff and Commissioner info, etc.; new page added for island annexation info
	Social Media: Meetings Notices and Announcements (10-15/yr)	Ongoing	Staff	Meeting info, public notices, press releases, etc.
COMMISSION	Expiring Commissioner Terms in 2021	May 2021	Staff	Terms for Commissioners Mohler and Gregory expire on 5/3/21; see item 7f
	2021 Chair and Vice Chair Designation	May 2021	Staff	Commissioners Mohler and Dillon are the Commission Chair and Vice Chair, respectively, until 5/2/21; see item 7a
	Statement of Economic Interest (Form 700)	April 2021	Secretary	Required for all Commissioners & EO upon entering office, leaving office, and annually by April 1
	Ethics Training	Ongoing	Secretary	Required for all Commissioners & EO every two years
	Develop 2021-2022 Budget	June 2021	Budget Committee	Two Commissioners will be appointed at today's meeting to serve on FY21-22 Budget Committee; see item 8c
	State Legislation Monitoring and Position Letters (2-4/yr)	Ongoing	Legislative Committee	Commissioners Dillon and Mohler serve on Legislative Committee; current two-year legislative session ended November 2020 and new appointments or reappointments to the Committee are needed; see item 8c
	Policy Review and Revisions (2-4/yr)	Ongoing	Policy Committee	An appointment is needed to fill a vacancy on Policy Committee; see item 8c
ADMINISTRATION	2019-2020 Audit	December 2020	Staff	To be presented today by Napa County Auditor-Controller; see item 8a
	Year-End Contracts Close-Out	June 2021	Secretary	Close out and re-encumber contracts at end of year
	Quarterly Budget Reports (4/yr)	Ongoing	Staff	Analysis of year-to-date and projected year-end revenues and expenses; see item 7c
	Provide Strategic Plan Updates (2/yr)	Ongoing	Staff	Progress reports presented to Commission twice per year (typically February and August meetings)
	Verify Median Household Income Data to Identify DUCs	June 2021	Staff	Staff will review Census Bureau American Community Survey data (currently no known DUCs in Napa County)
	Develop Work Program	June 2021	Staff	Review with Budget Committee in conjunction with budget, present in June for adoption, present progress report at each regular meeting
	Electronic Document Management System Maintenance	Ongoing	Staff	Digitalization of historical and current agency records
	Geographic Information System Mapping Updates (3-6/yr)	Ongoing	Staff	GIS boundary layer edits for completed annexations
OTHER	2020 CALAFCO Annual Conference (Virtual)	TBD	Staff & Commission	Originally scheduled for 10/21/20 - 10/23/20 in Monterey; in-person Conference canceled and replaced with virtual sessions
	2021 CALAFCO Staff Workshop (Newport Beach)	3/17/21 - 3/19/21	Staff	Location: Hyatt Regency John Wayne Airport unless canceled
	Bay Area LAFCO EO Meetings (1-2/yr)	Ongoing	EO & Analyst	Sharing information with other Bay Area LAFCOs; replaced with monthly statewide LAFCO EO teleconference meetings
	Monthly Statewide LAFCO EO Teleconference Meetings (26/yr)	Ongoing	EO & Analyst	Sharing information with other LAFCOs statewide
	CALAFCO Coastal Region Clerks Meetings (1-2/yr)	Ongoing	Secretary	Sharing information with the Coastal Region LAFCOs; replaced with monthly statewide LAFCO Clerks teleconference meetings
	Monthly Statewide LAFCO Clerks Teleconference Meetings (12/yr)	Ongoing	Secretary	Sharing information with other LAFCOs statewide
December 7, 2020 Progress Report				



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**Agenda Item 7f (Information)**

**TO:** Local Agency Formation Commission

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

**MEETING DATE:** December 7, 2020

**SUBJECT:** Expiring Commissioner Terms in 2021

**SUMMARY**

This item is for information purposes only. All Commissioner terms are four years pursuant to California Government Code (G.C.) Section 56334. The Commission has two members with terms scheduled to expire on May 3, 2021: Margie Mohler (City Member) and Ryan Gregory (Alternate County Member).

Appointments of city members to the Commission are the sole jurisdiction of the Napa County City Selection Committee. Appointments of county members to the Commission are the sole jurisdiction of the Napa County Board of Supervisors. Staff will notify the City Selection Committee and Board of Supervisors of the expiring terms and request they make new four-year appointments or reappointments before May 3, 2021.

A full listing of all Commissioners and term expiration dates is provided below:

Member	Appointing Authority	Term Expires
<b>Margie Mohler, City</b>	<b>City Selection Committee</b>	<b>May 3, 2021</b>
<b>Ryan Gregory, Alternate County</b>	<b>Board of Supervisors</b>	<b>May 3, 2021</b>
Diane Dillon, County	Board of Supervisors	May 2, 2022
Vacant, Public	Commission	May 2, 2022
Vacant, City	City Selection Committee	May 1, 2023
Scott Sedgley, Alternate City	City Selection Committee	May 1, 2023
Brad Wagenknecht, County	Board of Supervisors	May 6, 2024
Eve Kahn, Alternate Public	Commission	May 6, 2024

**ATTACHMENTS**

None

Margie Mohler, Chair  
 Councilmember, Town of Yountville

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

Vacant  
 Representative of the General Public

Vacant  
 Councilmember, City of American Canyon

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

Eve Kahn, Alternate Commissioner  
 Representative of the General Public

Scott Sedgley, Alternate Commissioner  
 Councilmember, City of Napa

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

Brendon Freeman  
 Executive Officer



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Agenda Item 7g (Information)

TO: Local Agency Formation Commission
PREPARED BY: Brendon Freeman, Executive Officer
MEETING DATE: December 7, 2020
SUBJECT: Executive Officer Report

SUMMARY

This report is for information only and provides a summary of the Executive Officer's (EO) recent activities as well as other miscellaneous items relevant to the Commission.

Recent Meetings and Other Activities

Subsequent to the Commission's regular meeting of October 5, 2020, the EO (or Analyst II in the EO's absence) participated in the following notable activities related to LAFCO:

- October 6: Phone call with CALAFCO Board of Directors Chair Mike McGill to discuss matters related to CALAFCO
October 7: Municipal Management Association of Northern California (MMANC) virtual conference
October 7: Napa County Emergency Operations Center Cooperators Briefing
October 13: CALAFCO Executive Officers teleconference meeting
October 14: MMANC virtual conference
October 14: Napa County Emergency Operations Center Cooperators Briefing
October 15: Countywide Water and Wastewater Municipal Service Review (MSR) Comments Committee (Commissioners Dillon and Mohler) meeting
October 16: American Canyon 2x2 Committee (Commissioner Mohler and Wagenknecht) meeting
October 21: MMANC virtual conference
October 21: Napa County Emergency Operations Center Cooperators Briefing
October 27: Meeting with American Canyon staff to discuss Countywide Water and Wastewater MSR and outcome of 2x2 meeting

Margie Mohler, Chair
Councilmember, Town of Yountville

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

Vacant
Representative of the General Public

Vacant
Councilmember, City of American Canyon

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

Eve Kahn, Alternate Commissioner
Representative of the General Public

Scott Sedgley, Alternate Commissioner
Councilmember, City of Napa

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

Brendon Freeman
Executive Officer

- October 27: Sphere of influence policy technical working group teleconference meeting to finalize a draft policy
- October 28: MMANC virtual conference
- October 28: Napa County Emergency Operations Center Cooperators Briefing
- November 2: LAFCO special meeting – Countywide Water and Wastewater MSR
- November 3: Meeting with staff from Alameda LAFCO, Marin LAFCO, and Orange LAFCO to discuss joint-strategic planning possibilities
- November 3: Phone call with Napa Valley Register reporter Howard Yune to discuss unincorporated islands
- November 4: Napa County Emergency Operations Center Cooperators Briefing
- November 5: Phone call with Napa Valley Register reporter Barry Eberling to discuss the outcome of the Countywide Water and Wastewater MSR
- November 5: Phone call with California Special Districts Association Bay Area Public Affairs Field Coordinator Colleen Haley to discuss challenges and opportunities for LAFCO and special districts in Napa County
- November 13: Meeting with Napa County Executive Officer Minh Tran and St. Helena City Manager Mark Prestwich to discuss a possible sewer service application pursuant to the Government Code Section 56133.5 pilot program
- November 17: Meeting with Granicus to discuss website upgrade options to improve smartphone compatibility and public outreach
- November 18: Napa County Emergency Operations Center Cooperators Briefing
- November 19: CALAFCO virtual session titled “Proactively Navigating Economic and Service Crisis Realities”
- November 25: Napa County Emergency Operations Center Cooperators Briefing
- November 30: Meeting with staff from Alameda LAFCO, Marin LAFCO, and Orange LAFCO to discuss joint-strategic planning possibilities
- December 2: Webinar titled “How Community Relations Impact Risk Reduction”
- December 2: Webinar titled “Digital Dream, Municipal Utopia”

## **ATTACHMENTS**

None



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

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**Agenda Item 8a (Action)**

**TO:** Local Agency Formation Commission

**PREPARED BY:** Tracy A. Schulze, County of Napa Auditor-Controller

**MEETING DATE:** December 7, 2020

**SUBJECT:** Financial Audit for Fiscal Year Ending June 30, 2020

---

**RECOMMENDATION**

Receive and file the financial audit report for fiscal year 2019-2020 (Attachment One).

**SUMMARY**

Brown Armstrong was retained to conduct an independent audit of the agency's financial statements for the 2019-2020 fiscal year. Brown Armstrong completed their audit in November 2020 and found no material misstatements. The audit also found no instances of significant or unusual changes in reporting practices and does not include any suggestions for improvements. A copy of the audit is included as Attachment One.

Brown Armstrong's audit provides an unqualified opinion the Commission's financial statements are reliable representations of the agency's financial position as of June 30, 2020. This "clean" opinion affirms the Commission maintains an effective level of internal control in managing its financial records and transactions which helps to ensure maximum accountability with respect to the agency's use of public funds. The audit also affirms that the Commission is in relatively strong financial position given it finished the fiscal year with an available/unrestricted fund balance of \$300,105; an amount representing approximately 43.8% of the agency's budgeted expenditures for the 2019-2020 fiscal year.

A financial summary chart is included as Attachment Three and depicts changes in the Commission's audited fund balance for the past 15 years, beginning with the 2005-2006 fiscal year.

**ATTACHMENTS**

- 1) Local Agency Formation Commission Audit Report for the Fiscal Year Ended June 30, 2020
- 2) Communications Letter From Brown Armstrong to the Commissioners
- 3) LAFCO Financial Summary Chart

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Margie Mohler, Chair  
Councilmember, Town of Yountville

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

Vacant  
Representative of the General Public

Vacant  
Councilmember, City of American Canyon

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

Eve Kahn, Alternate Commissioner  
Representative of the General Public

Scott Sedgley, Alternate Commissioner  
Councilmember, City of Napa

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

Brendon Freeman  
Executive Officer



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
1995-2000

1995-2000

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**LOCAL AGENCY FORMATION  
COMMISSION OF NAPA COUNTY**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2020**

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
JUNE 30, 2020**

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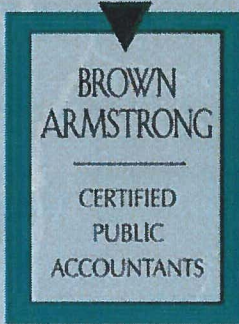
**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
COMMISSION MEMBERSHIP  
FOR THE YEAR ENDED JUNE 30, 2020**

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Kenneth Leary	Chair City Selection Committee	May 2023
Diane Dillon	Vice Chair Napa County Board of Supervisors	May 2022
Margie Mohler	Commissioner City Selection Committee	May 2021
Brad Wagenknecht	Vice Chair Napa County Board of Supervisors	May 2024
Gregory Rodeno	Commissioner Public Member	May 2022
Scott Sedgley	Commissioner City Selection Committee	May 2023
Ryan Gregory	Alternate Commissioner Napa County Board of Supervisors	May 2021
Eve Kahn	Alternate Commissioner Public Member	May 2024

STATE OF CALIFORNIA  
DEPARTMENT OF REVENUE  
OFFICE OF THE ASSISTANT ATTORNEY GENERAL

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**FINANCIAL SECTION**



**BROWN ARMSTRONG**  
*Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Local Agency Formation Commission of Napa County  
Napa, California

**Report on the Basic Financial Statements**

We have audited the accompanying basic financial statements of the governmental activities and the major fund of the Local Agency Formation Commission of Napa County (the Commission), California, as of and for the year ended June 30, 2020, and the related notes to the basic financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Basic Financial Statements**

Management is responsible for the preparation and fair presentation of these basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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**STOCKTON OFFICE**

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STOCKTON, CA 95207  
TEL 888.565.1040

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**Opinion**

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Commission as of June 30, 2020, and the respective changes in its financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Budgetary Comparison Schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2020, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
November 19, 2020

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020**

The Local Agency Formation Commission of Napa County (the Commission) administers a section of California Government Code now known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The Commission is delegated regulatory and planning responsibilities to coordinate the logical formation and development of local agencies in a manner preserving agricultural and open-space resources, promoting the orderly extension of municipal services, and discouraging urban sprawl. Key duties include regulating boundary changes through annexations or detachments; approving city incorporations or disincorporations; and forming, consolidating, or dissolving special districts. The Commission is also responsible for preparing studies in order to knowledgeably perform its regulatory activities, including establishing and updating spheres of influence for all cities and special districts within its jurisdiction. Spheres are planning tools used by the Commission to designate the territory it believes represents the appropriate and probable future service area of the affected agency. All jurisdictional changes, such as annexations, must be consistent with the spheres of the affected agencies with limited exceptions. As of June 30, 2020, there are currently 23 cities and special districts subject to Commission jurisdiction in the County of Napa (the County).

The Commission was first established in 1963 as an office within the County. From 1963 to 2000, 100% of the Commission's annual budget was funded by the County. On July 1, 2001, in conjunction with the enactment of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the Commission became autonomous of the County in terms of fulfilling its statutory duties and responsibilities. This transition was highlighted by the Commission appointing its own executive officer and counsel as well as altering its funding to include contributions from the cities of American Canyon, Calistoga, Napa, and St. Helena and the town of Yountville. The County is now responsible for funding 50% of the Commission's annual budget with the remaining portion divided among the five cities based on a locally adopted formula as provided under Government Code Section 56381.

This narrative overview and analysis of the financial activities for the fiscal year ending June 30, 2020, is offered by the Commission's manager, the Executive Officer, to provide greater context to the audit performed by the Commission's independent auditor, Brown Armstrong Accountancy Corporation. Please read it in conjunction with the Commission's basic financial statements, which follow this section.

### **OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The following Statement of Net Position and Governmental Fund Balance Sheet, and the Statement of Activities and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance, provide information about the activities of the Commission. The financial statements also include various note disclosures, which further describe the Commission's activities.

#### **Government-Wide Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net position.

The Statement of Activities presents information showing how the Commission's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

## Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The Commission, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements report essentially the same functions as those reported in the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than government-wide financial statements, it is useful to compare the information presented. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide reconciliations to facilitate the comparison between governmental funds and government-wide statements.

## Notes to the Basic Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements.

## Required Supplementary Information (RSI)

RSI is presented concerning the Commission's General Fund budgetary schedule. The Commission adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

## FINANCIAL ANALYSIS OF THE COMMISSION

### Net Position

The Commission has presented its basic financial statements under the reporting model required by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis (MD&A) – for State and Local Governments*.

### Condensed Statement of Net Position As of June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>Variance</u>
<b>Assets</b>			
Current Assets	\$ 332,158	\$ 430,711	\$ (98,553)
<b>Total Assets</b>	<u>332,158</u>	<u>430,711</u>	<u>(98,553)</u>
<b>Liabilities</b>			
Current Liabilities	12,396	8,881	3,515
<b>Total Liabilities</b>	<u>12,396</u>	<u>8,881</u>	<u>3,515</u>
<b>Net Position</b>			
Unrestricted	319,762	421,830	(102,068)
<b>Total Net Position</b>	<u>\$ 319,762</u>	<u>\$ 421,830</u>	<u>\$ (102,068)</u>



State law requires that the County and the four cities and town of within the County fund the Commission's budget each year. The Commission is also authorized to establish and collect fees for purposes of offsetting agency contributions. It is also the practice of the Commission to make use of its unrestricted fund balance to help cover operating costs to help minimize the fiscal impact on local agencies as long as the balance does not fall below the equivalent of four months of operating expenses. This practice of using the unrestricted fund balance to help cover operating costs occasionally results in budgeting an operating shortfall. For the year ending June 30, 2020, the Commission budgeted an operating shortfall of \$181,239. The actual operating net was a shortfall of \$102,068, primarily due to the increase in administrative expenses and consulting expenses.

### Changes in Net Position

The government-wide financial statement presented below represents an analysis of the Commission's governmental activities. It should be noted that Intergovernmental Revenues represent the amount each agency was required to contribute to the Commission's budget. The sum of these contributions and the fund balance at the beginning of the year must sum to the adopted budget.

#### Condensed Statement of Activities For the Year Ended June 30, 2020

	2020	2019	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 471,262	\$ 448,819	\$ 22,443
Charges for Services	27,745	41,951	(14,206)
Interest Income	15,128	12,367	2,761
<b>Total Revenues</b>	<b>514,135</b>	<b>503,137</b>	<b>10,998</b>
<b>Expenses:</b>			
Contracted Administrative Services	416,354	332,170	84,184
Services and Supplies	199,849	194,812	5,037
<b>Total Expenses</b>	<b>616,203</b>	<b>526,982</b>	<b>89,221</b>
<b>Change in Net Position</b>	<b>(102,068)</b>	<b>(23,845)</b>	<b>(78,223)</b>
<b>Net Position - Beginning of Year</b>	<b>421,830</b>	<b>445,675</b>	<b>(23,845)</b>
<b>Net Position - End of Year</b>	<b>\$ 319,762</b>	<b>\$ 421,830</b>	<b>\$ (102,068)</b>

### Financial Analysis of the Commission's Governmental Fund

As noted earlier, fund accounting is used by the Commission to ensure and demonstrate compliance with finance-related legal requirements.

For the year ending June 30, 2020, the Commission reported an ending fund balance of \$319,762, for a decrease of \$102,068 from the prior year.

### BUDGETARY HIGHLIGHTS

The Commission practices bottom-line accounting, giving management the discretion to use excess funds in one account to offset deficits in other accounts. This allows management to minimize the fiscal impact of unanticipated increases in contracted administrative services by controlling spending in other accounts.

**CAPITAL ASSETS**

During fiscal year 2008-09, the Commission purchased an electronic document management system with a cost of \$19,657. This asset was depreciated over an estimated useful life of 5 years, using the straight-line depreciation method, and therefore, was fully depreciated as of fiscal year 2013-14.

**DEBT ADMINISTRATION**

With the close of the fiscal year on June 30, 2020, the Commission did not have any long-term obligations outstanding.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Commission is committed to fulfilling its state-mandated mission with as little fiscal impact on local agencies as possible. In preparing the budget for fiscal year 2020-21, the Commission used a spending baseline to estimate how much it would cost to continue the level of its activities and services at next year's price for labor and supplies. The Commission's adopted fiscal year 2020-2021 budget is \$540,893, an overall percentage decrease of 2.96% from prior year's original adopted budget. This decrease is due to the completion of the Napa Countywide Water and Wastewater Municipal Service Review, which the majority of the contract was budgeted and paid in fiscal year 2019-20.

**CONTACTING THE COMMISSION**

These financial statements are designed to provide a general overview of the Commission's finances for all those interested. Through a memorandum of understanding, the County provides certain management and administrative functions, including financial management and accounting. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Local Agency Formation Commission of Napa County  
1030 Seminary Street, Suite B  
Napa, California 94559



**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

<b>Assets</b>	
Cash in County Treasury	\$ 330,058
Imprest Cash	100
Deposits with Others	<u>2,000</u>
<b>Total Assets</b>	<u>332,158</u>
<b>Liabilities</b>	
Accounts Payable	12,015
Accrued Expenses	<u>381</u>
<b>Total Liabilities</b>	<u>12,396</u>
<b>Net Position</b>	
Unrestricted	<u>319,762</u>
<b>Total Net Position</b>	<u><u>\$ 319,762</u></u>

The accompanying notes are an integral part of these financial statements.

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

<b>Expenses</b>	
Contracted Administrative Services	\$ 416,354
Services and Supplies	<u>199,849</u>
<b>Total Expenses</b>	<u>616,203</u>
<b>Program Revenues</b>	
Intergovernmental Revenues:	
County of Napa	235,631
Other Governmental Agencies	235,631
Charges for Services	<u>27,745</u>
<b>Total Program Revenues</b>	<u>499,007</u>
Net Program Revenue	(117,196)
<b>General Revenues</b>	
Interest Income	<u>15,128</u>
<b>Change in Net Position</b>	(102,068)
<b>Net Position - Beginning of Year</b>	<u>421,830</u>
<b>Net Position - End of Year</b>	<u><u>\$ 319,762</u></u>

The accompanying notes are an integral part of these financial statements.

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUND**  
**JUNE 30, 2020**

<b>Assets</b>	
Cash in County Treasury	\$ 330,058
Imprest Cash	100
Deposits with Others	<u>2,000</u>
<b>Total Assets</b>	<b><u>\$ 332,158</u></b>
<b>Liabilities</b>	
Accounts Payable	\$ 12,015
Accrued Expenses	<u>381</u>
<b>Total Liabilities</b>	<b><u>12,396</u></b>
<b>Fund Balance</b>	
Assigned	19,657
Unassigned	<u>300,105</u>
<b>Total Fund Balance</b>	<b><u>319,762</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 332,158</u></b>

The accompanying notes are an integral part of these financial statements.

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2020**

<b>Revenues</b>	
Intergovernmental Revenues:	
County of Napa	\$ 235,631
Other Governmental Agencies	235,631
Charges for Services	27,745
Interest Income	15,128
	<hr/>
<b>Total Revenues</b>	<b>514,135</b>
<b>Expenditures</b>	
Contracted Administrative Services	416,354
Services and Supplies	199,849
	<hr/>
<b>Total Expenditures</b>	<b>616,203</b>
<b>Change in Fund Balance</b>	<b>(102,068)</b>
<b>Fund Balance - Beginning of Year</b>	<b>421,830</b>
	<hr/>
<b>Fund Balance - End of Year</b>	<b>\$ 319,762</b>
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The accompanying notes are an integral part of these financial statements.

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Local Agency Formation Commission of Napa County (the Commission) was created in 1963 by the California Legislature to encourage the orderly formation and development of local agencies, promote the efficient extension of municipal services, and protect against the premature conversion of agricultural and open-space lands. In 2001, following the enactment of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the Commission became an independent agency separate from the County of Napa (the County). As of June 30, 2020, there are 23 cities and special districts under the jurisdiction of the Commission in the County.

The Board of Commissioners is comprised of five regular and three alternate members. Each member is appointed pursuant to California Government Code Section 56000 et. seq. and represents one of the following three interests:

- **County Members:** Two regular and one alternate member represent the County. These members are members of the County Board of Supervisors. Appointments are made by the Board of Supervisors.
- **City Members:** Two regular and one alternate member represent the four cities and town in the County. The members are mayors or council members. Appointments are made by the City Selection Committee.
- **Public Members:** One regular and one alternate member represent the general public. Appointments are made by the County and City Members on the Commission.

The Commission includes all activities (operations of its administrative staff and commission officers) considered to be a part of the Commission. The Commission reviewed the criteria developed by the Governmental Accounting Standards Board (GASB) in its issuance of Statement No. 14 and amended by Statement No. 61, relating to the financial reporting entity, to determine whether the Commission is financially accountable for other entities. The Commission has determined that no other outside entity meets the above criteria and, therefore, no agency has been included as a component unit in the financial statements. In addition, the Commission is not aware of any entity that would be financially accountable for the Commission that would result in the Commission being considered a component unit of that entity.

**B. Basis of Presentation and Accounting**

*Government-Wide Financial Statements*

The Statement of Net Position and Statement of Activities display information about the primary government (the Commission). These statements include the financial activities of the overall Commission.

The Statement of Activities presents a comparison between direct expenses and program revenues for the Commission's governmental activity. Direct expenses are those that are specifically associated with the Commission's governmental activity. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of the Commission. Revenues that are not classified as program revenues, including all taxes and investment income, are presented as general revenues.



**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)**B. Basis of Presentation and Accounting** (Continued)*Government-Wide Financial Statements* (Continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows take place. Nonexchange transactions are those in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, including grants. Revenues from grants are recognized in the fiscal year in which all eligible requirements have been satisfied. No grants have been received or are anticipated to be received in the near future.

When both restricted and unrestricted net position are available, restricted resources are used before non-restricted resources.

*Fund Financial Statements*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available ("susceptible to accrual"). Taxes, interest, certain state and federal grants, and charges for services revenues are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be measurable and available. Expenditures are generally recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

The General Fund is the Commission's primary operating fund. It accounts for all financial resources of the general government.

**C. Capital Assets**

Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The Commission defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives in the government-wide statements. Depreciation begins on the first day of the fiscal year following the period the asset is placed in service and ends in the fiscal year that it is retired from service or is fully depreciated.

**D. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**E. Recently Implemented GASB Pronouncements**

**GASB Statement No. 95 – Postponement of the Effective Dates of Certain Authoritative Guidance.** This statement provides temporary relief to governments and stakeholders in light of the COVID-19 pandemic. The requirements of this statement are effective immediately. The effective dates for GASB Statements Nos. 84, 88, 89, 90, 91, 92, and 93 were postponed by one year for the Commission. The effective date for GASB Statement No. 87 was postponed by 18 months for the Commission.

**NOTE 2 – CASH**

Cash at June 30, 2020, consisted of the following:

Cash in County Treasury	\$ 330,058
Imprest Cash	<u>100</u>
	<u>\$ 330,158</u>

The Commission maintains all of its cash and investments with the County Treasurer in an investment pool. On a quarterly basis, the Treasurer allocates interest to participants based upon their average daily balances. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County's financial statements may be obtained by contacting the County's Auditor-Controller's Office at 1195 Third Street, Room B-10, Napa, California 94559. The County Treasury Oversight Committee oversees the Treasurer's investments and policies.

Required disclosures for the Commission's deposit and investment risks at June 30, 2020, were as follows:

Credit risk	Not rated
Custodial risk	Not applicable
Concentration of credit risk	Not applicable
Interest rate risk	Not available

Investments held in the County's investment pool are available on demand and are stated at cost plus accrued interest, which approximates fair value. The Commission has no deposit or investment policy that addresses a specific type of risk.

**NOTE 3 – CAPITAL ASSETS**

Capital assets at June 30, 2020, were as follows:

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020
Capital assets being depreciated:				
Equipment	\$ 19,657	\$ -	\$ -	\$ 19,657
Less accumulated depreciation:				
Equipment	<u>(19,657)</u>	<u>-</u>	<u>-</u>	<u>(19,657)</u>
Capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 4 – NET POSITION/FUND BALANCE****Net Position**

Net position comprises the various net earnings from operating and nonoperating revenues, expenses, and capital contributions. Net position is classified in the following three components: net investment in capital assets, net position – restricted, and net position – unrestricted. The Commission reports net investment in capital assets and net position – unrestricted balances. Net investment in capital assets consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction, and improvement of those assets. Unrestricted net position consists of all other net position not included in the above categories.

**NOTE 4 – NET POSITION/FUND BALANCE** (Continued)**Fund Balance**

Governmental funds report fund balance in classifications based primarily on the extent to which the Commission is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2020, fund balances for governmental funds are made up of the following:

- *Nonspendable fund balance* – amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- *Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed fund balance* – amounts constrained to specific purposes by the Commission itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the Commission takes the same highest level of action to remove or change the constraint.
- *Assigned fund balance* – amounts the Commission intends to use for a specific purpose. Intent can be expressed by the Board of Commissioners or by an official or body to which the Board of Commissioners delegates the authority.
- *Unassigned fund balance* – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The Board of Commissioners establishes (and modifies or rescinds) fund balance commitments by adopting a final budget no later than June 15th and approving amendments as needed throughout the year. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives).

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

The Commission strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately four months of expenditures.

**NOTE 5 – RELATED PARTY TRANSACTIONS**

During the year ended June 30, 2020, the Commission paid the County, a related party, \$431,510 for personnel and other support services.

In addition, the Commission received \$235,631 during the year ended June 30, 2020, from the County, a related party, pursuant to Government Code Section 56381. The County provides half of the intergovernmental revenue to the Commission. The other half is funded by the City of Napa, City of St. Helena, City of American Canyon, City of Calistoga, and Town of Yountville.

**NOTE 6 – RISK MANAGEMENT**

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission participates in the County's risk pool. Information about coverage can be found in the County's basic financial statements.

**NOTE 7 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through November 19, 2020, which is the date the basic financial statements were available to be issued. No events have occurred that would require disclosure.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. The COVID-19 outbreak in the United States has resulted in reduced client traffic and the temporary reduction of operating hours as well as temporary office closure where government mandated. At the current time, the County is unable to quantify all the potential effects of this pandemic on the future financial statements.



**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Intergovernmental Revenues	\$ 471,261	\$ 471,261	\$ 471,262	\$ 1
Charges for Services	25,500	25,500	27,745	2,245
Interest Income	7,000	7,000	15,128	8,128
<b>Total Revenues</b>	<b>503,761</b>	<b>503,761</b>	<b>514,135</b>	<b>10,374</b>
<b>Expenditures</b>				
Contracted Administrative Services	415,003	440,003	416,354	23,649
Services and Supplies	142,373	244,997	199,849	45,148
<b>Total Expenditures</b>	<b>557,376</b>	<b>685,000</b>	<b>616,203</b>	<b>68,797</b>
Change in Fund Balance	<u>\$ (53,615)</u>	<u>\$ (181,239)</u>	(102,068)	<u>\$ 79,171</u>
Fund Balance - Beginning of Year			<u>421,830</u>	
Fund Balance - End of Year			<u>\$ 319,762</u>	

See accompanying note to the required supplementary information.

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2020**

**BUDGET AND BUDGETARY REPORTING**

The Local Agency Formation Commission of Napa County (the Commission) prepares and legally adopts a final budget on or before June 15th of each fiscal year.

After the budget is approved, the appropriations can be added to, subtracted from, or changed only by Board of Commissioners resolution. All such changes must be within the revenues and reserves estimated as available in the final budget or within revised revenue estimates as approved by the Commission.

An operating budget is adopted each fiscal year on the modified accrual basis of accounting. Additionally, encumbrance accounting is utilized to assure effective budgetary control. Encumbrances outstanding at year-end represent the estimated amount of the expenditures ultimately to result if the unperformed contracts in process at year-end are completed or purchase commitments satisfied. Such year-end encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year and included in the subsequent year's budget. Unencumbered appropriations lapse at year-end. Budgets are prepared using accounting principles generally accepted in the United States of America.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the object level. Object levels of expenditures are as follows: salaries and benefits, services and supplies, and other charges.

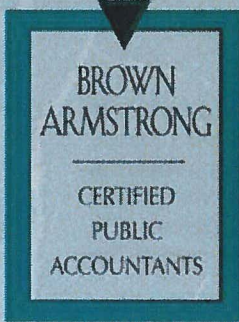
STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
SUPERIOR COURT

IN RE: THE ESTATE OF [Name], Deceased  
Case No. [Number]

[Faint, mostly illegible text follows, likely containing case details, names of parties, and legal proceedings.]

**OTHER REPORT**





# BROWN ARMSTRONG

*Certified Public Accountants*

## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Local Agency Formation Commission of Napa County  
Napa, California

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We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Local Agency Formation Commission of Napa County (the Commission) as of and for the year ended June 30, 2020, and the related notes to the basic financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated November 19, 2020.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the basic financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission's basic financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

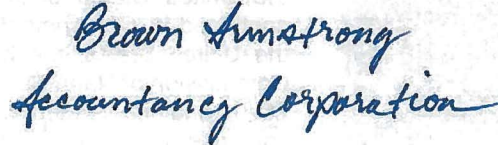
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the basic financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

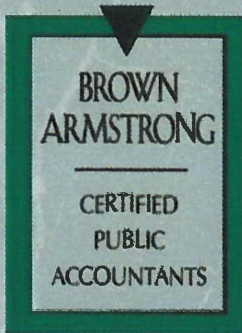
**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive style and is positioned below the printed name of the firm.

Bakersfield, California  
November 19, 2020



## BROWN ARMSTRONG

*Certified Public Accountants*

Board of Commissioners  
Local Agency Formation Commission of Napa County  
Napa, California

We have audited the financial statements of the governmental activities and the major fund of the Local Agency Formation Commission of Napa County (the Commission) for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 3, 2020. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the Commission adopted Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, in 2020. We noted no transactions entered into by the Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No such misstatements were identified.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

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*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 19, 2020.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Commission's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Commission's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

We applied certain limited procedures to Management's Discussion and Analysis and the Budgetary Comparison Schedule, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

**Restriction on Use**

This information is intended solely for the information and use of the Board of Commissioners and management of the Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

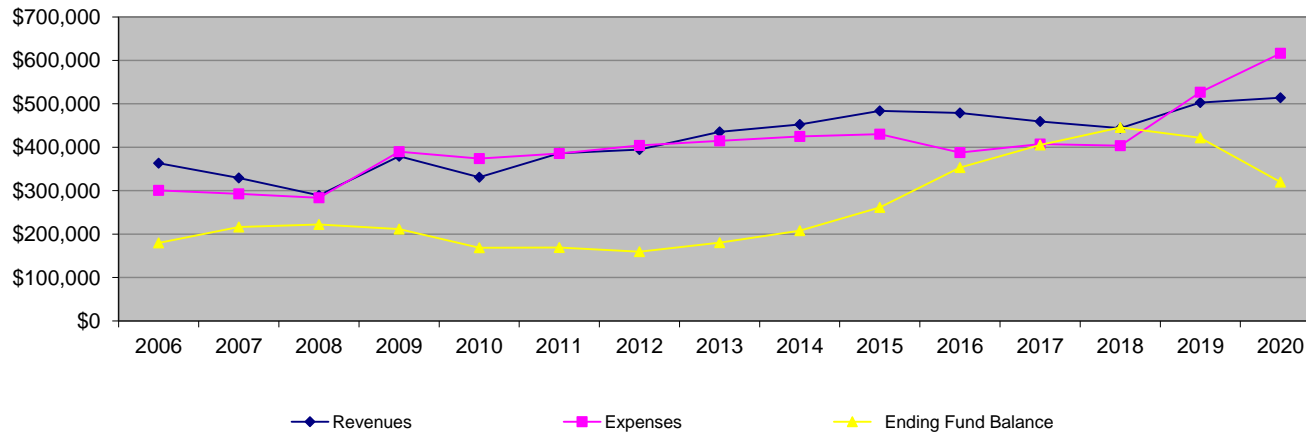
*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
November 19, 2020

LAFCO Financial Summary  
For the Past 15 Years

Attachment Three

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues	\$ 363,529	\$ 329,214	\$ 289,341	\$ 379,499	\$ 330,942	\$ 386,070	\$ 394,658	\$ 435,317	\$ 452,727	\$ 483,743	\$ 479,137	\$ 459,555	\$ 443,870	\$ 503,137	\$ 514,135
Expenses	300,653	292,636	283,622	389,688	373,993	385,677	404,358	414,578	424,924	430,146	387,701	407,207	403,630	526,982	616,203
Surplus/Deficit	\$ 62,876	\$ 36,578	\$ 5,719	\$ (10,189)	\$ (43,051)	\$ 393	\$ (9,700)	\$ 20,739	\$ 27,803	\$ 53,597	\$ 91,436	\$ 52,348	\$ 40,240	\$ (23,845)	\$ (102,068)
<b>Fund Balance:</b>															
Beginning Fund Balance	\$ 116,886	\$ 179,762	\$ 216,340	\$ 222,059	\$ 211,870	\$ 168,819	\$ 169,212	\$ 159,512	\$ 180,251	\$ 208,054	\$ 261,651	\$ 353,087	\$ 405,435	\$ 445,675	\$ 421,830
Surplus/Deficit 6/30	62,876	36,578	5,719	(10,189)	(43,051)	393	(9,700)	20,739	27,803	53,597	91,436	52,348	40,240	(23,845)	(102,068)
Ending Fund Balance	\$ 179,762	\$ 216,340	\$ 222,059	\$ 211,870	\$ 168,819	\$ 169,212	\$ 159,512	\$ 180,251	\$ 208,054	\$ 261,651	\$ 353,087	\$ 405,435	\$ 445,675	\$ 421,830	\$ 319,762
<b>Breakdown of Fund Balance:</b>															
Professional Services	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Reserve	35,174	36,978	37,879	40,594	-	-	-	-	-	-	-	-	-	-	-
Petty Cash Reserve	-	-	-	-	100	100	100	100	100	100	100	100	100	100	100
Equipment Replacement Reserve	-	-	-	-	3,931	7,862	11,793	15,724	19,557	19,557	19,557	19,557	19,557	19,557	19,557
Future Projects	-	-	55,000	-	-	-	-	-	-	-	-	-	-	-	-
Reserve for Encumbrances	165	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Available Fund Balance	94,423	129,362	79,180	121,276	164,788	161,250	147,619	164,427	188,397	241,994	333,430	385,778	426,018	402,173	300,105
Total Fund Balance	\$ 179,762	\$ 216,340	\$ 222,059	\$ 211,870	\$ 168,819	\$ 169,212	\$ 159,512	\$ 180,251	\$ 208,054	\$ 261,651	\$ 353,087	\$ 405,435	\$ 445,675	\$ 421,830	\$ 319,762





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

1030 Seminary Street, Suite B  
Napa, California 94559  
Phone: (707) 259-8645  
www.napa.lafco.ca.gov

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

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**Agenda Item 8b (Action)**

**TO:** Local Agency Formation Commission

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

**MEETING DATE:** December 7, 2020

**SUBJECT:** Consideration of Appointment Procedure for Public Member

---

**RECOMMENDATION**

It is recommended the city and county members of the Commission take formal action or provide direction to the Executive Officer with respect to the appointment procedure for the unexpired Public Member term ending May 2, 2022.

**BACKGROUND AND SUMMARY**

Under Government Code (G.C.) Section 56325(d), the composition of Local Agency Formation Commissions (LAFCOs) includes one member representing the general public (“Public Member”), who is appointed to a four-year term by the city and county members of the Commission. The city and county members may also appoint one Alternate Public Member who shall serve pursuant to G.C. Section 56331.

To qualify for either position, the Public Member and Alternate Public Member must be residents of Napa County and cannot be officers or employees with local governmental agencies. The Public Member and Alternate Public Member must receive at least one vote each from a city and county member of the Commission.

The Commission’s adopted *Policy on the Appointment of a Public Member and Alternate Public Member* (“the Policy”) is included as Attachment One. The Policy summarizes the process to appoint a Public Member or Alternate Public Member to a new term or to fill an unexpired term that was created by a vacancy.

---

Margie Mohler, Chair  
Councilmember, Town of Yountville

Vacant  
Councilmember, City of American Canyon

Scott Sedgley, Alternate Commissioner  
Councilmember, City of Napa

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

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

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

Vacant  
Representative of the General Public

Eve Kahn, Alternate Commissioner  
Representative of the General Public

Brendon Freeman  
Executive Officer

On November 2, 2020, former Public Member Gregory Rodeno resigned from the Commission with an unexpired term ending May 2, 2022.

On November 3, 2020, staff posted a notice of vacancy consistent with the Policy and G.C. Section 56325(d).

## **ALTERNATIVES FOR COMMISSION ACTION**

Staff has identified the following two alternatives for consideration by the city and county members of the Commission consistent with the Policy.

### **Alternative Action One:**

Appoint Alternate Public Member Eve Kahn to fill the remainder of the unexpired Public Member term. This action would result in an unexpired term for the Alternate Public Member and require the Commission to initiate a public recruitment to fill the remainder of the term. This action would involve the following:

- Appoint Alternate Public Member Eve Kahn to fill the remainder of the Public Member's unexpired term;
- Post a notice of vacancy announcing a public recruitment to fill the remainder of the Alternate Public Member's unexpired term; and
- Schedule a public hearing for April 5, 2021 or a later date to appoint an Alternate Public Member.

### **Alternative Action Two:**

Direct the Executive Officer to initiate a public recruitment for the Public Member position. The Commission may provide additional direction as desired with respect to organizing the recruitment and appointment process. This action would involve the following:

- Post a notice of vacancy announcing a public recruitment to fill the remainder of the Public Member's unexpired term; and
- Schedule a public hearing for April 5, 2021 or a later date to appoint a Public Member.

It should be noted Alternate Commissioner Kahn was first appointed as the Commission's Alternate Public Member on August 6, 2019. On November 18, 2019, consistent with the Policy, Alternate Commissioner Kahn was re-appointed to a new four-year term ending May 6, 2024 without initiating a public recruitment.

## **ATTACHMENT**

- 1) Policy on the Appointment of a Public Member and Alternate Public Member



## LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

### *Policy on the Appointment of a Public Member and Alternate Public Member*

(Adopted: October 11, 2001; Last Amended: November 18, 2019)

#### **I. Background**

The Cortese-Knox-Hertzberg Local Government Reorganization (CKH) Act of 2000 includes provisions for the composition of the Commission including the Public Member as follows:

The composition of the Commission shall include one member representing the general public, hereinafter referred to as “public member.” The Commission may designate one alternate public member. The selection of the public member and alternate public member shall be subject to the affirmative vote of at least one of the members appointed by each of the appointing authorities ([California Government Code \(G.C.\) §56325\(d\)](#)).

#### **II. Purpose**

It is the intent of the Commission to establish a policy for the appointment of a public member and alternate public member which is consistent with CKH. This policy also includes procedures to address a vacancy in the position and other relevant matters.

#### **III. Eligibility**

The public member and alternate public member shall be a resident of Napa County. No person may serve as public member or alternate public member if at the same time they are an officer or employee of the County, a city, town or district within Napa County.<sup>1</sup> For purposes of this policy, an officer of a local government agency is a member of a local public board, commission, committee, or council with the authority to make advisory or final decisions relative to land use or the provision of municipal services.

#### **IV. Term of Office**

The term of office for Public Member and Alternate Public Member shall be four years and shall end on the first Monday in May of the year in which the term expires. The Public Member and Alternate Public Member shall continue to serve until a successor is appointed.

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<sup>1</sup> The term “district” is defined in [G.C. §56036](#).



## **V. Appointment Procedures**

### **A) New Term for Public Member or Alternate Public Member**

It is the policy of the Commission that in anticipation of the expiration of a four-year term for the Public Member or Alternate Public Member, the following procedures will be taken:

At a regular meeting at least 120 days prior to the scheduled expiration of the Public Member or Alternate Public Member's term, the Executive Officer shall inform the Commission of the impending vacancy and whether the incumbent is eligible to seek reappointment. The Commission shall take one of the following two actions as set forth in the following subsection 1 or 2 below.

- 1) Direct the Executive Officer to recruit candidates and schedule a public hearing to consider making an appointment to the position. Tasks of the Executive Officer shall include, but not limited to, the following:
  - (a) At least 60 days prior to the scheduled hearing for the appointment, issue a notice announcing the vacancy and that the Commission is accepting applications for the position. The notice shall be posted at the LAFCO office and on its website, sent to all local agencies, and published in a newspaper of general circulation in Napa County.<sup>2</sup> The notice shall indicate if the incumbent is eligible for reappointment.
  - (b) Determine the filing period to receive applications for the position. All applications shall be made available to each city and county member on the Commission at least 14 days prior to the scheduled hearing for the appointment.
  - (c) If it becomes necessary for the Commission to cancel or reschedule the meeting at which the hearing for the appointment has been scheduled, the Executive Officer shall reschedule the hearing for the next regular meeting.
- 2) If the incumbent is eligible and has served no more than one four-year term, the Commission may direct the Executive Officer to schedule a public hearing to consider approving reappointment. Tasks of the Executive Officer shall include, but not limited to, the following:
  - (a) Issue a notice announcing the scheduled reappointment of the incumbent. The notice shall be posted at the LAFCO office and on its website and sent to all local agencies. The notice shall be posted at least 21 days prior to the hearing for which the reappointment has been scheduled.
  - (b) If it becomes necessary for the Commission to cancel or reschedule the meeting at which the hearing for the reappointment has been scheduled, the Executive Officer shall reschedule the hearing for the next regular meeting.

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<sup>2</sup> For purposes of this policy, notice to local agencies is fulfilled by sending a copy of the notice to the clerk or secretary of the legislative body of each local agency in Napa County. Publishing in a newspaper of general circulation in Napa County shall be conducted by publishing, at minimum, a prominently placed display ad.

## B) Mid-Term Vacancies

An appointment to fill an unexpired term for the position of Public Member or Alternate Public Member shall be preceded by posting a notice of vacancy. The notice will be posted at the LAFCO office and on its website and sent to all local agencies. The notice will be posted at least 21 days prior to the meeting at which time the Commission will consider taking action to fill the unexpired term. An appointment to fill an unexpired term will occur as follows:

- 1) Public Member: If the position of Public Member becomes vacant prior to the expiration of the term, it is the policy of the Commission that it may fill the unexpired term through one of the following:
  - (a) Appoint the Alternate Public Member.
  - (b) Fill the position in the manner prescribed in Section V(A) “New Term for Public Member or Alternate Public Member” for the appointment of the Public Member to a new term.
- 2) Alternate Public Member: If the position of Alternate Public Member becomes vacant prior to the expiration of the term, it is the policy of the Commission that it may fill the unexpired term in the manner prescribed in Section V(A) “New Term for Public Member or Alternate Public Member” for the appointment of the Alternate Public Member to a new term.

## C) Conducting Public Hearings for Appointing a Public Member or Alternate Public Member

It is the policy of the Commission that a public hearing to appoint either the Public Member or Alternate Public Member shall be conducted as follows:

The Chair shall open the public hearing and first invite candidates to address the Commission. The Commission may ask questions of the candidates. The Chair shall then invite public comments from the audience. Upon the close of the public comment period, the Public Member or Alternate Public Member will be selected based upon a motion and second followed by an affirmative vote.



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**Agenda Item 8c (Action)**

**TO:** Local Agency Formation Commission

**PREPARED BY:** Brendon Freeman, Executive Officer  
Dawn Mittleman Longoria, Analyst II

**MEETING DATE:** December 7, 2020

**SUBJECT:** Subcommittee Appointments

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**RECOMMENDATION**

It is recommended the Commission make appointments or re-appointments to the following four subcommittees: 2021-2022 Budget Committee; Legislative Committee; Policy Committee; and Outreach Committee.

**SUMMARY**

The Commission will consider making appointments or re-appointments, as appropriate, to one standing subcommittee and three ad hoc subcommittees as part of this item. A summary of the subcommittees and recommended actions follows.

***2021-2022 Budget Committee (Ad Hoc)***

The Commission establishes an ad hoc Budget Committee at its last meeting of each calendar year consistent with the adopted *Budget Policy*, included as Attachment One. The Budget Committee includes two appointed Commissioners to advise the Executive Officer in preparing a draft budget and a final budget for review by the Commission, the public, and the six affected funding agencies: Napa County; City of American Canyon; City of Calistoga; City of Napa; City of St. Helena; and Town of Yountville. Draft and final budgets are typically presented to the Commission for adoption at its April and June meetings, respectively. The Budget Committee will also consider the Commission's adopted Fee Schedule and Work Program. It is anticipated the Budget Committee will meet with the Executive Officer during the months of February and April. The Budget Committee for 2021-2022 will terminate after adoption of the final budget. Staff recommends the Commission appoint two members to the 2021-2022 Budget Committee.

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Margie Mohler, Chair  
Councilmember, Town of Yountville

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

Vacant  
Representative of the General Public

Vacant  
Councilmember, City of American Canyon

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

Eve Kahn, Alternate Commissioner  
Representative of the General Public

Scott Sedgley, Alternate Commissioner  
Councilmember, City of Napa

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

Brendon Freeman  
*Executive Officer*

### ***Legislative Committee (Standing)***

The Commission previously established a standing Legislative Committee consistent with the adopted *Legislative Policy*, included as Attachment Two. Vice Chair Dillon and Commissioner Mohler currently serve on the Legislative Committee. The *Legislative Policy* states the Commission shall appoint or re-appoint two members to the Legislative Committee at the beginning of each two-year legislative session. A new two-year legislative session will begin in 2021. Staff recommends the Commission appoint or re-appoint two members to the Legislative Committee.

### ***Policy Committee (Ad Hoc)***

The Commission previously established an ad hoc Policy Committee for purposes of reviewing all existing local policies and recommending amendments or new policies, as appropriate, to the full Commission. The Policy Committee will terminate after completing its review of all local policies and making any appropriate recommendations to the full Commission. A comprehensive policy review schedule is included as part of the Commission's adopted *Strategic Plan 2018-2022*.<sup>1</sup> There are approximately 12 remaining local policies requiring review before the Policy Committee's work is complete. Commissioner Mohler currently serves on the Policy Committee. Former Commissioner Gregory Rodeno recently vacated the other seat on the Policy Committee. Staff recommends the Commission appoint a member to the Policy Committee to fill the seat vacated by Gregory Rodeno.

### ***Outreach Committee (Ad Hoc)***

The Commission previously established an ad hoc Outreach Committee for purposes of determining options and resources needed to develop a communications and outreach strategy. The Outreach Committee will terminate after its strategy has been implemented. The Outreach Committee developed a draft Outreach Plan, included as Attachment Three, which was presented to the Commission at the August 3, 2020 meeting. Alternate Commissioner Kahn currently serves on the Outreach Committee. Former Commissioner Ken Leary recently vacated the other seat on the Outreach Committee. Staff recommends the Commission consider appointing a member to the Outreach Committee. However, the Commission may prefer deferring action on the Outreach Committee membership until after the Commission appoints a Public Member as described in item 8b on today's agenda.

## **ATTACHMENTS**

- 1) Budget Policy
- 2) Legislative Policy
- 3) Outreach Plan: *Napa LAFCO at a Glance*

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<sup>1</sup> The Commission's adopted *Strategic Plan 2018-2022* is available online at: <https://www.napa.lafco.ca.gov/uploads/documents/StrategicPlan2018-2022.pdf>.



## LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

### *Budget Policy*

(Adopted: August 9, 2001; Last Amended: November 18, 2019)

#### **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) 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 Office 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.
- 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

### *Legislative Policy* (Adopted: December 4, 2017)

- 1) The Local Agency Formation Commission (LAFCO) of Napa County (“the Commission”) shall establish a standing committee to review proposed legislation (“Legislative Committee”). At the beginning of each two-year legislative session, the Commission shall appoint (or re-appoint) two members to the Legislative Committee, in addition to LAFCO’s Executive Officer. Meetings of the Legislative Committee must be noticed in accordance with the Ralph M. Brown Act.
- 2) The Legislative Committee shall, at least annually, review the California Association of LAFCOs’ legislative platform as well as the Commission’s adopted legislative platform if applicable and determine what action is needed in terms of adopting or amending a local legislative platform. The Legislative Committee shall present recommendations to the full Commission with respect to actions related to the local legislative platform.
- 3) The Legislative Committee shall, at least annually, review proposed legislation affecting LAFCO. The Executive Officer shall continue monitoring proposed legislation and present recommendations to the full Commission with respect to formal positions on proposed legislation.
- 4) In the event that proposed legislation affecting LAFCO cannot be considered by the full Commission due to timing, the Executive Officer is authorized to submit written correspondence to the legislation’s author regarding the Commission’s position if the position is consistent with the adopted legislative platform of the Commission. The Chair, or the Vice-Chair if the Chair is unavailable, shall review and approve the written correspondence prior to it being submitted by the Executive Officer.
- 5) All submitted correspondence pursuant to this policy will be included on the next available Commission agenda.





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## *Napa LAFCO at a Glance*

Program Status: Pilot Program

Goals:

1. Build trust in the community
2. Provide transparency – it is our duty to tell people what we do
3. Make Napa LAFCO more visible and less obscure
4. Provide reliable, consistent information and facts

Target Audience:

1. Elected officials (especially newly elected)
2. Local agencies
3. Real estate and land use professionals
4. Agricultural industry
5. Hospitality industry
6. Miscellaneous interest groups and organizations
7. News media
8. General public

Principles:

1. Factual and neutral information
2. Environmentally sensitive outreach program
3. Cost effective
4. Leverage efforts

### *Implementation Strategy*

The following are examples of outreach strategies discussed by the Committee. The Commission is invited to discuss these strategies and potential alternative strategies. With respect to available financial resources, it is important to note the Commission's adopted budget for fiscal year 2020-2021 does not include any dedicated funds for outreach efforts.

- Islands Education and Outreach: New Page on Website (Budget Impact: \$49.50)  
The Committee recommends performing dedicated education and outreach efforts related to annexation of unincorporated islands. Toward this end, staff recently authorized the Commission's website host, Planeteria, to add a new page dedicated to island annexation information on the agency's website. Staff expeditiously

proceeded with this activity given the timely nature of island annexation discussions with City of Napa staff. The next step is for staff to add content to the new page. The Committee recommends additional outreach efforts including, but not limited to, conducting virtual public workshops, updating the Commission's informational flyer on island annexation, and potentially mailing a copy of the flyer to all landowners and residents within the islands. Staff will be contacting agencies that have conducted island workshops and developed informational documents.

- Social Media Engagement (Budget Impact: \$0)  
Staff and interested members of the Commission would collectively allocate up to three hours per week creating social media content and engaging with the public. Examples of content include short videos of staff or members of the Commissioner explaining why LAFCOs are important and can provide a forum for discussion of local governmental issues. A student intern could be a valuable resource in the development a social media program.
- Informational Handouts (Budget Impact: \$0)  
Staff has been attending regular teleconference meetings hosted by CALAFCO and the Commission's Executive Officer expressed concern that LAFCO's relevance would be scrutinized in response to COVID-19's impact on the economy. Several other LAFCOs shared the same concern and agreed to form a committee to focus on the right messaging for LAFCOs throughout the state to demonstrate the importance and potential of LAFCOs. The Commission's Executive Officer and Analyst II both served on the CALAFCO committee, which held several meetings and produced high quality informational handouts that are currently in draft form. Once finalized, the Outreach Committee recommends electronically disseminating CALAFCO's handouts as part of the Commission's outreach efforts.
- Utilize LAFCO's Neutral Role (Budget Impact: \$0)  
LAFCO is uniquely positioned to collaborate with other local government agencies and look outside the typical silos. In this role LAFCO can facilitate cooperation, sharing of resources, and dissemination of information. The Countywide Water and Wastewater Municipal Service Review (MSR) has identified various agencies, some with robust resources and others struggling to survive. Implementation of the MSR can include identifying "warning signs" that an agency is in crisis. Although LAFCO does not have the authority to resolve all issues, it does have the mandate to shine a light on these issues. LAFCO can serve as a "clearinghouse" of information, studies, and solutions from across the state and across agency silos. The Commission may consider building on this recent success by scheduling more countywide MSRs for specific services as opposed to MSRs for individual agencies. This can be accomplished in the annual Work Program or through a future strategic planning workshop. The Commission is also invited to discuss preferences and strategies to disseminate information about MSRs and other relevant LAFCO activities to the target audience groups.

- Leveraging Efforts (Budget Impact: \$0)

The Committee determined leveraging efforts of other agencies and organizations would be both cost effective and provide an opportunity to reach a wider audience. Methods to accomplish this include:

  1. Dedicated efforts to proactively schedule Executive Officer presentations (virtual) to various organizations such as service clubs and local groups
  2. Interviews and/or press releases to local media (e.g., Napa Valley Register, Napa Valley Marketplace Magazine)
  3. Request other agencies to include a link to the LAFCO website on their websites
  
- Additional Outreach Methods (Budget: \$0):

The Committee recognized that outreach regarding LAFCO has several challenges. The first challenge is making people aware that LAFCO exists. The next challenge is explaining what LAFCO does and why. Generally, an individual would not know to visit the LAFCO website. With this in mind, proactive methods of outreach were discussed by the Committee. The following provides a list of possible actions:

  1. Biannual Napa LAFCO open house for newly elected officials (when physical gatherings are allowed)
  2. Electronic distribution of the LAFCO Directory of Local Agencies
  3. Develop and electronically distribute a Napa LAFCO newsletter (annually or quarterly)



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**Agenda Item 8d (Action)**

**TO:** Local Agency Formation Commission

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

**MEETING DATE:** December 7, 2020

**SUBJECT:** Establishing a Matching Retirement Savings Contribution for the Executive Officer in 2021

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**RECOMMENDATION**

It is recommended the Commission adopt the Resolution of the Local Agency Formation Commission of Napa County Consenting to the Participation of LAFCO Management Staff in the County of Napa 401(a) Retirement Savings Plan and Establishing the LAFCO Match for the 2021 Calendar Year, included as Attachment One, establishing a \$1,000 matching 401(a) retirement contribution for the Executive Officer for calendar year 2021.

**SUMMARY**

Management employees with the County of Napa are eligible for a \$1,000 annual employer contribution to a 401(a) retirement savings account. This amount has already been budgeted for the Executive Officer for the current fiscal year. Additionally, the Executive Officer has already been authorized to participate in the 401(a) retirement savings plan. Consistent with prior years, the annual contribution needs to be designated as a matching contribution in calendar year 2021 by way of the Commission adopting a new resolution.

**ATTACHMENT**

- 1) Resolution Consenting to the Participation of LAFCO Management Staff in the County of Napa 401(a) Retirement Savings Plan and Establishing the LAFCO Match for the 2021 Calendar Year

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Margie Mohler, Chair  
Councilmember, Town of Yountville

Vacant  
Councilmember, City of American Canyon

Scott Sedgley, Alternate Commissioner  
Councilmember, City of Napa

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

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

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

Vacant  
Representative of the General Public

Eve Kahn, Alternate Commissioner  
Representative of the General Public

Brendon Freeman  
*Executive Officer*

**RESOLUTION NO. \_\_\_\_\_**

**THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
CONSENTING TO THE PARTICIPATION OF LAFCO MANAGEMENT STAFF  
IN THE COUNTY OF NAPA 401(a) RETIREMENT SAVINGS PLAN AND  
ESTABLISHING THE LAFCO MATCH FOR THE 2021 CALENDAR YEAR**

**WHEREAS**, the Executive Officer of the Napa County Local Agency Formation Commission (hereinafter “LAFCO” and “Employer”) is a management employee of the County of Napa whose services are contracted out to LAFCO; and

**WHEREAS**, in 2002 LAFCO consented to the participation of LAFCO in the 401(a) Retirement Savings Plan (hereinafter “Plan”) established by Napa County, which provides in part that LAFCO shall determine, in its sole discretion, the amount of the Employer contribution to be made to the Plan during each Plan year and that the amount of the Employer contribution for each calendar year, if any, shall be established annually on or before January 1<sup>st</sup> of that calendar year by a duly adopted Resolution of the Employer, a copy of which shall be delivered to the Napa County Deferred Compensation Board of Control (hereinafter “Board of Control”); and

**WHEREAS**, the Plan also provides that upon the adoption of a Resolution identifying the amount of the Employer contribution for the next succeeding calendar year, the Employer shall, during said next succeeding calendar year, make a contribution in an amount equal to the contribution each Management, Confidential, and Non-Classified officer and/or employee who is a Participant in the Plan makes to the Employer's 457 Deferred Compensation Plan during that same calendar year (hereinafter the “Match”); provided, however, the Employer contribution to the 401(a) deferred compensation account of each Management, Confidential, and Non-Classified officer and/or employee who is a Participant in the Plan during any calendar year shall not exceed the amount set forth in said Resolution; and

**WHEREAS**, during fiscal year 2020-2021, LAFCO hereby agrees to establish a Match for calendar year 2021 pursuant to section 4.02-1 of the Plan.

**NOW THEREFORE BE IT RESOLVED** by LAFCO that, for calendar year 2021, it hereby approves up to a \$1,000 “Match” for each Management staff of LAFCO (presently the LAFCO Executive Officer) who are or become Participants in the Plan during 2021.

**BE IT FURTHER RESOLVED** that the Clerk of the Commission is directed to deliver a copy of this Resolution to the Board of Control.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on December 7, 2020, after a motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, by the following vote:

AYES: Commissioners \_\_\_\_\_

NOES: Commissioners \_\_\_\_\_

ABSENT: Commissioners \_\_\_\_\_

ABSTAIN: Commissioners \_\_\_\_\_

\_\_\_\_\_  
Margie Mohler  
Commission Chair

ATTEST: \_\_\_\_\_  
Brendon Freeman  
Executive Officer

Recorded by: Kathy Mabry  
Commission Secretary

DRAFT



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**Agenda Item 8e (Action)**

**TO:** Local Agency Formation Commission

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

**MEETING DATE:** December 7, 2020

**SUBJECT:** Consideration of Legal Services Contract

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**RECOMMENDATION**

The recommended action is for the Commission to provide direction to the Executive Officer with respect to contracted legal services.

**BACKGROUND AND SUMMARY**

The Commission will consider its options related to contracted legal services prior to the end of the contract term on June 30, 2021.

Prior to entering into its current contract, the Commission received legal services from County Counsel under a memorandum of understanding with the County of Napa. In 2015, at the request of several local agencies, the Commission elected to hire outside legal counsel.

On March 16, 2015, the Commission entered into a private contract for professional legal services with Miller & Owen. The contract was later re-assigned to Renne Sloan Holtzman Sakai LLP, which was later renamed to Sloan Sakai Yeung & Wong LLP (“Sloan Sakai”).

DeeAnne Gillick with Sloan Sakai serves as the Commission’s primary Legal Counsel. Staff is satisfied with the services provided by Sloan Sakai to date.

The original term of the contract was three years ending June 30, 2019. The Commission subsequently amended the contract to extend the term for two additional years to June 30, 2021. The contract with all amendments and current rates is included as Attachment One.

Staff requests formal direction from the Commission in advance of the contract term ending.

**ATTACHMENT**

- 1) Amended and Restated Legal Services Contract with Sloan Sakai

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Margie Mohler, Chair  
Councilmember, Town of Yountville

Vacant  
Councilmember, City of American Canyon

Scott Sedgley, Alternate Commissioner  
Councilmember, City of Napa

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

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

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

Vacant  
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**  
**AMENDED AND RESTATED**  
**PROFESSIONAL SERVICES AGREEMENT NO. 2015-05**

**THIS AMENDED AND RESTATED PROFESSIONAL SERVICES AGREEMENT** (“Amended and Restated Agreement”) is made and entered into as of August 1, 2017, by and between the Local Agency Formation Commission of Napa County, a political subdivision of the State of California, hereinafter referred to as "LAFCO", and Renne Sloan Holtzman Sakai LLP (“Contractor”), whose mailing address is 555 Capitol Mall, Sacramento, CA 95814.

**RECITALS**

**WHEREAS**, LAFCO wishes to receive reliable and effective legal services; and

**WHEREAS**, LAFCO entered into an agreement for legal services to be provided by Miller & Owen, effective March 16, 2015 (“Agreement”); and

**WHEREAS**, LAFCO approved the assignment of the Agreement to RSHS, which was effective October 1, 2015; and

**WHEREAS**, LAFCO’s Executive Officer approved a brief extension of the Agreement to extend the time for performance through LAFCO’s August 2017 meeting, but not increasing the total not-to-exceed amount under the Agreement;

**WHEREAS**, CONTRACTOR represents that it remains qualified and willing to provide such specialized services to LAFCO; and

**WHEREAS**, LAFCO and CONTRACTOR now wish to enter into this Amended and Restated Agreement to further extend the time for performance for up to two additional years, and to reflect CONTRACTOR’s updated billing rates.

**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:

1. **Term of the Agreement.** The term of this Agreement shall commence on the date first above written and shall expire on June 30, 2018, unless terminated earlier in accordance with Paragraph 9 (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).

The term of this Agreement shall be automatically renewed for one additional year at the end of the 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-1", attached hereto and incorporated by reference herein.

(b) **Expenses.** 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 provisions set forth in Exhibit "B-1."

(c) **Maximum Amount.** Notwithstanding subparagraphs (a) and (b), the maximum payments under this Agreement shall not exceed twenty-six thousand, five hundred dollars (\$26,500) per fiscal year; 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. 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 Director 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.

(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 Director upon request in a form satisfactory to the LAFCO Executive Director. 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.

(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  
LAFCO of Napa County  
1030 Seminary Street, Suite B  
Napa, CA 94559-2814

CONTRACTOR

Nancy C. Miller  
Renne Sloan Holtzman Sakai LLP  
555 Capitol Mall, Suite 600  
Sacramento, CA 95814

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 Executive Officer, 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.

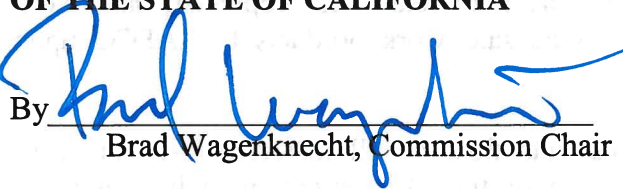
29. **Entirety of Contract.** This Agreement, including any documents expressly incorporated

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.

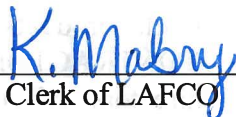
30. **Counterparts.** This Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

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

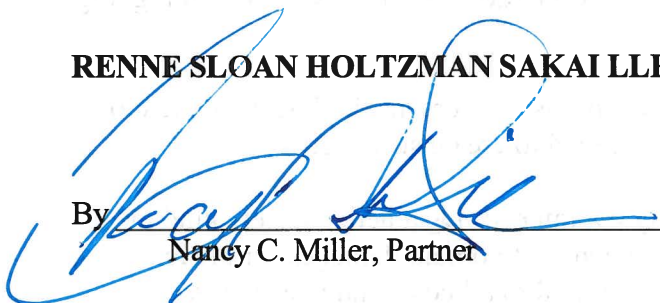
**LOCAL AGENCY FORMATION COMMISSION  
OF NAPA COUNTY, A POLITICAL SUBDIVISION  
OF THE STATE OF CALIFORNIA**

By   
Brad Wagenknecht, Commission Chair

ATTEST:

By:   
Clerk of LAFCO

**RENNE SLOAN HOLTZMAN SAKAI LLP**

By   
Nancy C. Miller, Partner

**EXHIBIT "A"**

**Scope of Work**

**I. CONTRACTOR shall provide LAFCO with the following services:**

CONTRACTOR shall provide all aspects of legal representation and legal services to LAFCO, including but not limited to legal advice and document drafting and representation of LAFCO in its operations, as requested by LAFCO.

**II. Compliance with Government Code Section 7550:** As required by Government Code 7550, each document or report prepared by CONTRACTOR for or under the direction of LAFCO pursuant to this Agreement shall contain the numbers and dollar amounts of the Agreement and all subcontracts under the Agreement relating to the preparation of the document or written report. The Agreement and subcontract dollar amounts shall be contained in a separate section of the document or written report. If multiple documents or written reports are the subject of the Agreement or subcontracts, the disclosure section may also contain a statement indicating that the total contract amount represents compensation for multiple documents or written reports.

**EXHIBIT "B-1"****Rates of Compensation and Expense Reimbursement**

[Effective August 1, 2017]

**A. Hourly Rates**

Renne Sloan Holtzman Sakai takes pride in providing the most cost-effective services possible to its clients. Our commitment to serve public agencies is reflected in lower hourly rates for public agencies, rates below those charged by attorneys with comparable experience and backgrounds. Rates are subject to change no more than once annually. The following is a list of the hourly rates charged:

Nancy C. Miller	\$295
Paul J. Chrisman	\$280
Christiane E. Layton	\$280
Jennifer V. Gore	\$260
Madeline E. Miller	\$260
Other Partners	\$275 – 350
Other Associates	\$185 – 250
Paralegals	\$120

**B. Reimbursable Expenses**

**The firm will not charge Napa LAFCO for travel time.** The firm charges actual costs for any travel related expenses.

In addition to paying legal fees, the firm requests reimbursement for all costs and expenses incurred by the firm (at actual cost, no markup) including, but not limited to, fees fixed by law or assessed by courts or other agencies, courier service, computerized legal research, postage, facsimile charges, parking, mileage (at the current IRS rate), out of town travel expenses, investigation expenses, consultants' fees, court reporter's fees, registered copy service fees, and other similar items. All costs and expense are fully itemized, along with a description of services rendered and the time devoted to described tasks. The firm does not charge an administrative fee.

**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:

Juliana Inman	Diane Dillon
Brian Kelly	Brad Wagenknecht
Margie Mohler	Ryan Gregory, Alternate
Kenneth Leary, Alternate	Gregory Rodeno, 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): \_\_\_\_\_

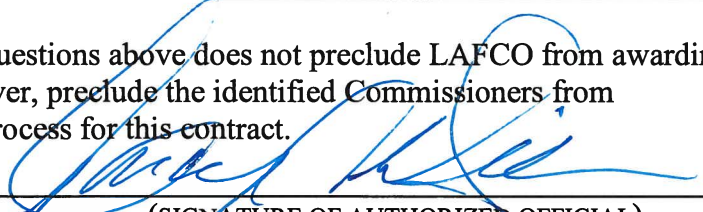
2. Do you or your company, or any agency on behalf of you or your company, anticipate or plan to make any political contributions of more than \$250 to any LAFCO Commissioner(s) in the three months following the award of the contract?

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.

8/7/2017  
DATE

  
\_\_\_\_\_  
(SIGNATURE OF AUTHORIZED OFFICIAL)

Nancy Miller, Partner  
\_\_\_\_\_  
(TYPE OR WRITE APPROPRIATE NAME, TITLE)

Renne Sloan Holtzman Sakai LLP  
\_\_\_\_\_  
(TYPE OR WRITE NAME OF COMPANY)

**AMENDMENT NO. 1 TO  
AMENDED AND RESTATED PROFESSIONAL SERVICES AGREEMENT NO. 2015-05  
BETWEEN THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
AND RENNE SLOAN HOLTZMAN SAKAI LLP  
AND ASSIGNMENT TO  
SLOAN SAKAI YEUNG & WONG LLP**

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This Amendment No. 1 to the August 1, 2017, Amended and Restated Professional Services Agreement No. 2015-05 (“Agreement”) between the Local Agency Formation Commission of Napa County, a political subdivision of the State of California (hereinafter “LAFCO”), and Renne Sloan Holtzman Sakai LLP (hereinafter “RSHS”), and Assignment of Agreement to Sloan Sakai Yeung & Wong LLP (hereinafter “SSYW”), shall be effective March 1, 2018.

WHEREAS, LAFCO entered into the Agreement for legal services to be provided by RSHS, effective August 1, 2017;

WHEREAS, RSHS is changing the law firm name to Sloan Sakai Yeung & Wong LLP effective March 1, 2018;

WHEREAS, pursuant to Sections 16 and 17 of the Agreement, RSHS may assign the Agreement to SSYW with the prior written consent of LAFCO’s Executive Officer;

WHEREAS, the attorneys and support personnel currently providing legal services to LAFCO shall remain the same; and

WHEREAS, LAFCO and SSYW now wish to enter into this Amendment to change the law firm name and to increase the not-to-exceed amount under the Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Amendment of the Agreement:

a. Section 13 of the Agreement (“Notices”), is hereby amended to reflect that, effective March 1, 2018, all notices, demands, requests, consent, approval, or other communication to Sloan Sakai Yeung & Wong LLP (formerly Renne Sloan Holtzman Sakai LLP) shall be directed to:

Nancy C. Miller  
Sloan Sakai Yeung & Wong LLP  
555 Capitol Mall, Suite 600  
Sacramento, CA 95814

b. The first sentence only of Section 3, subsection (c), of the Agreement (“Compensation; Maximum Amount”) is hereby deleted and replaced with the following:

“(c) Notwithstanding subparagraphs (a) and (b), the maximum, payments under this Agreement shall not exceed a total of thirty-five thousand dollars (\$35,000) for professional services and expenses, per fiscal year; provided, however, such amounts shall not be construed as guaranteed sums, and compensation shall be based upon services actually rendered and reimbursable expenses actually incurred.”

2. Assignment of the Agreement:

a. Renne Sloan Holtzman Sakai LLP warrants and represents that the Agreement is in full force and effect and is fully assignable, with the prior approval of LAFCO.

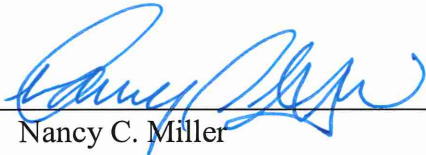
b. As of March 1, 2018, RSHS assigns and transfers all rights and interest in the Agreement to SSYW. Payments for services provided on or after March 1, 2018, shall be made payable to Sloan Sakai Yeung & Wong LLP.

c. SSYW hereby assumes and agrees to perform all obligations of RSHS.

3. Except as expressly amended herein, all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, THE PARTIES HAVE ENTERED INTO THIS AMENDMENT AS OF THE DATE HEREIN ABOVE APPEARING.

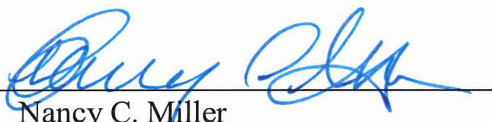
**RENNE SLOAN HOLTZMAN SAKAI LLP**

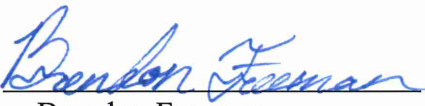
By:   
\_\_\_\_\_  
Nancy C. Miller  
Partner

**LAFCO OF NAPA COUNTY**

By:   
\_\_\_\_\_  
Brad Wagenknecht  
LAFCO Chair

**SLOAN SAKAI YEUNG & WONG LLP**

By:   
\_\_\_\_\_  
Nancy C. Miller  
Partner

By:   
\_\_\_\_\_  
Brendon Freeman  
LAFCO Executive Officer



**AMENDMENT NO. 2 TO  
AMENDED AND RESTATED PROFESSIONAL SERVICES AGREEMENT NO. 2015-05  
BETWEEN THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
AND SLOAN SAKAI YEUNG & WONG LLP  
(formerly RENNE SLOAN HOLTZMAN SAKAI LLP)**

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This Amendment No. 2 to the August 1, 2017, Amended and Restated Professional Services Agreement No. 2015-05 (“Agreement”) between the Local Agency Formation Commission of Napa County, a political subdivision of the State of California (hereinafter “LAFCO”), and Sloan Sakai Yeung & Wong LLP (formerly Renne Sloan Holtzman Sakai LLP) (hereinafter “SSYW,”), shall be effective July 1, 2019.

WHEREAS, LAFCO entered into the Agreement for legal services to be provided by the predecessor of SSYW, effective August 1, 2017;

WHEREAS, the Amendment No. 1. (Amendment No. 1”) to the Agreement was entered into by LAFCO and SSYW effective March 1, 2018, to change the law firm name and to increase the not-to-exceed amount under the Agreement.

WHEREAS, the parties now wish to enter into this Amendment No. 2 to extend the term of the Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Term of the Agreement.

Section 1. Term of the Agreement, is hereby amended to extend the term of the Agreement an additional one year from July 1, 2019 through June 30, 2020, and shall be automatically renewed for one additional year at the end of the 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 ten current term. All other provisions of Section 1 of the Agreement shall remain in full force and effect.

2. Except as expressly amended herein, all terms and conditions of the Agreement as amended by Amendment No. 1, shall remain in full force and effect.


IN WITNESS WHEREOF, THE PARTIES HAVE ENTERED INTO THIS AMENDMENT AS OF THE DATE HEREIN ABOVE APPEARING.

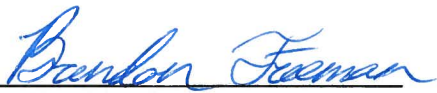
**SLOAN SAKAI YEUNG & WONG LLP**



By: \_\_\_\_\_  
Nancy C. Miller  
Partner

**LAFCO OF NAPA COUNTY**

By:  \_\_\_\_\_  
Gregory Rodeno  
LAFCO Chair

By:  \_\_\_\_\_  
Brendon Freeman  
LAFCO Executive Officer

MAY 31 2019

NAPA COUNTY  
LAFCO

May 29, 2019

Nancy C. Miller  
916-258-8817  
nmiller@sloansakai.com

Brendon Freeman  
Napa Local Agency Formation Commission  
1030 Seminary Street, Suite B  
Napa, CA 94559

*Via U.S. Mail*

**Re:           *Legal Services for Napa Local Agency Formation Commission***

Dear Brendon:

The purpose of this letter is to give you advance written notice of a modification to our hourly rates. The new hourly rates are shown on the attached rate schedule and will be effective July 1, 2019.

I hope you will appreciate that we make every effort to keep our rates as low as possible. We also exercise great discretion in our billing practices, and we make every effort to provide the highest quality legal services as cost effectively as possible. We hope that you will contact us if you ever have concerns regarding any of our invoices.

We enjoy working with you and please contact me if you have any questions regarding these changes.

Sincerely,



Nancy C. Miller

Enclosure

Brendon Freeman

May 29, 2019

Page 2

## Exhibit A

Effective July 1, 2019

### RATE SCHEDULE

Nancy C. Miller	\$300.00
Christiane E. Layton	\$285.00
Paul J. Chrisman	\$285.00
DeeAnne Gillick	\$275.00
Madeline E. Miller	\$275.00
Osman I. Mufti	\$260.00
Susan Yoon	\$230.00
Other Associates / Sr. Counsel	\$230-\$285
Other Partners / Of Counsel	\$285-\$335
Paralegals	\$125.00