



**Local Agency Formation Commission**  
**LAFCO of Napa County**

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**June 4, 2007**  
**Agenda Item No. 7b**

May 23, 2007

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Los Carneros Water District – Sphere of Influence Review (Action)**

The Commission will receive a written report representing the sphere of influence review of the Los Carneros Water District. The Commission will consider a draft resolution approving the recommendation of the report to affirm with no changes the District's existing sphere of influence.

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The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 directs Local Agency Formation Commissions (LAFCOs) to review each local agency's sphere of influence by January 1, 2008 and every five years thereafter as necessary. This legislation also requires that LAFCOs conduct municipal service reviews in conjunction with the sphere reviews of local agencies to determine the adequacy of the governmental services that are being provided in the region. The collective purpose of these reviews is to inform and guide LAFCOs in their legislative mandate to plan and coordinate the orderly development of local agencies in a manner that provides for the present and future needs of the community.

### **Discussion**

In October 2004, LAFCO completed a countywide municipal service review on public water service providers. This included a review of the Los Carneros Water District, which was formed in 1978 for the purpose of facilitating an agreement with the Napa Sanitation District for the delivery of reclaimed water services to the Carneros area. Markedly, while an agreement is in place and various reclamation projects have been considered over the last 30 years, the Los Carneros Water District remains inactive with no immediate plans to initiate services. LAFCO addressed this resulting disconnect in governance as part of the municipal service review by determining that additional information and analysis is needed to determine if dissolution of the District would be appropriate in meeting the present and future needs of the community.

With the municipal service review completed, staff has prepared the attached written report representing the sphere review of the District. The report concludes that no changes to the sphere are warranted until the governance issues raised in the municipal service review are addressed. Also attached is a draft resolution that codifies the recommendation

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Jack Gingles, Chair  
Mayor, City of Calistoga

Brad Wagenknecht, Vice-Chair  
County of Napa Supervisor, 1st District

Brian J. Kelly, Commissioner  
Representative of the General Public

Juliana Inman, Commissioner  
Councilmember, City of Napa

Bill Dodd, Commissioner  
County of Napa Supervisor, 4th District

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Cindy Coffey, Alternate Commissioner  
Councilmember, City of American Canyon

Mark Luce, Alternate Commissioner  
County of Napa Supervisor, 2nd District

Keene Simonds  
Executive Officer

of the written report to affirm with no changes the District's existing sphere and the written statements addressing the four planning factors the Commission is required to consider in making a sphere determination under California Government Code §56425. The adoption of the draft resolution would fulfill the Commission's sphere review requirement for the District.

### **Recommendation**

It is recommended for the Commission to take the following actions:

- 1) Receive and file the attached written report representing the sphere of influence review of the Los Carneros Water District; and
- 2) Approve the form for the attached draft resolution with any desired changes that make statements with respect to affirming with no changes the sphere of influence for the Los Carneros Water District pursuant to California Government Code §56425; and
- 3) Direct staff to work with the Los Carneros Water District and interested parties to begin addressing the:
  - a) level of commitment among landowners to consent to assessments and/or user fees to fund the projects necessary to establish and sustain public reclaimed water services in Carneros; and
  - b) role of the District in establishing and providing public reclaimed water service in Carneros.

Respectfully submitted,

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Keene Simonds  
Executive Officer

#### Attachments:

- 1) Sphere of Influence Review – Final Report
- 2) Draft Resolution

# LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

## LOS CARNEROS WATER DISTRICT SPHERE OF INFLUENCE REVIEW

**Final Report  
June 2007**

### **Prepared by:**

#### **LAFCO of Napa County**

*Committed to serving the citizens and government agencies of its jurisdiction by encouraging the preservation of agricultural lands and open-space and coordinating the efficient delivery of municipal services.*

Jack Gingles, Chair, City Member  
Brad Wagenknecht, Vice-Chair, County Member  
Bill Dodd, Commissioner, County Member  
Juliana Inman, Commissioner, City Member  
Brian J. Kelly, Commissioner, Public Member  
Cindy Coffey, Alternate Commissioner, City Member  
Mark Luce, Alternate Commissioner, County Member  
Gregory Rodeno, Alternate Commissioner, Public Member

Keene Simonds, Executive Officer  
Jackie Gong, Commission Counsel  
Tracy Geraghty, Analyst  
Kathy Mabry, Commission Secretary



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## INTRODUCTION

### Local Agency Formation Commissions

Local Agency Formation Commissions (LAFCOs) were established in 1963 and are responsible for administering California Government Code §56000 et seq., which is now known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. LAFCOs are delegated regulatory and planning responsibilities to encourage the orderly formation and development of local governmental agencies and services, preserve agricultural and open-space lands, and to discourage urban sprawl. Duties include regulating governmental boundary changes through annexations or detachments, approving or disapproving city incorporations, and forming, consolidating, or dissolving special districts. LAFCOs are also responsible for conducting studies that address a range of service and governance issues to inform and direct regional planning activities and objectives. LAFCOs are located in all 58 counties in California.

### Spheres of Influence

Among LAFCO's primary planning responsibilities is the determination of a sphere of influence for each city and special district under its jurisdiction.<sup>1</sup> California Government Code §56076 defines a sphere as "a plan for the probable physical boundaries and service area of a local agency, as determined by the commission." LAFCO establishes, amends, and updates spheres to indicate to local agencies and property owners that, at some future date, a specific area will likely require the services provided by the subject agency. The sphere determination also indicates the agency LAFCO believes to be best positioned to serve the subject area. LAFCO is required to review each agency's sphere by January 1, 2008 and every five years thereafter as necessary.

In establishing, amending, or updating a city or special district's sphere, LAFCO is required to consider and prepare written statements addressing four specific planning factors. These planning factors, which are enumerated under California Government Code §56425(e), are intended to capture the legislative intent of the sphere determination with regard to promoting the logical and orderly development of each local agency. These planning factors are:

- The present and planned land uses in the area, including agricultural and open-space lands.
- The present and probable need for public facilities and services in the area.
- The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

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<sup>1</sup> LAFCOs have been required to determine spheres for cities and special districts since 1972.

In addition, when reviewing a sphere for a special district, LAFCO must also do the following:

- Require the special district to file a written statement with the Commission specifying the functions or classes of services it provides.
- Establish the nature, location, and extent of any functions or classes of services provided by the existing special district.

Beginning in 2001, to help inform the sphere review process, LAFCO is responsible for preparing a municipal service review. A municipal service review can take on many different forms, including a review of a single agency, or a review of several agencies that provide a similar service, such as sewer, water, or fire protection. The municipal service review culminates in the preparation of written determinations that address nine specific factors enumerated under California Government Code §56430. The municipal service review is a prerequisite to updating an agency's sphere and may also lead LAFCO to take other actions under its authority.

### **Los Carneros Water District**

In October 2004, LAFCO of Napa County completed a countywide municipal service review on public water service providers. This included a review of the Los Carneros Water District that culminated in the adoption of written determinations addressing the nine factors required for consideration under California Government Code §56430.<sup>2</sup>

Drawing from information collected as part of the above-referenced municipal service review, this report represents the sphere review of the District pursuant to California Government Code §56425. The report considers whether changes to the sphere are warranted to plan the orderly development of the District in a manner that supports the provisions of California Government Code and the policies of the Commission.

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<sup>2</sup> LAFCO Resolution No. 04-05.

**OVERVIEW**

The Los Carneros Water District (LCWD) was formed in 1978 to provide reclaimed water service to the unincorporated community of Carneros in southwest Napa County. LCWD’s formation was engendered by local property owners for the purpose of facilitating an agreement with the Napa Sanitation District (NSD) to plan, construct, and operate projects necessary to deliver reclaimed water for agricultural use. Underlying plans included constructing a pipeline system to convey reclaimed water across the Napa River from NSD’s wastewater treatment facilities into Carneros. However, while an agreement is in place and various reclamation projects have been considered over the past 30 years, none have been implemented due to costs. As a result, LCWD remains inactive, and local property owners continue to depend on creek diversions and groundwater withdraws to support agricultural uses in the area.<sup>3</sup>

LCWD is organized as an independent special district under Division 13 of the California Water Code. It is governed by a volunteer five-member board of directors that serve staggered four-year terms. Elections are based on the landowner-voter system, which allows each landowner one vote for each dollar that his or her property is assessed. There are currently 263 assessor parcels totaling approximately 5,692 acres in LCWD with an estimated residential population of 535.<sup>4</sup>

Los Carneros Water District	
Date Formed	1978
District Type:	Independent
Enabling Legislation	California Water Code §34000-38501
Services Provided	None

**Sphere of Influence**

LCWD’s sphere was adopted by LAFCO in 1984. LAFCO designated the sphere to reflect what the Commission determined was the natural service area of LCWD. This includes lands generally extending north to State Highway 12, west to Stanly Ranch, south to Southern Pacific’s railroad tracks, and west to Sonoma County. Excluded from the sphere are approximately 300 acres of land in LCWD that lies north of State Highway 12. A map depicting LCWD’s sphere is provided as Attachment One.

**Land Use Factors**

LCWD is under the land use authority of the County of Napa. The County designates land located within LCWD as *Agriculture, Watershed and Open Space* or *Agricultural Resource*. The County General Plan specifies the intent and anticipated uses of these designations as:

<sup>3</sup> Creek diversions are drawn from two tributaries of the Napa River, Carneros Creek and Huichica Creek. Groundwater is draw from the Carneros Valley Basin.

<sup>4</sup> The number of assessor parcels and total acres is drawn from the County of Napa Geographic Information System. (This system indicates that the average assessor parcel in LCWD is 21.64 acres in size. The largest assessor parcel is 365 acres in size.) The residential population estimate was calculated by LAFCO staff and is based on the number of assessor parcels with situs addresses (208) in LCWD and multiplied by the average person per-household estimate for Napa County (2.571) from the California Department of Finance.

### *Agricultural, Watershed and Open Space*

“To provide areas where the predominant use is agriculturally oriented; where watershed areas, reservoirs, floodplain tributaries, geologic hazards, soil conditions and other constraints make the land relatively unsuitable for urban development; where urban development would adversely impact on all such uses; and where the protection of agriculture, watersheds, and floodplain tributaries from fire, pollution, and erosion is essential to the general health, safety, and welfare. General uses include agriculture, processing of agricultural products, and single-family dwelling.”

### *Agricultural Resource*

“To identify areas in the fertile valley and foothill areas of the county in which agriculture is and should continue to be the predominant land use, where uses incompatible with agriculture should be precluded and where the development of urban type of uses would be detrimental to the continuance of agriculture and the maintenance of open space which are economic and aesthetic attributes and assets of Napa County. General uses include agriculture, processing of agricultural products, and single-family dwelling.”

Development densities for the County are identified under its zoning standards. Nearly all land located within and adjacent to LCWD is zoned *Agricultural Watershed*.<sup>5</sup> This zoning standard requires a minimum parcel size of 160 acres, which significantly limits additional subdivision and related growth from occurring in and near LCWD.

In terms of current uses, the majority of land in LCWD is under agricultural use along with rural single-family residences.

## **DISCUSSION**

Pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the objective of this report is to identify and evaluate areas that warrant consideration for inclusion or removal from LCWD’s sphere as part of a comprehensive update. Underlying this effort is to designate the sphere in a manner that promotes the logical and orderly development of LCWD in a manner that supports the provisions of California Government Code and the policies of the Commission.

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<sup>5</sup> The lone exception involves an approximate 1.19-acre portion of a 3.0-acre parcel located at the southwest corner of Highway 12 and Cuttings Wharf Road that is zoned by the County of Napa as *Commercial Limited*. This zoning standard requires a minimum parcel size of one acre.



## ANALYSIS

As mentioned, the purpose in forming LCWD in 1978 was to facilitate an agreement with NSD for the delivery of reclaimed water service to Carneros. In 1983, LCWD reached a 40-year agreement with NSD for the right to obtain an annual allotment of reclaimed water. The agreement required that LCWD be responsible for funding and constructing a distribution system that would connect to NSD's wastewater treatment facilities. Unable to resolve disagreements involving design and oversight, LCWD and NSD entered into a new agreement for reclaimed water service in 1995. This second agreement transferred the responsibility for constructing and funding the distribution system to NSD, but was predicated on its ability to enter into contracts with individual property owners. Unwilling to meet the conditions of a number of property owners seeking exit clauses, NSD redirected funds originally earmarked for the Carneros area to finance other reclamation projects in south Napa County. The 1995 agreement between LCWD and NSD remains valid until mutually terminated or upon written notice by NSD that it no longer intends to provide reclaimed water to the Carneros area.

LCWD continues to offer promise that it can be a viable governmental entity serving an important local purpose in supporting agricultural uses in Carneros. LCWD's status as an inactive special district, however, is inconsistent with LAFCO's directive under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to encourage accountable and transparent government. LAFCO documented this inconsistency as part of the aforementioned municipal service review and determined that additional information and analysis was needed to consider whether dissolution of LCWD would be appropriate with respect to meeting the present and future needs of the community. Underlying this determination is the need to address the following issues.

- The level of commitment among landowners to consent to assessments and/or user fees to fund the projects necessary to establish and sustain public reclaimed water services in Carneros.
- The short and long term role of LCWD with respect to providing public reclaimed water service in Carneros. This includes examining the effect of California Government Code §56133, which was enacted in 1994 and authorizes an agency to provide non-potable water outside its jurisdictional boundary without LAFCO approval.

Drawing from the factors discussed above, no changes to LCWD's sphere are warranted at this time. In addition, LAFCO should work with LCWD and other interested parties to begin addressing the above-highlighted governance issues.

## RECOMMENDATION

It is recommended that the Commission affirm with no changes LCWD's existing sphere. Pursuant to California Government Code §56425(e), the following statements have been prepared in support of the recommendation:

**1. The present and planned land uses in the area, including agricultural and open-space lands.**

The present and future land uses in the area are planned for by the County of Napa as the affected land use authority. The County General Plan and associated zoning standards provide for the current and future agricultural uses that characterize the majority of the area. These policies help to ensure that future land uses in the area will remain agricultural within the foreseeable future.

**2. The present and probable need for public facilities and services in the area.**

The Los Carneros Water District does not provide any services at this time. As previously determined by the Commission, the development of reclaimed water services within the area offers the promise of lessening the demand for creek diversions and groundwater withdraws, and promotes the beneficial use of recycled water to support agriculture.

**3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

The Los Carneros Water District does not own, lease, or operate any public facilities relating to the collection and conveyance of reclaimed water to the area. The ability of the District to provide reclaimed water service is dependent upon importing supplies from an outside provider.

**4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.**

There has been a significant transition over the last 30 years in the area as viniculture has become the predominant land use. This transition has fostered strong social and economic interdependencies and has been formally recognized as part of a federal vinicultural designation that includes the entire area as well as neighboring lands in Congress Valley and Sonoma County.

Attachments:

- 1) Map
- 2) LAFCO Resolution No. 04-05 (*Comprehensive Water Service Study*)

of the written report to affirm with no changes the District's existing sphere and the written statements addressing the four planning factors the Commission is required to consider in making a sphere determination under California Government Code §56425. The adoption of the draft resolution would fulfill the Commission's sphere review requirement for the District.

### **Recommendation**

It is recommended for the Commission to take the following actions:

- 1) Receive and file the attached written report representing the sphere of influence review of the Los Carneros Water District; and
- 2) Approve the form for the attached draft resolution with any desired changes that make statements with respect to affirming with no changes the sphere of influence for the Los Carneros Water District pursuant to California Government Code §56425; and
- 3) Direct staff to work with the Los Carneros Water District and interested parties to begin addressing the:
  - a) level of commitment among landowners to consent to assessments and/or user fees to fund the projects necessary to establish and sustain public reclaimed water services in Carneros; and
  - b) role of the District in establishing and providing public reclaimed water service in Carneros.

Respectfully submitted,

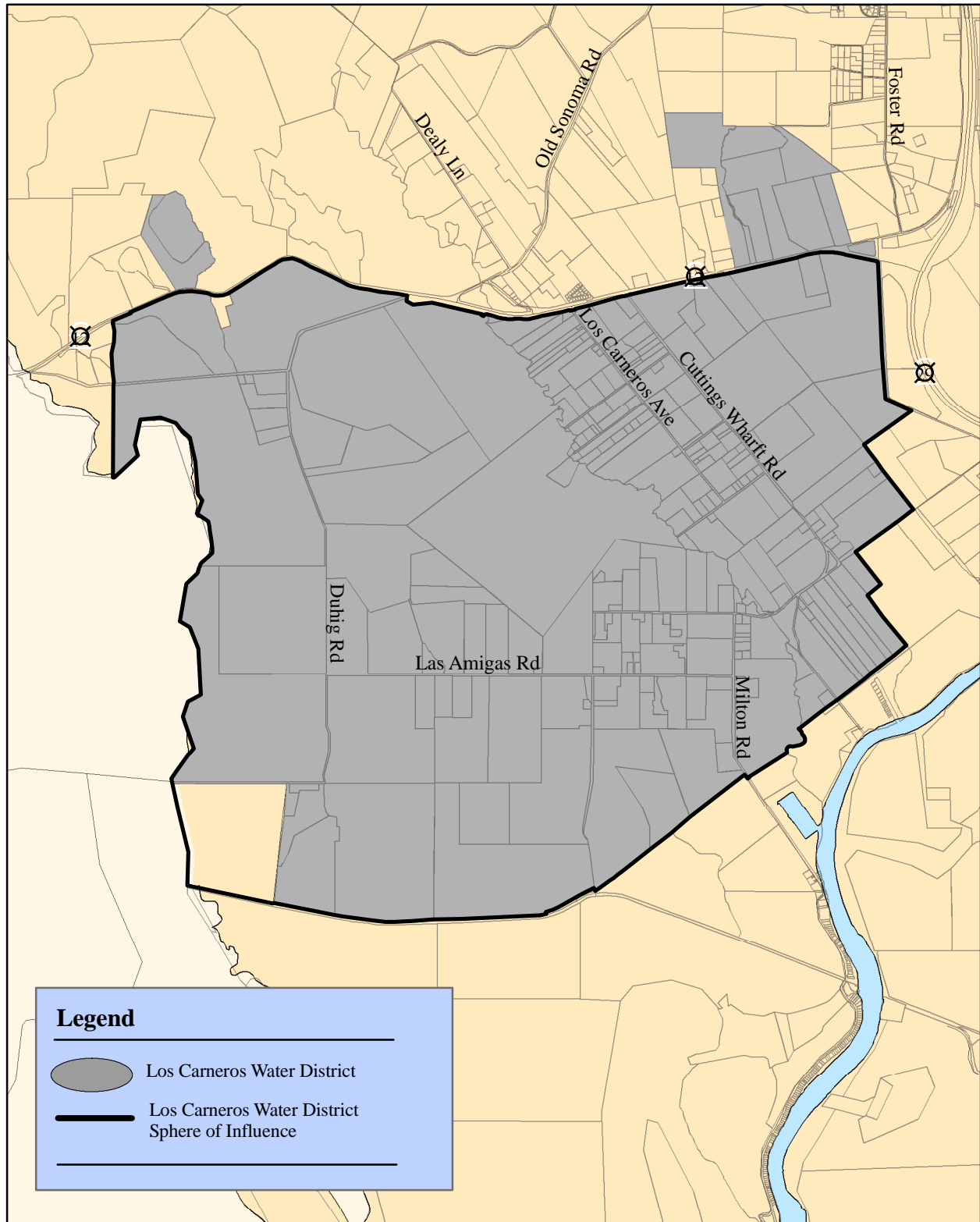
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Keene Simonds  
Executive Officer


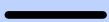
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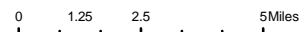
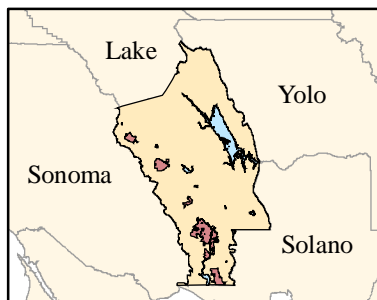
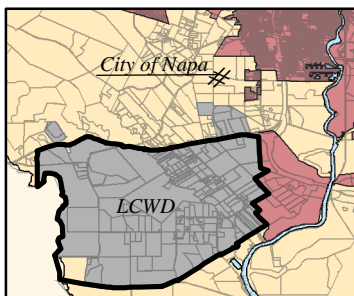
- 1) Sphere of Influence Review – Final Report
- 2) Draft Resolution

# Los Carneros Water District



**Legend**

-  Los Carneros Water District
-  Los Carneros Water District Sphere of Influence



May 13, 2007  
Prepared by KS



LAFCO of Napa County  
1700 Second Street, Suite 268  
Napa, CA 94559  
(707) 259-8645

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

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

**LOS CARNEROS WATER DISTRICT  
SPHERE OF INFLUENCE UPDATE**

**WHEREAS**, the Local Agency Formation Commission of Napa County, hereinafter referred to as “the Commission”, adopted a schedule to conduct studies of the provision of municipal services within Napa County and studies of spheres of influence of the local governmental agencies whose jurisdictions are within Napa County; and

**WHEREAS**, the Executive Officer of the Commission, hereinafter referred to as “the Executive Officer”, prepared a review of the sphere of influence of the Los Carneros Water District as pursuant to said schedule and Title 5, Division 3, commencing with Section 56000 of the California Government Code; and

**WHEREAS**, the Executive Officer prepared a written report of this review, including his recommendation to affirm with no changes the existing sphere of influence; and

**WHEREAS**, said Executive Officer’s report has been presented to the Commission in the manner provided by law; and

**WHEREAS**, the Commission heard and fully considered all the evidence presented at a public meeting held on June 4, 2007; and

**WHEREAS**, the Commission considered all the factors required by law under Section 56425 of the California Government Code.

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

1. The Commission hereby determines that an action to affirm with no changes an agency’s existing sphere of influence qualifies for a general exemption from the requirements of the California Environmental Quality Act (CEQA). Approval to affirm an existing sphere of influence will not result in any land use changes or physical impacts to the environment. This proposal qualifies for a general exemption under CEQA because there is no possibility that it will adversely affect the environment [CEQA Guidelines, Section 15061(b)(3)].
2. The recommendation to affirm the existing sphere of influence for the Los Carneros Water District is APPROVED.

3. This sphere of influence update is assigned the following distinctive short-term designation:

**LOS CARNEROS WATER DISTRICT  
SPHERE OF INFLUENCE UPDATE**

4. The sphere of influence for the Los Carneros Water District is hereby affirmed with no changes to include the affected territory as shown on the attached vicinity map identified as "Exhibit A."
5. Pursuant to Section 56425 of the Government Code, the Commission makes the statements of determinations in the attached "Exhibit B."
6. The effective date of this sphere of influence update shall be final upon the receipt by the Executive Officer of a written statement by the Los Carneros Water District pursuant to Section 56425(h) of the Government Code.
7. The Executive Officer shall revise the official records of the Commission to reflect this change to the sphere of influence.

The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of the County of Napa, State of California, at a meeting held on the 4<sup>th</sup> day of June, 2007, by the following vote:

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

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

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

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

ATTEST:        Keene Simonds  
                  Executive Officer

Recorded by: \_\_\_\_\_  
                  Kathy Mabry  
                  Commission Secretary

**EXHIBIT B**  
**STATEMENT OF DETERMINATIONS**

**LOS CARNEROS WATER DISTRICT**  
**SPHERE OF INFLUENCE UPDATE**

1. With respect to the present and planned land uses in the area, including agricultural and open-space lands, the Commission determines:

The present and future land uses in the area are planned for by the County of Napa as the affected land use authority. The County General Plan and associated zoning standards provide for the current and future agricultural uses that characterize the majority of the area.

These policies help to ensure that future land uses in the area will remain agricultural within the foreseeable future.

2. With respect to the present and probable need for public facilities and services in the area, the Commission determines:

The Los Carneros Water District does not provide any services at this time. As previously determined by the Commission, the development of reclaimed water services within the area offers the promise of lessening the demand for creek diversions and groundwater withdraws, and promotes the beneficial use of recycled water to support agriculture.

3. With respect to the present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide, the Commission determines:

The Los Carneros Water District does not own, lease, or operate any public facilities relating to the collection and conveyance of reclaimed water to the area. The ability of the District to provide reclaimed water service is dependent upon importing supplies from an outside provider.

4. With respect to the existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency, the Commission determines:

There has been a significant transition over the last 30 years in the area as viticulture has become the predominant land use. This transition has fostered strong social and economic interdependencies and has been formally recognized as part of a federal viticultural designation that includes the entire area as well as neighboring lands in Congress Valley and Sonoma County.