



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

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**Agenda Item 7a (Action)**

**TO:** Local Agency Formation Commission

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

**MEETING DATE:** August 1, 2016

**SUBJECT:** 2015-2016 Grand Jury Responses on the Napa River Reclamation District

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**RECOMMENDATION**

Staff recommends that the Commission approve the attached draft responses to the 2015-2016 Grand Jury Final Report on the Napa River Reclamation District (Attachment One), and authorize the Chair to sign the proposed letter (Attachment Two) transmitting the responses to the Grand Jury.

**BACKGROUND**

The primary function of the Grand Jury is to examine all areas of local government, including counties, cities, school districts, and special districts. The Civil Grand Jury in Napa County conducts investigations to ensure that government funds are judiciously used, services are effectively delivered, and that all accounts are properly audited.

The Final Report issued by the 2015-2016 Grand Jury on the Napa River Reclamation District was received by the Commission on June 6, 2016. Responses to the Grand Jury's findings and recommendations, as contained within the Final Report, are due no later than September 4, 2016.

**SUMMARY**

Staff requests that the Commission approve the attached draft response to the 2015-2016 Grand Jury Final Report on the Napa River Reclamation District, and authorize the Chair to sign a letter transmitting this response to the Grand Jury. The response is due to the Presiding Judge no later than September 4, 2016. Copies of the report are available at the Commission's office and may be accessed online through the Napa County Superior Court's website at:

<http://www.napacourt.com/sites/default/files/images/grandjury/grandjury15-16/Napa%20River%20Reclamation%20District-H.pdf>.

**ATTACHMENTS**

- 1) Proposed Response to Grand Jury Report
- 2) Proposed Transmittal Letter

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Greg Pitts, Vice Chair  
Councilmember, City of St. Helena

Juliana Inman, Commissioner  
Councilmember, City of Napa

Joan Bennett, Alternate Commissioner  
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Commissioner  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Brendon Freeman  
Executive Officer

RESPONSE TO THE GRAND JURY FINAL REPORT ON  
NAPA RIVER RECLAMATION DISTRICT  
August 1, 2016

The requested Local Agency Formation Commission's (LAFCO) Responses to the Grand Jury report on the Napa River Reclamation District (NRRD) are as follows:

**Finding 2:** All parties with oversight of NRRD either know or should have known of NRRD's continued failure to perform. These parties include the NRRD Board of Directors, NCLAFCO Executive Director(s) and Commissioners, and Napa County Counsel's office.

*Executive Officer's Response:* The Executive Officer agrees that LAFCO is aware of the challenges facing NRRD. As noted in the report, LAFCO made several specific determinations to this effect as part of a municipal service review for NRRD in 2005.

*Commission's Response:* The Commission agrees with the response of the Executive Officer.

**Finding 3:** Despite being aware of NRRD's failures, all stakeholders – including NRRD residents and directors – have failed or refused to remedy the situation.

*Executive Officer's Response:* The Executive Officer agrees that the challenges facing NRRD have not been addressed at this time. However, it is important to note that any potential remedy for the situation would require collective action on the part of landowners, not residents, in the form of a successful Proposition 218 vote to approve an assessment that would provide the necessary funding for organized levee control. Additionally, NRRD would need to obtain the necessary property easements to access, maintain, and improve the levee.

*Commission's Response:* The Commission agrees with the response of the Executive Officer.

**Finding 4:** Despite NRRD clearly not performing its essential levee maintenance function, County dollars have been spent to partner with NRRD on various stop gap projects such as sand bag facilities and dewatering pumps.

*Executive Officer's Response:* The Executive Officer agrees that stop gap projects have been undertaken within NRRD with County support.

*Commission's Response:* The Commission agrees with the response of the Executive Officer.

**Finding 8:** NCLAFCO has not timely reviewed NRRD as to "Sphere of Influence," "Municipal Services," or "Governance" and NCLAFCO Commissioners have not followed well-reasoned staff recommendations in reviews that have been done.

*Executive Officer's Response:* The Executive Officer agrees that the Municipal Service Review that is currently ongoing was delayed prior to its start. The most recent municipal service review and sphere of influence update for NRRD were completed in 2005 and 2007, respectively. However, as noted in the Report, Napa County LAFCO is in the process of conducting a Municipal Service Review for NRRD. Staff has adjusted its Work Program since February 2016, and a comprehensive study for NRRD is being conducted with an identified priority of "1" (top priority). It is anticipated that this review will be completed by the end of calendar year 2016.

*Commission's Response:* The Commission agrees with the response of the Executive Officer.

**Recommendation 2:** NRRD and NCLAFCO should take all steps necessary to ensure that NRRD has all enforcement and funding authority necessary to perform the levee maintenance, rehabilitation and construction functions for which it was created. Alternatively, NRRD should be reformed so that it is responsible only for providing sewer services.

*Executive Officer's Response:* Recommendation Number 2 requires further analysis. As part of the comprehensive Municipal Service Review (MSR) and Sphere of Influence (SOI) update currently being conducted, LAFCO is evaluating what potential actions, including the Grand Jury's recommendation, are within its authority to implement. The ongoing MSR and SOI update will culminate in determinations on NRRD's existing service levels, its financial ability to provide services, and its governance structure. The MSR may potentially also determine that a new, more detailed governance study is needed for NRRD at this time.

*Commission's Response:* The Commission agrees with the response of the Executive Officer.

**Recommendation 3:** NCLAFCO should, within the next six months, complete comprehensive Sphere of Influence, Municipal Services and Governance reviews of NRRD.

*Executive Officer's Response:* Recommendation Number 3 requires further analysis. As stated in response to Recommendation Number 2, LAFCO is currently completing a comprehensive MSR and SOI update. One outcome of that process may be a determination that a more detailed governance study is needed. It is anticipated that the MSR and SOI update will be completed by the end of calendar year 2016.

*Commission's Response:* The Commission agrees with the response of the Executive Officer.

**Recommendation 4:** If NRRD continues to be responsible for reclamation and flood control services, NCLAFCO should consider reforming the NRRD Board to include independent, nonresident members should it become apparent that an all-resident board is reluctant to take actions to ensure the enforcement and funding necessary to bring all levees into compliance and to maintain them. As an alternative, the Board of Supervisors could consider creating a revenue source for NRRD at the county level.

*Commission's Response:* This recommendation has not yet been implemented, but as stated above, LAFCO is conducting a comprehensive MSR and SOI update at this time, which will include determinations regarding NRRD's governmental structure and financial ability to provide services, among other determinations, and will consider whether the NRRD Board should be reformed.



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August 1, 2016

The Honorable Mark S. Boessenecker  
 Presiding Judge  
 Superior Court of California, County of Napa  
 825 Brown Street  
 Napa, CA 94559

Dear Judge Boessenecker:

As required by Penal Code Section 933(c), enclosed are responses to the 2015-2016 Final Report on the Napa River Reclamation District from the Local Agency Formation Commission (LAFCO) of Napa County and its Executive Officer.

Grand Jury activity takes place over the course of a number of months. LAFCO of Napa County acknowledges the members of the 2015-2016 Grand Jury for the time they have devoted in preparing the Report.

Sincerely,

Diane Dillon, Chair  
 LAFCO of Napa County

Cc: Foreman, 2015-2016 Grand Jury

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 Councilmember, City of St. Helena

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