



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

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

Agenda Item 7b (Discussion)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer

MEETING DATE: February 5, 2018

SUBJECT: City of St. Helena Municipal Service Review and Sphere of Influence Update Alternatives

RECOMMENDATION

Staff recommends the Commission consider the alternatives for the scheduled Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the City of St. Helena and provide direction to staff with respect to a preferred alternative. Staff further recommends contracting out a complete re-write of the MSR and SOI Update to E Mulberg & Associates.

BACKGROUND

On December 7, 2015, the Commission entered into a contract with a private consultant, SWALE, to prepare the Commission's MSR and SOI Update for St. Helena. SWALE initiated the information collection phase of the process in March 2016. The Administrative Draft MSR and SOI Update for St. Helena was completed in June 2017.

The Commission's contract with SWALE expired on June 30, 2017. The MSR and SOI Update for St. Helena was subsequently brought in-house with the Executive Officer assuming the lead for the project.

The Preliminary Draft MSR and SOI Update for St. Helena was circulated for public review and comment from August 25, 2017, through October 13, 2017. The Preliminary Draft was also included on the Commission's October 2, 2017, meeting agenda for possible discussion. In response to a written request from St. Helena dated September 28, 2017, and included as Attachment One, the Commission continued the discussion item to a future meeting to allow time for substantial revisions to be made to the Preliminary Draft. Toward this end, the Commission directed staff to return with an action plan to complete the MSR and SOI Update for St. Helena.

Scott Sedgley, Commissioner
Councilmember, City of Napa

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Kenneth Leary, Alternate Commissioner
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Vice Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

SUMMARY

Staff recommends separating the MSR and the SOI Update into two reports. This approach would allow the Commission to complete the MSR first, which will contain the necessary information and determinations to appropriately inform a future SOI Update for St. Helena in conjunction with the City's General Plan Update. As noted in item 6e on today's agenda, the City's General Plan Update process is currently underway.

Staff has identified the following baseline alternatives for Commission consideration:

- 1) Direct staff to update the Preliminary Draft in-house
- 2) Direct staff to prepare a complete re-write in-house
- 3) Hire a private consultant to update the Preliminary Draft
- 4) Hire a private consultant to prepare a complete re-write (recommended)

Staff recommends hiring a private consultant to prepare a complete re-write based on (1) verbal comments from the Commission regarding the quality of the Preliminary Draft, (2) the extent of information in the Preliminary Draft that requires updating, and (3) the minor difference in scope of work to update the Preliminary Draft as compared to preparing a complete re-write.

On April 17, 2017, the Commission entered into a contract with a new private consultant, E Mulberg & Associates, to assist with the preparation of MSRs and SOI Updates. On December 4, 2017, E Mulberg & Associates submitted a proposed scope of work to complete the MSR and SOI Update for St. Helena (Attachment Two).¹ The proposed scope of work includes the following three options, which may be combined:

Option One:

Update the information in the MSR chapters in the Preliminary Draft. This option would likely require re-circulation of the updated report for public review and comment. Proposed cost is \$10,400.

Option Two:

Complete re-write of the MSR. This option would require circulation of a new Draft MSR for public review and comment. Proposed cost is \$13,700.

Option Three:

Prepare the SOI Update in addition to the MSR. The SOI Update could be presented to the Commission as early as its next meeting following adoption of the Final MSR. Proposed cost is \$6,000.

Staff recommends the Commission hire E Mulberg & Associates to prepare a complete re-write of the MSR and SOI Update consistent with combining Options Two and Three in the proposed scope of work. The cost associated with the staff recommendation totals \$19,700. This option would require an amendment to the Commission's existing contract with E Mulberg & Associates to increase the not-to-exceed amount by \$19,700, to a total of \$44,400.

¹ Due to the lapsed time period since the scope of work was originally proposed, all time-specific deliverables would need to be extended by approximately two to four months if the Commission agrees to hire E Mulberg & Associates to complete the MSR and SOI Update for St. Helena.

If the Commission approves staff's recommendation, staff will return with a proposed contract amendment at the Commission's April 2, 2018 meeting. Notably, and as reflected in Agenda Item 6c, the Commission's year-end expenses for Consulting Services (Account No. 52310) are projected to total only \$27,040 as compared to the budgeted amount of \$52,311. This results in projected savings in the Consulting Services account totaling \$25,271. Additionally, some work on the project and associated invoicing would roll over to the 2018-2019 fiscal year. Based on these factors taken together, no adjustments to the current fiscal year budget would be needed.

On January 9, 2018, St. Helena submitted a letter supporting the Commission's revised timeline for the MSR and SOI Update (Attachment Three).

ALTERNATIVES FOR COMMISSION CONSIDERATION

Staff has identified three alternatives for Commission consideration with respect to preparing a complete re-write of the MSR and SOI Update for St. Helena. If a simple update to the Preliminary Draft is preferred, it is recommended the Commission provide direction to staff with respect to the desired project lead (i.e. consultant or staff). The three alternatives are briefly summarized below.

Alternative One (Recommended):

Direct staff to return with a contract amendment for E Mulberg & Associates to increase the not-to-exceed amount by \$19,700 to complete the MSR and SOI Update for St. Helena consistent with combining Options Two and Three in the proposed scope of work included as Attachment Two.

Alternative Two:

Direct staff to return with a draft Request for Proposals (RFP) for purposes of selecting a new private consultant to complete the MSR and SOI Update for St. Helena. Alternative Two would add a minimum of two months to the project timeline. The estimated project costs and timeline are presently unknown absent proposals in response to an RFP.

Alternative Three:

Direct staff to complete the MSR and SOI Update for St. Helena in-house. This alternative could have detrimental impacts on the priority levels and timelines for several other projects in the Commission's Work Program.

ATTACHMENTS

- 1) Letter from St. Helena Requesting Continuance and Revised MSR/SOI (Dated September 28, 2017)
- 2) E Mulberg & Associates Proposed Scope of Work (Dated December 4, 2017)
- 3) Letter from St. Helena Regarding Revised MSR/SOI Timeline (Dated January 9, 2018)



City of St. Helena

*"We will conduct city affairs on behalf of our citizens
using an open and creative process."*

Attachment One

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September 28, 2017

Brendon Freeman
Executive Officer
Local Agency Formation Commission of Napa County
1030 Seminary Street, Suite B,
Napa, CA 94559

Dear Mr. Freeman

Thank you for your September 12, 2017 informational update to the St. Helena City Council regarding the Local Agency Formation Commission of Napa County's (Napa LAFCo) forthcoming St. Helena Municipal Services Review and Sphere of Influence Update (MSR/SOI).

City staff and Council Members subsequently reviewed the draft document and identified numerous corrections and/or updates necessary to improve the document's accuracy (see attached September 26, 2017 staff report). Given that the City Council has only had an opportunity to learn about this important update in the past few weeks (which last occurred in 2008), the City is respectfully requesting Napa LAFCo postpone their October 2, 2017 preliminary discussion of St. Helena's MSR/SOI to your December 2, 2017 meeting. It is our hope that this will allow time for Napa LAFCo staff to review the City's comments and update the document accordingly. The City Council also respectfully requests an additional 30-day comment period be provided for public feedback on the resulting updated document.

Please contact me at (707) 312-0252 with any questions. Thanks you!

Respectfully,

Mark T. Prestwich
City Manager

Attachment



**Report to the City Council
Council Meeting of September 26, 2017**

Agenda Section: New Business

Subject: City of St. Helena Municipal Service Review and Sphere of Influence Update

CEQA Determination: Not a CEQA project

Prepared By: Noah Housh, Planning & Community Improvement Director

Reviewed By: Mark Prestwich, City Manager

Approved By: Mark Prestwich, City Manager

BACKGROUND

On September 12, 2017, Napa Local Agency Formation Commission (LAFCO) Executive Officer Brendon Freeman provided the City Council with an informational update on Napa LAFCO's draft Municipal Service Review (MSR) and Sphere of Influence (SOI) Update. Napa LAFCO is responsible for completing municipal service reviews and for determining the City's sphere of influence (probable physical boundary and service area). Napa LAFCO intends to discuss the draft St. Helena MSR/SOI on October 2, 2017 before the public comment period concludes October 13, 2017, with formal action on the city's MSR/SOI planned for December 2, 2017.

DISCUSSION

Given that the document is intended to (among other things) inform decisions on local land use in and around St. Helena, determine the need for public services and facilities, based on current capacity and adequacy of services (provided by the City) and generally forms the basis for specific judgments about City governance, it is critical that the information in the report be as accurate and update-to-date as possible.

The City has completed a preliminary review of the draft MSR/SOI and unfortunately, has found the current draft contains a number of inaccurate and/or out-dated statements (see attachments). Specifically, the City has found inaccuracies in revenue projections, residential and commercial growth projections, City staffing and governance

structures and other elements of City governance included in the report. Attached to this report is a list of some of the items that require revision and/or clarification to ensure the accuracy of the document. Given the scope and breadth of the inaccuracies identified, staff recommends the City request Napa LAFCO postpone their planned October 2, 2017 St. Helena MSR/SOI discussion until the document is accurately updated.

FISCAL IMPACT

Not applicable.

RECOMMENDED ACTION

Authorize staff to communicate preliminary feedback on the draft MSR/SOI to NAPA LAFCo and request a postponement of the planned October 2, 2017 LAFCO discussion of the St. Helena MSR/SOI until an accurate document is presented for review.

ATTACHMENTS

[MSR-SOI Comments](#)

St. Helena MSR/SOI Comments

- Page 2-2 makes reference to Table 2-3 as being staffing levels - Table 2-3 actual refers to Jurisdictional Changes
- Page 2-2 gives the staffing level from the FY 2016 budget Should be updated to FY 2018
- Page 2-13 – the staffing levels should be updated
- Page 2-13 – refers to Figure 2-2 – this should be Table 2-4
- Page 2-13 – says there are 74 employees, the number is inconsistent with what it says in the table above which is 78.68 – in either case, these should be updated.
- Page 2-15 – there were a lot more administrative accomplishments since 2008 - the budget pages track the accomplishments
- Page 4-1 – under customers suggest changing the third sentence to state, “residents of neighboring communities often utilize the Recreation Department and Library services”
- Page 4-3 – update to FY 15/16 audit financial information (instead of FY 13/14 and 14/15)
- Page 4-12 – The City provides water to 2,549 connections – change number
- Page 5-1 – updated financial information. Also remove comment stating the audit and budget were not on the website.
- Page 5-1 – bottom – add additional fiscal policies
 - Capital Asset and Deprecation
 - Sale of Surplus Property
 - Escheat Policy
- Page 5-2 – update financial information and litigation information
- Page 5-3 – update financial information
- Page 5-4 – update financial information
- Page 5-11 – update financial information
- Page 5-22 – update financial information
- Page 6-3 – item 23 – City did present information on a major recession
- Page 6-3 – item 25 – update financial information
- Page 6-4 – items 35 and 35 – update financial information

1. Starting with the reference on pg. 2-13, the draft SOI/MSR includes numerous references to the City of St Helena General Plan that are incorrect and/or out-of-date. Specifically, the General Plan document is the St Helena 2035 General Plan update.

2. St. Helena Police Department maintains a log of all complaints filed with the Department.

3. Planning and Community Improvement Director is the correct title for the Department head referenced on pg. 2-16.

4. On pages 2-17 and 4-46: it states that the Robert Louis Stevenson Museum is located in a separate building. The Museum shares our building.

5. Also on page 4-46: It states that the Library has a staff of 6 FTE and then goes on to list all 6 full time staff and closes by stating there are 8 part-time employees that equate to 1.99 FTE. This is a confusing way to state the Library has 7.99 FTEs and what they are composed of.

6. General Plan Land Use Graphic on pg. 3-3 is inaccurate in that it includes land use changes proposed in the 2035 General Plan update.
7. The project list on pg. 3-5 is outdated. Turley Flats was approved in 2013 and is under construction; the Our Town St Helena project was approved; 632 McCorkle is an 8-unit project that was also approved and there has been no formal application at 821 Pope St.
8. On pg. 3-5 the residential growth analyzed in the 2035 General Plan EIR is incorrectly identified as residential growth *projections*, when these numbers are in fact identified in the EIR as maximum potential residential growth, intended to facilitate a complete environmental impact analysis under CEQA.
9. The commercial growth numbers (pulled from the General Plan EIR) provided on pg. 3-6 and 3-7 are similarly intended to identify the maximum potential growth to facilitate a complete environmental impact analysis under CEQA. These numbers are in no way projections and are never categorized as such in any City document.
10. Change area graphic 3.4 is out of date. The City Council has eliminated the Low-Medium Density Residential district from the 2035 General Plan Update
11. Fiscal analysis and revenue projects are out-of-date and do not appear to have been updated with the most current information available, particularly the updated revenue projections resulting from the adoption of Measure D.
12. The statement on pg. 3-13 identifying that the decline in the City's growth rate was a result of infrastructure constraints is suspect and should be removed or supported by factual information.
13. Planning Dept. no longer staffs AT/S Committee. PW Staff now has that assignment (pg. 4-42).
14. Project list needs updating (see comment 7 above). Menegon Bldg. is 1380 Main St; Redmond Winery was approved; CIA was denied.
15. Planning staff also serves as Environmental Coordinator for the City and manages the Housing Authority contract (pg. 4-43).
16. Building Department entered into a Council approved agreement with the City of Calistoga for shared Building Official services during illness, vacation and other absences.

**Mayor's Comments on MSR/SOI Administrative Draft
Dated August 25, 2017**

1. Page 2-4: The text under Table 2-2 states that two parcels totaling 95 acres at Bell Canyon are within St. Helena's jurisdictional boundary. This is not

correct. See contrary statement on page 4-9, seventh line from the bottom (“The reservoir is located northeast of St. Helena in the unincorporated area.”)

2. Page 2-5: Figure 2-1 shows land around Bell Canyon Reservoir as being within City Limits. Map needs to be fixed. See point 1 above. See also Figure 7.3 (same map) on page 7-8.
3. Page 2-8: In first indented paragraph, fourth line, change “fie” to “fire (typo).
4. Page 2-10, last line: subject to check, the deferred compensation match is \$150 per month, not \$200.
5. Page 2-17: Have we received awards since 2014? Are the CAFR awards worth mentioning?
6. Page 3-1: The last paragraph lists five approved projects since 2008. These projects are more than “approved”; they are completed. Suggest as follows: “Several residential and commercial projects have been completed since the last Municipal Service Review within the City’s boundary including:”
7. Page 3-5: The fourth bolded point states that 632 McCorkle Avenue consists of ten units. Actual project is 8-units and was approved.
8. Page 3-18: The last line (beginning with “This equates”) states that affordable housing production is within the allowable growth management system limit. Affordable Housing units are specifically exempted from Growth Management Ordinance.
9. Page 4-3: The second paragraph references a 2010 Grand Jury report, and states that we are working (presumably in 2017) to address issues in that report. The issues are not identified. Suggest adding details or deleting the entire paragraph.
10. Page 4-8: The paragraph below Table 4-3 begins with: “Out of the 1950 acre-foot (AF) of total available water supply”. The safe yield is not related to “available “water supply. In any year our water supply may be more or less than 1950 AF. The safe yield sets a top limit on what we wish to supply with the goal to minimize supply problems in drought years. Suggest deletion of the introductory clause.
11. Page 4-8: Typo three lines up from bottom: change “reliable” to “reliably”.
12. Page 4-8: The definition of “safe yield” referenced in footnote 13 should be provided, along with a statement to the effect that it should not be confused with the “safe yield” definition that led to the 1950AF water supply cap. See page 4-16 for our definition of “safe yield.”

13. Page 4-9: The last sentence of the second paragraph under State Project states that our Napa water agreement “is effective through 2034, provided that the SWP maintains the agreement with the City of Napa (Napa County, 2013).” It is not correct that our contract is dependent on Napa maintaining its agreement with the SWP. It appears that the sentence as written is based on a misreading of term 1(b) of the (initial) Water Supply Agreement (September 12, 2006). Our contract (as amended), operates completely independently of water supply that comes to Napa from the SWP. Further, Napa does not contract with the SWP; it contracts with the Napa County Flood Control and Conservation District (“NCFCWCD”), which, in turn, is one of the several Water Districts around the State that contract with the SWP. Suggest deletion of “provided that the SWP etc.” language.
14. Page 4-11: Table 4-4 would benefit from 2016 data and, if the years are water years, 2017 data.
15. Page 4-13: Figure 4-1 presents average annual metered water demand in AF for classes of customers with the average based on fiscal years 2002-2008. A figure based on such stale data is of little or no value. Strongly suggest a revision based on the last available five-year averages.
16. Page 4-14: Figure 4-2 would benefit from 2016 data and, if in water years, 2017 data.
17. Page 4-15: Table 4-5 shows data through only 2009. It should be updated.
18. Page 4-18: Tables 4-7 and 4-8 from the 2010 Water Supply Plan, is out of date. This then led to the Safe Yield Committee and its determination that total demand should not be allowed to exceed 1950AF. See page 4-16.
19. Page 4-28: The paragraph following the four (bolded) points states that the SHPD operates with “unsafe working conditions for officers.” This statement, if correct, is a source of substantial and immediate concern to me, and we should be addressing it at Council. Please review with Chief Imboden.
20. Pages 4-39 & 4-30: The tables show 2014 data. It should be updated. The number of calls has greatly escalated since 2014.
21. Page 4-47: Suggest changing second sentence in first paragraph from “Also, the City is part of Joint Powers Agreements as follows:” to “The City participates in the following:” Some of the listed entities are not JPAs.
22. Page 4-47: In the sixth line down in the paragraph that begins with the Napa Housing Authority, suggest adding “coordination of” after “provide for” and “economical regional waste management services.” The Upper Valley Waste Management Agency does not itself provide waste management services.

23. Page 5-2: The next to last paragraph begins by stating that the most recent auditor's report was for FY 2014/2015. This needs to be updated.
24. Page 5-2: The litigation comments in the last paragraph are outdated and should be removed.
25. Page 5-3: The two (bolded) points at the top of the page are from the 2008 LAFCO report. The text is out-of-date.
26. Page 4-50: Table 4-24 presents stale data and should be updated.
27. Page 4-50: The first sentence under Table 4-24, stating that we have "routinely" adopted CIPS is, regrettably, not correct. My suggestion is that the paragraph be rewritten to discuss the CIP adopted in July 2017.
28. Page 5-1: The second paragraph about budgets and audits is out of date and should be revised.
29. Pages 5-3 through 5-9: The financial data should be updated. Also, as to completed fiscal years, the reserves are known; it would seem inappropriate for those years to present "estimated reserves", as shown in Table 5-5.
30. Page 5-9: The fourth line from the bottom states that the Nigro & Nigro firm "found sloppy accounting practices." This is not a professional statement in my estimation. It should be restated in proper professional language as stated by our outside auditor. Further, the description does not identify the specific years involved. It also seems to me that a sentence or two noting the significant progress since 2014 in implementing additional internal controls would provide important context.
31. Page 5-9: The last sentence about a combined grant seeker and manager now out-of-date. Suggest making clear that the Finance Department has procedures in place to ensure proper grant management.
32. Pages 5-11 & 5-12: Can we add 2016 data to Table 5-6 & 5-7?
33. Page 5-21: Change "General Funds" to "Enterprises" in sentence after the seven enumerated points.
34. Pages 5-25 through 5-36: The data should be updated. Further it is misleading to identify property, sales tax, and TOT revenue as a percentage of total revenue, as opposed to general fund revenue. City-to-city comparisons typically are made by looking at relative contributions of these revenue streams to their respective general funds.
35. Page 6-3: Point 24 is stated backwards. We recently enacted significant rate increases to avoid using General Fund monies to subsidize the Enterprise Funds [These rates are now slated to change again].

36. Page 6-4: Point 37 states that participating agencies provide garbage collection. No agency does so.
37. Page 6-5: The second circle point after 43 states that our City has utilized the General Plan and other planning tools to “[p]romote economic development.” Such a statement is should be backed up with some specific examples.
38. Page 6-5: The fourth circle point after 43 states we have used the General Plan and other planning tools to “Limit the obligations of government by strategic building and maintaining infrastructure through capital planning and investments.” The intent of this statement is unclear. Our General Plan statements are aspirational: e.g., ES1.3 on page 4 P-8 of the May 2016 Draft (“Ensure the long-term infrastructure needs and priorities of the community are met as part of an economic approach to economic vitality and sustainability.”). Aspirational statements are not “limiting.”
39. Page 6-6: Point 50 conveys the impression that the Police Department provides statistical information on a regular basis at our Council meetings. This is not the case. Also, is the statement that such information is not provided by the Department on its webpage correct?
40. Page 7-8: Figure 7-3 incorrectly shows land around Bell Canyon Reservoir to be within City limits. See Points 1 & 2 above.
41. Page 7-16: The second box (“Location”) states that study area #2 is northeast of the City when it is northwest.
42. Appendix E is the LRFF dated October 27, 2015. The LRFF was further updated on February 9, 2016. It seems to me that the update should also be included as an appendix.

Note One: Council member Dohring has contributed to and concurs in these comments.

Note Two: Council member Dohring and I have pointed out text and figures that are out of date. We make no claim that our review has been systematic. Our joint view is that the MSR must be based on currently available information. We think that the City can and should provide the relevant updated documents but it is the obligation of LAFCO Staff to do the updating.

Alan Galbraith
Mayor, City of St. Helena



PROPOSAL

Municipal Service Reviews and Sphere of Influence Updates City of St. Helena

Napa Local Agency Formation Commission

December 4, 2017

E Mulberg & Associates
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916.217.8393

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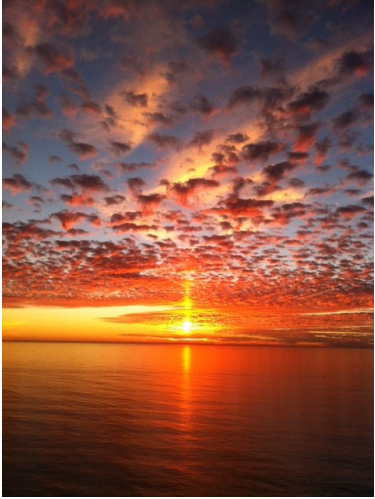
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SECTION 1: OVERVIEW, EXPERIENCE AND QUALIFICATIONS



E Mulberg & Associates was founded in 2011. While relatively new to the consulting world, we are not new to LAFCO, possessing over 20 years' experience specializing in services to local agencies such as LAFCOs, special districts, and cities. Each client receives the personal touch to ensure a high level of service and customer satisfaction. That means taking the extra time to address each client's needs to deliver clear, concise, complete, and timely reports of the highest quality.

Our goal is to assist LAFCO clients in their role as “watchdog” to “guard against the wasteful duplication of services” (*City of Ceres v. City of Modesto*). Studies for LAFCO clients provide a thorough analysis of service delivery that complies with Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH), the California Environmental Quality Act (CEQA), and local policies.

Toward that goal, E Mulberg & Associates provides the following services for LAFCOs:

- **Municipal Service Reviews.** The municipal service review (MSR) provides information about the agency that is used to update or amend the sphere of influence or initiate a change of organization.
- **Sphere of Influence Updates.** The sphere as defined in Government Code Section 56076 as the “probable physical boundary and service area of a local agency or municipality.” Generally, any extension of services outside the agency boundary must be within the sphere.
- **Changes of Organization.** A change of organization must be consistent with the sphere and can include an annexation, detachment, formation, dissolution, consolidation, incorporation of a city, or disincorporation.
- **Special Studies.** CKH allows LAFCOs to conduct special studies should the Commission choose to initiate a change of organization such as a consolidation of a district, dissolution of a district, a merger, establishment of a subsidiary district, formation of a new district, or any combination of the above as a reorganization.
- **CEQA Analysis.** LAFCO is subject to CEQA. LAFCO often serves as the responsible agency, but it is the lead agency for sphere of influence updates and—often—for incorporations.
- **LAFCO Staff Support.** Providing services of LAFCO staff such as processing applications for sphere updates and changes of organization, or developing LAFCO

policies, assisting with the budget preparation, and assisting with an update of the fee schedule.

In the past five years, we have completed municipal services reviews for special districts and full-service cities that provide a wide range of services. These services include water, wastewater, solid waste, law enforcement, fire, parks, stormwater, street maintenance, mass transit, library, airport, electric utility, flood control, airports, mosquito abatement, and vector control.

At E Mulberg & Associates, we realize the importance of completing projects on time and within budget. Timeliness is important, particularly with the regulatory requirements of CEQA and CKH. We have proven we can work within the budget to produce a document that complies with CKH specifications and local policies, by meticulously tracking time spent on each phase to be sure there is sufficient funding to complete the project. Each of the municipal service reviews we started was completed within budget.

Accuracy and quality are top priorities, since the MSR is the source of information about the agency and it is used in the sphere of influence update and/or change of organization. One way we ensure accuracy is to circulate the Administrative Draft to each agency to be sure the data is correct and as current as possible. To insure quality, each of our documents is reviewed and sent to a professional editor for formatting, spell checking, grammar checking, and punctuation. We also have a GIS mapping specialist available to produce exhibits that are accurate, clear, and precise.

In addition to accuracy and quality, customer service is a cornerstone of our relationship with our clients. It means adhering to deadlines, whether related to scheduling or statutory requirements, and delivering a report when promised. Customer service also means prompt responses to voicemail and email. It means maintaining good communication with our clients, which includes advising them of progress and any roadblocks that need attention.

SECTION 2: OVERALL APPROACH AND UNDERSTANDING



The Local Agency Formation Commission (LAFCO) was formed in 1963 to address the problems caused by explosive growth in the post-World War II era. To accommodate growth, the legislature had created many new local government agencies with irregular boundaries and overlapping jurisdictions. Also of concern was the rapid conversion of prime agricultural lands to urban uses. In 1959,

Governor Edmund G. Brown, Sr. appointed the Commission on Metropolitan Area Problems to study and make recommendations on “misuse of land resources” and the complexity of local government jurisdictions. Recommendations from the Commission resulted in the formation of a Local Agency Formation Commission for each county in 1963.

In 1965, the LAFCO legislation became the Knox-Nesbit Act; that year also saw passage of the District Reorganization Act (DRA), which gave LAFCO jurisdiction over special districts. The Municipal Organization Act (MORGA), adopted in 1977, consolidated procedures for changes of organization such as annexation, detachment, incorporation, and consolidation into one act. In 1985, Cortese-Knox combined Knox-Nesbit, DRA, and MORGA into one unified code. The last major revision occurred in 2000 and is known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). It clarified LAFCO’s purposes as:

- Discouraging urban sprawl
- Preservation of prime agricultural lands and open space
- Assuring efficient local government services
- Encouraging orderly growth and development of local agencies

CKH added the municipal service review to the sphere of influence, and the ability to change the organization of cities and special districts as tools to achieve those goals. In addition, CKH required that LAFCO adopt written policies and procedures.

Municipal Service Reviews

The municipal service review (MSR) is essentially the foundation of actions taken by LAFCO. The MSR must support the sphere of influence by providing the information the Commission needs to make the required sphere determinations. The MSR discusses and evaluates seven factors:

1. ***Growth and population projections:*** This section relates to LAFCO’s mandate of discouraging urban sprawl by providing information on the population projections for the affected area.
2. ***The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence:*** This section was added by Senate Bill (SB) 244, which became effective in January 2012. A disadvantaged community is defined as an inhabited area with a median household income of 80 percent or less than the statewide median income.
3. ***Present and planned capacity of public facilities:*** This section relates to LAFCO’s charge to assure efficient provision of government services. The discussion covers the status of current and projected facilities and the adequacy of public services, including infrastructure needs and deficiencies.
4. ***Financial ability of agencies to provide services:*** A key to providing effective and efficient services is adequate financing. This section reviews budgets, sources of revenue, and financial reports.
5. ***Status of and opportunities for shared facilities:*** The opportunity for shared facilities with other agencies relates to LAFCO’s charge of assuring efficient services. Avoiding duplicate facilities of another agency will reduce costs and promote more efficient operation.
6. ***Governmental structure, accountability for community service needs, and operational efficiencies:*** An analysis of government structure and accountability examines the makeup of the agency’s legislative body, administrative structure, accountability for community service needs, and public participation.
7. ***Matters related to effective or efficient service delivery required by policy:*** Local LAFCO policies may have an effect on service delivery. This section includes a discussion of any local policies that influence the ability of the agency to provide efficient services.
8. ***Relationship with Regional Growth Goals and Policies:*** Napa LAFCO has added an additional required determination to assess the relationship of the city or district to the regional growth and transportation plans, which in this case is Plan Bay Area 2040.

Cities or towns and special districts are required by Government Code Section 56430(c) to have conducted “a service review before, or in conjunction with, but no later than the time it is considering an action to establish a sphere of influence or to update a sphere of influence.” Sample municipal service review projects include:

- **City of Ukiah, Mendocino LAFCO.** The City of Ukiah is a full service city which provides eleven essential services including an airport, an electric utility, fire, water, wastewater, and parks and recreation. Supply sources are ground water, surface water, and project water from Lake Mendocino.

- **City of Lincoln, Placer LAFCO.** Lincoln is a full-service city that offers 11 municipal services. The MSR addressed water, wastewater, solid waste, stormwater, law enforcement, fire protection, street maintenance, transit, library, and a municipal airport.
- **City of Roseville, Placer LAFCO.** Roseville offers residents 11 municipal services. The MSR evaluated water, wastewater, solid waste, stormwater, law enforcement, fire protection, street maintenance, transit, library, and its electric utility services.
- **Western Nevada County Treated and Raw Water Services Second Round Municipal Service Review.** E Mulberg & Associates teamed with Project Resource Specialists as the lead to prepare the MSR for five water service providers in Nevada County including Nevada Irrigation District (NID), the City of Grass Valley, the City of Nevada City, San Juan Ridge County Water District and Washington County Water District.
- **Solano County Water Agencies, Solano LAFCO.** The MSR included a review of the 26 water agencies in Solano County, including water, irrigation, and reclamation districts.

Sphere of Influence

CKH requires LAFCO to adopt a sphere of influence and map for each city and each special district in the County. The sphere influence is defined by CKH in Government Code Section 56076 as “a plan for the probable physical boundary and service area of a local agency or municipality as determined by the Commission.”

The LAFCO Commission must make determinations with respect to the following factors when establishing or reviewing a sphere of influence:

- **Present and planned land uses in the area, including agricultural and open space lands** - This consists of a review of current and planned land uses based on planning documents to include agricultural and open-space lands.
- **Present and probable need for public facilities and services** - This includes a review of the services available in the area and the need for additional services.
- **Present capacity of public facilities and adequacy of public services provided by the agency** - This section includes an analysis of the capacity of public facilities and the adequacy of public services that the city provides or is authorized to provide.
- **Social or economic communities of interest** - This section discusses the existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the city. These are areas that may be affected by services provided by the city or may be receiving services in the future.
- **Present and probable need for services to disadvantaged communities** - Beginning July 1, 2012 the commission must also consider services to disadvantaged

communities which are defined as populated areas within the SOI whose median household income is less than or equal to 80 percent of the statewide median income.

A sphere of influence may be amended or updated. An amendment is a relatively limited change to the sphere or map to accommodate a specific project. Amendments can add or remove territory, address a change in provision of services by an agency, or revise a plan for services when it becomes impractical.

An update is a comprehensive review of the sphere that includes the map and relevant portions of one or more MSRs. The review allows for the identification of areas that are likely to receive services and to exclude those territories that are not or will not be served from the sphere of influence. CKH requires updates at least every five years or as needed. Sample sphere of influence update projects in which Elliot authored include:

- **Town of Truckee, Nevada LAFCo.** The update took into consideration the Town's 2025 General Plan with a proposed sphere of influence to accommodate anticipated growth and the need for additional housing.
- **Truckee Sanitary District (TSD), Nevada LAFCo.** As a subcontractor to Michael Brandman Associates, E Mulberg & Associates completed a Sphere of Influence Plan for the TSD, which provides wastewater collection services to eastern Nevada County.
- **Truckee Donner Public Utilities District (TDPUD), Nevada LAFCo.** As a subcontractor to Michael Brandman Associates, E Mulberg & Associates completed a Sphere of Influence Plan for the TDPUD, which provides water and electric utility services to eastern Nevada County.

Changes of Organization

Changes of organization are defined in CKH as an annexation, a consolidation, a formation of a special district, an incorporation of a city, a detachment of territory from a city or special district, a dissolution of a special district, or a disincorporation of a city. The most common change of organization is an annexation. Any territory that is to be annexed must be within the sphere of influence, which in turn must have been evaluated in a municipal service review.

Under certain circumstances, an agency will request LAFCO approval to provide services outside its boundaries through an out-of-area service agreement. The Commission may authorize approval if the area is within the sphere of influence and annexation is anticipated, or if there is an existing or impending threat to health and safety of residents of the affected area. In addition Napa LAFCO is authorized under AB 402 to permit an out of area service provided it is identified in the MSR, is not growth inducing, or adversely impact agricultural lands or open space. Sample Change of Organization projects in which Elliot was directly involved include:

- **Vanden Meadows Reorganization to the City of Vacaville.** The proposal included annexation of approximately 274 acres and the concurrent annexation of the proposal area to: Vacaville-Elmira District; detachment from the Vacaville Fire Protection District; and detachment from the County Service Area 1 for lighting. The purpose of

the proposal is to implement the Vanden Meadows Specific Plan which would result in the development of approximately 790 single family homes, a 28 acre school site, and a 7.5 acre park.

- **Aromas Water District Annexation.** The Aromas Water District is a multi-county special district whose boundaries include territory in both San Benito and Monterey counties. The greater assessed value is in San Benito County, making San Benito the principal LAFCO. The district applied to annex all of the territory in the sphere of influence within Monterey County. The San Benito LAFCO passed a resolution allowing LAFCO of Monterey County to process the annexation. With the addition of the Monterey County territory, it is possible Monterey would become the principal county with the greater assessed value.
- **Formation of the Castroville Community Services District.** As staff of LAFCO of Monterey County, Elliot processed the application for the consolidation of the Castroville Water District and County Service Area 14 to form the Castroville Community Services District. The action involved determining the appropriate services for the new district, establishing an appropriation limit, and determining a sphere of influence. Key issues addressed were the potential overlap of park and recreation services with the North County Recreation and Park District, and the district boundary that extended into the agricultural protection zone of the Coastal Commission.

Special Studies

Special studies are required for LAFCO to initiate a change of organization or reorganization. These studies can include the MSR, sphere of influence update or in some cases a more focused study on a particular agency for a specific purpose. The following is an example of a special study E Mulberg & Associates co-authored to assess the possibility of dissolving a district.

- **Special Study: Mt. Diablo Health Care District Governance Options.** Teamed with Economic & Planning Systems, Inc. in assessing governance options for the Mt. Diablo Health Care District. The district, located in Contra Costa County, has been the subject of several grand jury reports that expressed concerns about the ability of the district to provide services within its boundaries that included the cities of Concord, Martinez, and parts of Pleasant Hill and Lafayette. The study, completed for Contra Costa LAFCO evaluated several governance options including maintaining the district as is, consolidation with the neighboring health care district, dissolution, or dissolution with the successor agency continuing to provide service.

California Environmental Quality Act

Actions taken by LAFCO require review under CEQA. Municipal service reviews are exempt under Class 6, since the MSR is a data collection study. In many cases, LAFCO is the responsible agency, but when LAFCO initiates the project, it is the lead agency. For example, LAFCO is often the lead

agency for the adoption of a sphere of influence or an update to a sphere of influence. If the Commission finds that the update results in no changes in regulation, no changes in land use, or that no development will occur as a result of adopting the sphere, then the update would qualify for the general rule exemption under CEQA. Alternatively, the sphere update may require an initial study for a negative declaration, a mitigated negative declaration, or a full environmental impact report (EIR).

Sample CEQA projects in which Elliot authored or co-authored include:

- **Incorporation of the Proposed City of Arden Arcade EIR, Sacramento LAFCO.** Completed the Public Services and Utilities section of the EIR for the proposed City of Arden Arcade.
- **Initial Study and Negative Declaration Town of Truckee Sphere of Influence Plan, Nevada LAFCo.** As part of the Sphere Plan update and analysis, completed an initial study for the proposed sphere of influence. Having found no significant impacts, concluded that a Negative Declaration was appropriate.
- **Truckee Donner Public Utility District Climate Change Impact Assessment.** The Truckee Donner Public Utility District provides water and electricity to the Truckee area. This document assesses the impact on climate change of providing water and electricity services to their proposed sphere of influence.
- **Coachella Music Festival Environmental Impact Report.** Completed the Air Quality and Greenhouse Gas sections of the Environmental Impact Report for the expansion of the Coachella Music Festival to include two additional festivals with over 100,000 attendees primarily from Southern California and throughout the United States. Key concerns were fugitive dust emissions from the parking and camping areas as well as emissions from over 70 diesel generators which power the festival.



SECTION 3: KEY PROJECT PERSONNEL

E Mulberg & Associates has assembled a highly qualified team with extensive experience in LAFCO and the municipal services. The team includes Harry Ehrlich of Project Resource Specialists who has more extensive experience in the operations of a water district and public works.

The analysis will be completed by Elliot Mulberg of E Mulberg & Associates and Harry Ehrlich of the firm Project Resource Specialists. Elliot has over 20 years of LAFCO experience as a LAFCO commissioner, LAFCO Executive Officer, LAFCO staff, and LAFCO consultant. Mr. Mulberg has completed over 40 Municipal Service Reviews that include full service cities, water districts, sewer districts, irrigation districts, and fire districts. He has served as a director of the Cosumnes Community Services District, which provides parks, recreation, fire and emergency medical services to the Cities of Elk Grove and Galt. He also served as a director of the Florin Resource Conservation District which also provides potable water to portions of the City of Elk Grove. Mr. Mulberg will be the primary author of the documents and have overall responsibility for completing the project.

Harry Ehrlich as a former Operations Manager and Assistant General Manager for two California water districts and a city Public Works and Public Services Director, brings a “hands-on” perspective in addressing a wide array of infrastructure and operational issues. Mr. Ehrlich also has over 10 years of recent experience providing consulting support services to several LAFCO’s including San Diego and Orange County. Mr. Ehrlich provides over 40 years of relevant experience in local government administration and operations, over 30 years being focused on public works, water and wastewater, and special district-related issues. Mr. Ehrlich will be the team’s lead person on the review and analysis of the water and public works department services. Mr. Ehrlich will be responsible for conducting the specific analysis of infrastructure, facility assessment, and assist with analysis of governance structure alternatives, financial condition status and in the related development of findings and determinations to be considered by Napa LAFCO.

The team also includes Marcus Neuvert, an independent contractor, as our GIS technician. Marcus has extensive mapping experience and has worked on several other projects for E Mulberg & Associates.

SECTION 4: SCOPE OF WORK

The City of St. Helena is a general law city incorporated in 1876. In January of 2017 the population was estimated by the Department of Finance as 6,033. The City is a full service city providing a number of services. They include police, planning, public works, water, sewer, parks and recreation. In addition it operates a public library. Expansion of the City is limited by an urban growth boundary.



The Commission last adopted the MSR for the City of St. Helena in 2008. Since the MSR is nearly 10 years old the Commission hired a consultant for the update. A draft report was prepared and circulated. Comments received indicated the draft report contained out of date information and that the report needed to be rewritten. This proposal contains three options. Option 1 would respond to comments and rewrite the report. Option 2 would be a complete update that would include a new administrative draft, a draft report that would be

circulated for public comment, and a final version adopted by the Commission. Option 3 would be essentially an addendum to option 1 and option 2 that provides the analysis for the SOI update. Options 1 and 2 documents will follow the methodology guidelines outlined in Napa LAFCO policies and reference the Governor's Office of Planning Research guidelines. The MSR will contain the research and analysis to allow the Commission to make determinations as to the City's ability to provide municipal services. Option 3 is the SOI update analysis and report that addresses the five areas that require determinations by the Commission to update the SOI.

OPTION 1 – RESPOND TO COMMENTS AND REWRITE THE 2017 DRAFT MSR

Task 1: Data Collection and Review

1. Review Draft MSR to identify data needs to respond to comments and current service information needs.
2. Meet with City staff and LAFCO Staff to acquire updated financial documents and documents related to the revised St. Helena General Plan. The meeting will also review project schedule, review the format of the document, and provide a list of other documents or sources needed to update the MSR. The meeting will also identify potential SOI areas that must be part of the MSR.

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

Task 2: Rewrite the Draft MSR

1. Prepare a revised Draft for the City of St. Helena, which will include determinations with respect to the eight areas outlined in Government Code Section 56430 (MSR) and Napa LAFCO policies. The Draft will contain the following chapters and sections:
 - **Introduction** – Describes the role and responsibility of LAFCO, the purpose and use of the municipal service review, the sphere of influence, and the application of the California Environmental Quality Act.
 - **Executive Summary** – Summarizes the findings for the City and the areas required to complete a municipal service review, identifies issues, and includes recommendations for amendments or updates to the sphere of influence and changes of organization.
 - **City Profile** – This section will provide background information on the formation of the City, services provided and general information about the City. The section will include a table of the boundary changes approved by LAFCO in the initial MSR plus any changes approved by the Commission since 2008. This section will also include a map of the City’s boundaries and current sphere of influence.
 - **Growth and Population Projections** – This section will discuss trends in growth and population for the agency. Population projections will be for a minimum of five years to comply with the update requirements for municipal service reviews. The section will also look at potential demand based on population projections through the next 15 years.
 - **The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence** - This section was added by Senate Bill (SB) 244, which became effective in January 2012. A disadvantaged community is defined by CKH as an inhabited area with a median household income of 80 percent or less than the statewide median income.
 - **Present and Planned Capacity of Public Facilities** – This section will review the facilities and capacities of the City’s ability to provide municipal services including possible findings from a recently commissioned facilities assessment study analysis. This section will also compare the water demand with available supply for normal years, a single dry year, and multiple dry years. It will address the adequacy of service as well as the ability to meet projected demand.
 - **Financial Ability to Provide Services** – This section will review the budgets and audits of the City. The section will address sources of revenues, expenses, and capital improvement plans. The review will also identify financing constraints and opportunities, cost avoidance opportunities, for enterprise functions this section will discuss the rate structure, and whether there are opportunities for rate restructuring.
 - **Status and Opportunity for Shared Facilities** – This section will discuss how the City works cooperatively with other local agencies. In addition, this section will discuss

management efficiencies and staffing, and include an organizational chart if appropriate. This portion of the report will also cover participation in joint powers authorities.

- **Government Structure and Accountability** – This section will describe how the governing board is selected, compensated, and their meeting schedule. It will also discuss outreach efforts to residents, and how citizens participate in the governing process. A portion of this section will identify key issues and the potential for expansion or update of the sphere of influence, as well as potential changes of organization.
 - **Other Matters Related to Efficient Service Delivery** – This section will discuss how Napa LAFCO policies may affect service delivery.
 - **Relationship with Regional Growth Goals and Policies** - This section will discuss how Plan Bay Area 2040 goals and policies would affect service delivery in St. Helena.
 - **Summary of Determinations** – This section will list the determinations for each section of the MSR.
 - **Recommendations** – This section will contain recommendations based on the analysis in the previous sections for changes to the sphere of influence or changes of organization such as dissolution, detachments, consolidations, or annexations.
2. Review the revised draft with the Napa LAFCO staff.
 3. Review of the revised draft with the City for accuracy only.

TASK 3: DRAFT MSR UPDATE

1. Consultant will incorporate comments received from the City and LAFCO staff into a Draft MSR. If the Draft is substantially different than the previous Draft LAFCO should consider re-circulating the Draft for public comment. If re-circulated the following steps will be added to this task.
 - a. Consultant will make a presentation of the Draft MSR to the full NAPA LAFCO Commission to solicit their comments for inclusion in the final MSR.
 - b. Consultant will consider any comments received from the public at the public hearing or during the comment period for inclusion in the final draft.

Meetings: Consultant will make a presentation to LAFCO Commission as needed.

TASK 4: FINAL MSR/REPORT

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

OPTION 2 - UPDATE THE 2008 MSR

TASK 1: PROJECT INITIATION, DATA COLLECTION, AND REVIEW

1. Project initiation will be completed with a review of the schedule, the format for the reports, and a review of the questionnaire to solicit current data and information. In addition we will meet with City staff to describe our approach to the study, review the outline of the report, and acquire basic information we need to complete the MSR. As part of this process we will transmit the questionnaire and a list of requested documents in prior to our meeting for efficiency. This sub task will also identify areas of a proposed SOI to be included in the MSR analysis.

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

TASK 2: DATA COLLECTION, AND REVIEW

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

Meetings: Consultant will present and discuss preliminary findings with LAFCO and city staff.

TASK 3: ADMINISTRATIVE DRAFT

1. Prepare a Draft for the City of St. Helena, which will include determinations with respect to the eight areas outlined in Government Code Section 56430 (MSR) and Napa LAFCO policies. The Draft will contain the following chapters and sections as described more fully in Option 1:
 - **Introduction**
 - **Executive Summary**
 - **City Profile Growth and Population Projections**

- **The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence**
 - **Present and Planned Capacity of Public Facilities**
 - **Financial Ability to Provide Services**
 - **Status and Opportunity for Shared Facilities**
 - **Government Structure and Accountability**
 - **Other Matters Related to Efficient Service Delivery**
 - **Relationship with Regional Growth Goals and Policies**
 - **Summary of Determinations**
 - **Recommendations**
 - **Acronyms and Abbreviations**
 - **References**
2. Review the administrative draft with the Napa LAFCO staff.
 3. Review the administrative draft with the Napa LAFCO MSR Committee.
 4. Review of the administrative draft by the City for accuracy only.

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

Meetings: Consultant will meet with LAFCO staff and the MSR committee as needed to review and solicit comments on the administrative draft.

TASK 4: DRAFT MSR UPDATE

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

Meetings: Consultant will make a presentation to LAFCO Commission.

TASK 5: FINAL MSR/REPORT

1. Comments received will be attached in an appendix along with responses to comments as appropriate.
2. Submit the Final Draft MSR to LAFCO. The Final Draft will be completed and submitted in time to meet LAFCO noticing requirements.

-
4. Present final MSR report to LAFCO at a public meeting for approval by the Commission.

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

Meetings: Consultant will make a presentation to LAFCO Commission.

OPTION 3 - UPDATE SOI

Prepare a Draft Sphere of Influence Update report on the City of St. Helena which will include determinations with respect to the five areas outlined in Government Code Section 56425 (SOI). Much of the analysis will be based on the determinations of the MSR. The SOI analysis will follow the review process of the MSR with an Administrative Draft, a Draft circulated for public comment, and a Final. This scope of work does not include a CEQA analysis only a recommendation on the level of CEQA analysis that may be required.

TASK 1 INITIATION AND DATA ANALYSIS

1. Meet with LAFCO and City Staff to discuss conceptual approach to updated sphere.
2. Obtain and analyze additional reports and use the data from the MSR.

TASK 2 COMPLETE AN ADMINISTRATIVE DRAFT WITH THE FOLLOWING FORMAT

- **Introduction** – Describes the role and responsibility of LAFCO, the purpose and use of the sphere of influence, and the application of the California Environmental Quality Act.
- **Executive Summary** – Summarizes the findings for each agency and the five areas required to complete a sphere update.
- **City Profile** – This section will provide background information on the formation, enabling legislation, and general information about each agency. This section will also include a map of the City’s boundaries and, the approved urban limit line for the City of St. Helena, the current sphere of influence and a proposed sphere if appropriate.
- **Present and planned land uses in the area, including agricultural and open space lands** - This consists of a review of current and planned land uses based on planning documents to include agricultural and open-space lands.
- **Present and probable need for public facilities and services** - This includes a review of the services available in the area and the need for additional services.
- **Present capacity of public facilities and adequacy of public services provided by the agency** - This section includes an analysis of the capacity of public facilities and the adequacy of public services that the City provides or is authorized to provide.
- **Social or economic communities of interest** - This section discusses the existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the City. These are areas that may be affected by services provided by the city or may be receiving services in the future.

- **Present and probable need for services to unincorporated disadvantaged communities** - Beginning July 1, 2012 the commission must also consider services to disadvantaged communities which are defined as inhabited areas within the SOI whose median household income is less than or equal to 80 percent of the statewide median income.
- **CEQA considerations** - A sphere of influence update is subject to CEQA. This section will briefly discuss the appropriate level of CEQA analysis although it is understood that the final determination and the CEQA document will be prepared by Napa LAFCO.

Task 3 Draft

1. Incorporate comments received on the Administrative Draft and complete the Draft Report.
2. Make a presentation to the Commission and accept their comments as well as public comments.
3. Address any CEQA considerations as appropriate.

Task 4 Final Report

1. Address comments received and incorporate in the final report.
2. Make a presentation to the Commission for final approval.

**SECTION 5:
PROJECT SCHEDULE**

The proposed schedule for each option is shown in Table 1. We anticipate beginning work in January 2018 and completing the final report by the middle of September.

Table 1: Proposed Work Schedule

TASK	DESCRIPTION	COMPLETION DATE		
		Option 1	Option 2	Option 3
1	Project Initiation	1/31/18	1/15/18	4 weeks
2	Data Collection		4/2/18	
3	Administrative Draft	4/2/18	6/1/18	8 weeks
4	Draft to Circulate	5/4/18 ¹	7/16/18	6 weeks
	Presentation of to Commission	June Meeting ¹	August Meeting	Next Meeting
5	Final to Staff	7/16/18 ¹	9/17/18	6 weeks
	Presentation to Commission	August Meeting ¹	October Meeting	Next Meeting
<p>¹ If it is determined that the new Draft is substantially different and will need to be circulated otherwise it will be submitted as the Final that can be presented to the Commission for approval at the June Meeting.</p>				

**SECTION 6:
PROJECT COSTS**

The work will be completed by Elliot Mulberg and Harry Ehrlich. Elliot Mulberg will have primary responsibility for completing the reports. We are proposing 104 hours for Option 1, 137 hours for Option 2 and 60 hours for Option 3..

Table 2: Proposed Fee Schedule

TASK	DESCRIPTION	COST		
		OPTION 1	OPTION 2	OPTION 3 ³
1	Project Initiation		\$600 ¹	
2	Data Collection And Review	\$2,400 ¹	\$2,400	\$800
3	Administrative Draft	\$6,800	\$7,200	\$4,000
4	Draft	\$600 ²	\$2,500 ²	\$600
5	Final	\$600 ²	\$1,000 ²	\$600
Total		\$10,400	\$13,700	\$6,000

¹ Includes meeting with LAFCO Staff and City Staff

² Includes presentation to LAFCO Commission

³ Does not include CEQA analysis

Costs are based on a rate of \$100 per hour for E Mulberg & Associates and \$100 per hour for Mr. Ehrlich. The cost proposal includes the work of the GIS technician and a professional editor. There are no additional direct costs. There are no scheduling conflicts or any conflicts of interest with the City or special districts.

**SECTION 6:
REFERENCES FOR RECENT PROJECTS**

The following is a list of references for a few of the clients of E Mulberg & Associates and Project Resource Specialists.

**E Mulberg & Associates
(Elliot Mulberg)**

Placer County LAFCO
145 Fulweiler Avenue, Suite 110
Auburn, CA 95603
(530) 889-4097
Contact: Kris Berry, Executive Officer

Contra Costa LAFCO
651 Pine Street, 6th Floor
Martinez, CA 94553
(925) 335-1094
Contact: Lou Ann Texeira, Executive Officer

Nevada LAFCo
950 Maidu Ave.
Nevada City, CA 95959
Contact: SR Jones, Executive Officer

**Project Resource Specialists
(Harry Ehrlich)**

Contra Costa LAFCO
651 Pine Street, 6th Floor
Martinez, CA 94553
(925) 335-1094
Contact: Lou Ann Texeira, Executive Officer

San Diego LAFCO
9335 Hazard Way, Suite 200,
San Diego, CA 92123
(858) 614-7755
Contact: Mr. Keene Simmonds



Orange County LAFCO
12 Civic Center Plaza, Room 235
Santa Ana, CA 92701
(714) 834-2556
Contact: Ms. Carolyn Emery

SECTION 7: RESUMES

ELLIOT MULBERG

Elliot Mulberg, M.S. has over 20 years of experience with LAFCO a consultant to LAFCOs, as Executive Officer of Solano LAFCO, as staff for LAFCO of Monterey County, as a special district commissioner to Sacramento LAFCO, and as a director of CALAFCO. Elliot has completed MSRs for special districts and cities, sphere of influence updates, annexations, consolidations, formations, dissolutions and incorporations. Elliot qualified as special district representative to LAFCO and CALAFCO as a director of the Cosumnes Community Services District (CCSD)—provider of parks and fire services to the greater Elk Grove community. Elliot served on the CCSD Board from 1994 to 2006. He also served on the Board of Directors of the Florin Resource Conservation District from 2008-2016, which provides potable water to portions of the City of Elk Grove.

LAFCO PROJECTS

MSR City of Ukiah and Ukiah Valley Special Districts. E Mulberg & Associates has been retained to complete the municipal service review for the City of Ukiah, a full service city. Services provided include water, wastewater, electric utility, solid waste disposal, stormwater drainage, law enforcement, fire and emergency medical services, parks and recreation, animal control, and the operation of an airport. Special districts services include fire, water, wastewater, and a flood control and water conservation improvement district. There is no adopted MSR for the City which is considering annexation of portions of its proposed sphere of influence. Key concerns are water, wastewater, and fire services provided by special districts within the City limits.

Western Nevada County Treated and Raw Water Services Second Round Municipal Service Review. E Mulberg & Associates teamed with Project Resource Specialists as the lead to prepare the MSR for five water service providers in Nevada County including Nevada Irrigation District (NID), the City of Grass Valley, the City of Nevada City, San Juan Ridge County Water District and Washington County Water District. The MSR reviewed both large and small water agencies. NID provide potable water, irrigation water and raw water to large portions of Nevada, Placer Counties as well as portions Yuba County, while San Juan Ridge serves 24 irrigation customers.

MSR for City of Lincoln. Project manager for the preparation of the MSR for the City of Lincoln in Placer County. Lincoln is a full-service city that provides water, wastewater, solid waste, law enforcement, fire, parks and recreation, stormwater, library, and public transit services. The City also operates a municipal airport.

Town of Truckee Sphere of Influence Plans, Nevada LAFCo. Complete the Sphere of Influence Plan update for the Town of Truckee. The Town was incorporated in 1998 with a coterminous sphere of influence. The Town provides law enforcement, planning, and public works services. Having recently completed its 2025 General Plan, an updated sphere plan was developed to incorporate

changes suggested in the new general plan. The report included an Initial Study and Negative Declaration to satisfy CEQA requirements.

MSR for Truckee Public Utility District Electric Utility Services. The Truckee Donner Public Utility District provides water and electric utility services to the greater Truckee area. The electric service had never been the subject of a Municipal Service Review. The Sphere Plan which is still in progress includes the electric service MSR.

Truckee Donner Public Utility District Sphere of Influence Plans, Nevada LAFCo. Completed the Sphere of Influence Plan update for the Truckee Donner Public Utility District, a multi-county special district. The District provides water and electricity to the Town of Truckee and portions of nearby Placer County.

Truckee Sanitary District Sphere of Influence Plans, Nevada LAFCo. Project manager to complete the Sphere of Influence Plan update for the Truckee Sanitary District, a multi-county special district. The District provides wastewater service to the Town of Truckee and portions of nearby Placer County.

MSR County Service Area 44 Fresno County – E Mulberg & Associates was retained to prepare an updated MSR for County Service Area 44. The CSA is essentially four separate districts that provide street lights, water, and wastewater services to three distinct communities in the vicinity of the community of Friant in northern Fresno County.

MSR for City of Roseville. Prepared the MSR for the City of Roseville in Placer County. Roseville is a full-service city that provides water, wastewater, solid waste, law enforcement, fire, parks and recreation, stormwater, library, and public transit services. The City also operates an electric utility.

MSR/SOI for Madison Community Services District. The Madison Community Services District provides water, wastewater, and parks and recreation services to the community of Madison in Yolo County. The project involved preparation of the MSR and an analysis to expand the sphere of influence. In anticipation of a larger sphere, the study also included an Initial Study and Mitigated Negative Declaration to comply with CEQA.

MSR Solano County Water, Irrigation, Reclamation, and Flood Management Agencies. Prepared the MSR for 26 water agencies in Solano County. The agencies included the Solano County Water Agency, an irrigation district, two water districts, and 22 reclamation districts.

Solano LAFCO Executive Officer - Solano LAFCO retained E Mulberg & Associates as Executive Officer for Solano LAFCO. Updated sphere of influence policies that hadn't been revised since 1973. Established a format for MSRs, staff reports, and agenda items. Completed and out of area service agreement for City of Fairfield. Adopted a budget and work plan. Drafted an RFP to hire a consultant to update the MSR for the fire districts who were considering a consolidation.

Formation of the Castroville Community Services District. The applicant requested the consolidation of the Castroville Water District and County Service Area 14 to form the Castroville

Community Services District. Processing the application involved determining the appropriate services for the new district, establishing an appropriation limit, and a sphere of influence. Key issues addressed were the potential overlap of park and recreation services with the North County Recreation and Park District, and the district boundary, which extended into the agricultural protection zone of the Coastal Commission.

Aromas Water District Annexation. The Aromas Water District is a multi-county special district whose boundaries include territory in both San Benito and Monterey counties. The greater assessed value is in San Benito County, making San Benito the principal LAFCO. The district applied to annex all of the territory in the sphere of influence within Monterey County. The San Benito LAFCO passed a resolution allowing LAFCO of Monterey County to process the annexation. The notice of the public hearing brought out several comments from residents who were concerned that they may be required to hook up to the municipal water system and abandon their private wells. With the addition of the Monterey County territory, it is possible Monterey would become the principal county with the greater assessed value.

Spreckels Standard Pacific Sphere of Influence Amendment and Annexation. As a staff of LAFCO of Monterey County, Elliot processed the application for an amendment to the sphere of influence and annexation of 19 acres to the Spreckels Community Services District. The Spreckels Community Services District provides stormwater drainage, garbage collection, and fire protection to the Spreckels community. However, the area in question was already served by the Salinas Rural Fire Protection District. In order to avoid the duplication of services, the applicant was encouraged to amend the proposal to create a separate zone for the CSD that provided all but fire services. The amendment allowed the annexation to go forward without a duplication of services.

Soledad–Creekbridge Annexation. As LAFCo staff, processed the application for the annexation of 46 acres to the City of Soledad. The territory in question had been within the City’s sphere of influence and the intended use was for a shopping center. Key issues were the loss of prime agricultural land and an indefinite boundary that was based on an extension of an existing roadway.

CEQA PROJECTS

Arden Arcade Incorporation Environmental Impact Report. Analyzed environmental impacts for the Public Services and Utilities section of the Environmental Impact Report for the Proposed Incorporation of the City of Arden Arcade in Sacramento County.

Town of Truckee Sphere Plan Initial Study/Negative Declaration. Performed an Initial Study for the Town’s sphere of influence. Included in the study was an analysis of the potential impacts on climate change to comply with the updated CEQA requirements in SB 97. The initial study concluded there were no impacts that required mitigation and a Negative Declaration was appropriate.

Truckee Donner Public Utility District Climate Change Impact Assessment. The Truckee Donner Public Utility District provides water and electricity to the Truckee area. Performed a greenhouse gas analysis for impacts of providing water and electricity to their proposed Sphere of Influence.

Coachella Music Festival Environmental Impact Report. Completed the Air Quality and Greenhouse Gas sections of the Environmental Impact Report for the expansion of the Coachella Music Festival to include two additional festivals with over 100,000 attendees primarily from Southern California and throughout the United States. Key concerns were fugitive dust emissions from the parking and camping areas as well as emissions from over 70 diesel generators which power the festival.

CEQA Consultant Incorporation of Olympic Valley. Reviewed and commented on CEQA documents associated with the Incorporation of Olympic Valley.

PROFESSIONAL AFFILIATIONS

American Planning Association
Association of Environmental Professionals
American Meteorological Society

EDUCATION

University of California Los Angeles—Master of Science, Meteorology 1974
St. Louis University, St. Louis, MO—Bachelor of Science, Meteorology 1972

Mr. Harry Ehrlich, SDA

P.O. Box 2247
Borrego Springs, CA 92004
(c)760.415.6148

Ehrlichprs@gmail.com

As the Principal Consultant of the firm of Project Resource Specialists since January 2007, serving Local Governments and LAFCO's, Mr. Ehrlich provides professional policy analysis and support to respond to organizational and legislative proposals; conducting studies, analysis, and program management. Mr. Ehrlich served as the Director, Legislative Research for the San Diego Local Agency Formation Commission (SDLAFCO) for over 10 years. Mr. Ehrlich represents SDLAFCO to the statewide California Association of Local Agency Formation Commissions (CALAFCO) organization; and is currently serving on the Legislative Committee Working Group. Additionally, Mr. Ehrlich was recognized by CALAFCO as the 2010 and 2012 LAFCO Professional Staff Award recipient.

Mr. Ehrlich retired after 36 years in local government including:

- Deputy General Manager & Assistant General Manager of two Municipal Water Districts in San Diego County (17 years)
- Operations Officer for two Municipal Water Districts including water, recycled water, wastewater, parks, fire/ems and related operations
- Director of Public Works for a city of 100,000 persons
- Director of Public Services including animal control, refuse services administration and facilities maintenance programs
- Manager of Maintenance and Administration for Public Works Dept.
- Administrative Assistant for Public Works and Community Services
- Police Officer for City of Costa Mesa in Orange County (5 years)
- Paid Call (Volunteer) Fire Fighter, Engineer and Captain Officer

Professional Experience Background:

- Oversee operations and legislative programs for Districts and LAFCO
 - Conducted several organizational studies and Strategic Plan Processes
 - Conducted review of four water districts as part of SOI review for City of Santa Clarita MSR study for Los Angeles LAFCO
 - Present governance training for Special Districts Leadership Foundation
 - Elected Director on Board of Borrego Water District in San Diego County
-
- Conducted San Diego LAFCO Special District Municipal Service Reviews, Completed Spheres of Influence Reviews of 76 Special Districts
 - Performed Analysis and Studies of Policy Issues, Developing a Water

Supply Reliability Policy in 2009

- Operational Analysis and Policy Development for Orange County LAFCO
- Analyses Support Services for MSR's in Los Angeles, San Mateo, and Contra Costa LAFCO's
- Administered Transition to Manage Two Wastewater District Areas and Developed Two New Recycled Water Service Areas/Facilities
- Administered City Public Works Streets, Parks, Animal Control Facilities And Operations

Education Background:

- Bachelors Degree - Business Administration from Cal State U Long Beach
- Masters Degree - Public Administration from Cal State U Long Beach
- Certified Special Districts Administrator – SDLF

Professional Associations:

- Associate Member of CALAFCO Since 2007
- Associate Member of California Special Districts Association
- Associate Member of Association of California Water Agencies
- Past President of San Diego Chapter of California Special Districts Association (CSDA)
- Past President and Board member (14 years) of statewide CSDA
- Member and President of CSDA Finance Corporation for Six Years
- Member (14 years) and Past Chairman of SDLAFCO Special Districts Advisory Committee (4 years)
- Special District Representative on San Diego County Treasurer's Investment Oversight Committee for 10 years
- San Diego Region 10 representative on the Association of California Water Agencies (ACWA) State Legislative Committee (3 years)
- Instructor for SDLF in Areas of Setting Direction (Strategic Planning), Fundamentals of Finance and budgeting, and Human Resources; Policies and Special District Administration



The City of St. Helena

*"We will conduct city affairs on behalf of our citizens
using an open and creative process."*

Attachment Three

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Fax: (707) 963-7748

www.sthelenacity.com

January 9, 2018

Brendon Freeman, Executive Officer
Local Agency Formation Commission of Napa County
1030 Seminary Street, Suite B
Napa, CA 94559

Dear Mr. Freeman,

I am writing to confirm our recent telephone conversation related to LAFCO of Napa County's revised timeline for its planned Municipal Services Review (MSR) and Sphere of Influence (SOI) update. It is the City of St. Helena's understanding that the MSR and SOI update have been revised to October 2018 and December 2018 respectively. The City is comfortable with this timeline and looks forward to working with you on these important projects.

Sincerely,

Mark T. Prestwich
City Manager