



Local Agency Formation Commission of Napa County

Subdivision of the State of California

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

■ Margie Mohler, Chair ■ Brad Wagenknecht, Vice Chair ■ Mariam Aboudamous ■ Diane Dillon
■ Kenneth Leary ■ Ryan Gregory, Alternate ■ Eve Kahn, Alternate ■ Beth Painter, Alternate

Administrative Office
1754 Second Street, Suite C
Napa, California 94559
Telephone: 707-259-8645
www.napa.lafco.ca.gov

REGULAR MEETING AGENDA

Monday, December 5, 2022, 2:00 PM

County of Napa Administration Building
1195 Third Street, Board Chambers, 3rd Floor
Napa, California 94559

1. CALL TO ORDER BY CHAIR; ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF AGENDA

The Chair will consider approving the agenda as prepared by the Executive Officer with any requests to remove or rearrange items by members of the Commission or staff.

4. PUBLIC COMMENTS

The public is encouraged to address the Commission concerning any matter not on the Agenda. The Commission is prohibited from discussing or taking action on any item not appearing on the posted Agenda.

5. CONSENT ITEMS

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

Action Items:

- a) [Approval of Meeting Minutes: October 3, 2022 Regular Meeting](#)
- b) [Approval of Meeting Calendar for 2023](#)
- c) [Approval of Amendment to General Policy Determinations Changing the Name to Policy on Proposals and Making Other Changes](#)
- d) [Establishing a Matching Retirement Savings Contribution for the Executive Officer in 2023](#)

Receive Report for Information Only:

- e) [First Quarter Budget Report for Fiscal Year 2022-23](#)
- f) [Current and Future Proposals](#)
- g) [Expiring Commissioner Terms in 2023](#)
- h) [Bay Area Greenprint Case Study on Napa LAFCO](#)
- i) [Legislative Report](#)
- j) [CALAFCO Annual Conference Report](#)

6. ACTION ITEMS

Items calendared for action do not require a public hearing before consideration by the Commission. Applicants may address the Commission. Any member of the public may provide comments on an item.

a) [Financial Audit for Fiscal Year Ending June 30, 2022](#)

The Commission will receive and file a financial audit prepared by Brown Armstrong for the fiscal year ending June 30, 2022.

7. INFORMATION ITEMS

A member of the public may receive permission to provide comments on any item calendared for information at the discretion of the Chair.

a) Presentation on the Napa Valley Drought Contingency Plan

The Commission will receive a presentation on the Napa Valley Drought Contingency Plan. The presentation relates to recommendations included in the Commission's Napa Countywide Water and Wastewater Municipal Service Review.

8. COMMISSIONER COMMENTS/REQUESTS FOR FUTURE AGENDA ITEMS

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

9. RECOGNITION OF SERVICE FOR COMMISSIONERS DILLON AND WAGENKNECHT

10. ADJOURNMENT TO NEXT SCHEDULED MEETING

Monday, February 6, 2023 at 2:00 P.M. at the Napa County Board of Supervisors Chambers, located at 1195 Third Street, 3rd floor, Napa, CA 94559.

MEETING INFORMATION

AGENDA ITEMS: The Commission may reschedule items on the agenda. The Commission will generally hear uncontested matters first, followed by discussions of contested matters, and staff announcements in that order.

CONDUCT OF HEARINGS: A contested matter is usually heard as follows: (1) discussion of the staff report and the environmental document; (2) testimony of proponent; (3) public testimony; (4) rebuttal by proponent; (5) provision of additional clarification by staff as required; (6) close of the public hearing; (7) Commission discussion and Commission vote.

ADDRESSING THE COMMISSION: The Local Agency Formation Commission (LAFCO) of Napa County welcomes and encourages participation in its meetings. Any person who wishes to address the Commission should move to the front of the chambers when an item is called and, when recognized by the Chair, state their name, address, and affiliation. Please attempt to make your statements concise and to the point. It is most helpful if you can cite facts to support your contentions. Groups of people with similar viewpoints should appoint a spokesperson to represent their views to the Commission. The Commission appreciates your cooperation in this matter.

PUBLIC COMMENT TIME LIMITS: The Commission will hear public comment prior to the consideration of any item. (1) A principal proponent will be allowed up to a 5-minute statement; (2) other proponents will be allowed up to 3-minute statement; (3) opponents are allowed up to 3-minute statement with the exception of spokespersons for any group who shall be permitted up to 5-minutes; (4) the principal proponent shall have up to a 3-minute rebuttal; (5) staff will provide clarification, as required.

SUBMITTING WRITTEN COMMENTS TO BE READ AT THE MEETING: Any member of the public may submit a written comment to the Commission before the meeting by email to info@napa.lafco.ca.gov or by mail to Napa LAFCO at 1754 Second Street, Suite C, Napa, CA 94559-2450. If you are commenting on a particular item on the agenda, please identify the agenda item number and letter. Any comments of 500 words or less (per person, per item) will be read into the record if: (1) the subject line includes "COMMENT TO COMMISSION – PLEASE READ"; and (2) it is received by the Commission prior to the deadline of **December 5, 2022 at 10:00 A.M.**

SUBMITTING SUPPLEMENTAL WRITTEN COMMENTS: Any member of the public may submit supplemental written comments to the Commission, beyond the 500-word limit for comments read into the record, and those supplemental written comments will be made a part of the written record.

VOTING: A quorum consists of three members of the Commission. No action or recommendation of the Commission is valid unless a majority of the quorum of the Commission concurs therein.

OFF AGENDA ITEMS: Matters under the jurisdiction of the Commission and not on the posted agenda may be addressed by the public under “Public Comments” on the Agenda. The Commission limits testimony on matters not on the agenda to 500-words or less for a particular subject. The Commission cannot take action on any unscheduled items.

SPECIAL NEEDS: Meetings are accessible to persons with disabilities. Requests for assistive listening devices or other considerations should be made 72 hours in advance through LAFCO staff at (707) 259-8645 or info@napa.lafco.ca.gov.

POLITICAL REFORM ACT: Pursuant to Government Code Sections 56700.1 and 81000 et seq., any person or combination of persons who directly or indirectly contributes \$1,000 or more or expends \$1,000 or more in support of or in opposition to a change of organization or reorganization that will be, or has been, submitted to LAFCO must comply, to the same extent as provided for local initiative measures, with reporting and disclosure requirements of the California Political Reform Act of 1974. Additional information can be obtained by contacting the Fair Political Practices Commission. Pursuant to Government Code Section 84308, if you wish to participate in the proceedings indicated on this agenda, you or your agent is prohibited from making a campaign contribution of \$250 or more to any Commissioner or Alternate Commissioner. This prohibition begins on the date you begin to actively support or oppose an application before LAFCO and continues until three months after a final decision is rendered by LAFCO. If you or your agent has made a contribution of \$250 or more to any Commissioner or Alternate Commissioner during the 12 months preceding the decision, that Commissioner or Alternate Commissioner must disqualify themselves from the decision in the proceeding. However, disqualification is not required if the Commissioner or Alternate Commissioner returns that campaign contribution within 30 days of learning both about the contribution and the fact that you are a participant in the proceedings.

MEETING MATERIALS: Any writings or documents provided to a majority of the members of the Commission regarding any item on this agenda after the posting of the agenda and not otherwise exempt from disclosure will be made available for public review at <https://www.napa.lafco.ca.gov> or by contacting LAFCO staff at info@napa.lafco.ca.gov or call the LAFCO office at (707) 259-8645. If the supplemental materials are made available to the members of the Commission at the meeting, a copy will be available for public review at <https://www.napa.lafco.ca.gov>. Staff reports are available online at https://www.napa.lafco.ca.gov/staff_reports.aspx or upon request to LAFCO staff at info@napa.lafco.ca.gov or call the LAFCO office at (707) 259-8645.

VIEWING RECORDING OF MEETING: The Commission’s meeting will be recorded. Members of the public may access the meeting and other archived Commission meetings by going to https://www.napa.lafco.ca.gov/cm_meeting_video.aspx. Please allow up to one week for production time. Meetings are also broadcast on Napa TV on the second and fourth Tuesdays of each month at 8pm and second and fourth Wednesdays at 1pm (<http://napavalleytv.org/channel-28>).



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

Agenda Item 5a (Consent/Action)

TO: Local Agency Formation Commission

PREPARED BY: Dawn Mittleman Longoria, Analyst II/Interim Clerk *DML*

MEETING DATE: December 5, 2022

SUBJECT: Approval of Meeting Minutes: October 3, 2022 Regular Meeting

SUMMARY AND RECOMMENDATION

This is a consent item for formal action. Accordingly, if interested, the Commission is invited to pull this item for additional discussion with the concurrence of the Chair.

The Commission will consider approving the draft meeting minutes prepared by staff for the October 3, 2022 regular meeting, included as Attachment One. The draft meeting minutes have been prepared by staff as “action” minutes, and staff will continue preparing action minutes for future meetings unless otherwise directed by the Commission.

Staff recommends approval of the draft meeting minutes.

ATTACHMENT

- 1) Draft Minutes for October 3, 2022 Regular Meeting

Margie Mohler, Chair
Councilmember, Town of Yountville

Mariam Aboudamous, Commissioner
Councilmember, City of American Canyon

Beth Painter, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Vice 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

Kenneth Leary, Commissioner
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer



**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
MEETING MINUTES OF OCTOBER 3, 2022**

1. WELCOME AND CALL TO ORDER; ROLL CALL (teleconference)

Chair Mohler called the regular meeting of October 3, 2022 to order at 2:00 PM.

At the time of roll call, the following Commissioners and staff were present:

Regular Commissioners	Alternate Commissioners	Staff
Margie Mohler, Chair	Ryan Gregory	Brendon Freeman, Executive Officer
Brad Wagenknecht, Vice Chair	Eve Kahn	Gary Bell, Commission Counsel
Mariam Aboudamous	Beth Painter	Dawn Mittleman Longoria, Analyst II and Interim Clerk
Diane Dillon		
Kenneth Leary		

Chair Mohler read the agenda section regarding the authority to conduct the meeting via teleconference due to the COVID-19 state of emergency.

2. PLEDGE OF ALLEGIANCE

Chair Mohler led the Pledge of Allegiance.

3. APPROVAL OF AGENDA

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

VOTE:

AYES: DILLON, ABOUDAMOUS, LEARY, MOHLER AND WAGENKNECHT

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

4. PUBLIC COMMENTS

Chair Mohler invited members of the audience to provide public comment. No comments were received.

5. CONSENT ITEMS

Action Items:

- a) **Approval of Resolution Authorizing Continued Teleconference Meetings under Government Code Section 54953(e) (AB 361)**
- b) **Approval of Meeting Minutes: August 1, 2022, Regular Meeting**
- c) **Approval of Amendment to Policy on Indemnification**

Receive Report for Information Only:

- d) **Countywide Update on Housing and General Plans**
- e) **CALAFCO Quarterly Newsletter**
- f) **Legislative Report**
- g) **Current and Future Proposals**

Chair Mohler asked if Commissioners wanted to discuss any of the consent items, no requests were made.

Upon motion by Commissioner Aboudamous and second by Commissioner Leary, the consent items were approved by roll call vote:

VOTE:

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

6. PUBLIC HEARING

Chair Mohler invited members of the audience to provide public comment. No comments were received.

- a) **Final Municipal Service Review and Sphere of Influence Review for the Silverado Community Services District**

The Commission received and discussed the final Municipal Service Review and Sphere of Influence Review for the Silverado Community Services District.

Upon motion by Vice Chair Wagenknecht and second by Commissioner Aboudamous, the Commission adopted a resolution confirming the determinative statements and making no changes to the District's sphere.

VOTE:

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

- b) **Big Ranch Road/Garfield Lane No. 2 Annexation to the Napa Sanitation District**

The Commission considered a proposal submitted by landowner petition for the annexation of six incorporated parcels and the adjacent rights-of-way totaling approximately 7.5 acres in size to the Napa Sanitation District. The affected territory is located in the City of Napa at 2023, 2033, 2157, 2159 & 2175 Big Ranch Road, and 56 Garfield Lane, and identified as Assessor

Parcel Numbers 038-170-008, 038-170-007, 038-160-009, 038-160-008, 038-160-006 & 038-160-014, respectively.

Upon motion by Commissioner Leary and second by Vice Chair Wagenknecht, the Commission adopted a resolution approving annexation of the affected territory to the Napa Sanitation District

VOTE:

AYES: **LEARY, WAGENKNECHT, ABOUDAMOUS, DILLON, AND MOHLER**

NOES: **NONE**

ABSENT: **NONE**

ABSTAIN: **NONE**

7. ACTION ITEMS

Items calendared for action do not require a public hearing before consideration by the Commission. Chair Mohler invited members of the audience to provide public comment. No comments were received.

a) Penny Lane No. 5 Reorganization

The Commission considered approving a proposal submitted by landowner petition for the annexation of one unincorporated parcel and the adjacent right-of-way totaling approximately 0.37 acres in size to the City of Napa along with concurrent detachment from County Service Area No. 4. The affected territory is located at 2165 Penny Lane and identified as Assessor Parcel Number 046-422-018.

Upon motion by Commissioner Leary and second by Chair Mohler, the Commission adopted a resolution approving annexation of the affected territory to the City of Napa along with concurrent detachment from County Service Area No. 4.

VOTE:

AYES: **LEARY, MOHLER, ABOUDAMOUS, DILLON, AND WAGENKNECHT**

NOES: **NONE**

ABSENT: **NONE**

ABSTAIN: **NONE**

b) Darling Street No. 7 Annexation to the Napa Sanitation District

The Commission considered a proposal submitted by landowner petition for the annexation of one incorporated parcel and the adjacent right-of-way totaling approximately 0.65 acres in size to the Napa Sanitation District. The affected territory is located in the City of Napa at 1239 Darling Street and identified as Assessor Parcel Number 038-471-005.

Upon motion by Vice Chair Wagenknecht and second by Chair Mohler, the Commission adopted a resolution approving the annexation of the affected territory to the Napa Sanitation District.

VOTE:

AYES: **WAGENKNECHT, MOHLER, ABOUDAMOUS, DILLON, AND LEARY**

NOES: **NONE**

ABSENT: **NONE**

ABSTAIN: **NONE**

c) **Wine Country Avenue No. 6 Annexation to the Napa Sanitation District**

The Commission considered a proposal submitted by landowner petition for the annexation of two incorporated parcels totaling approximately 2.5 acres in size to the Napa Sanitation District. The affected territory is located in the City of Napa at 1116 & 1118 Wine Country Avenue and identified as Assessor Parcel Numbers 035-511-012 & 035-511-014, respectively.

Upon motion by Commissioner Leary and second by Vice Chair Wagenknecht, the Commission adopted a resolution approving annexation of the affected territory to the Napa Sanitation District

VOTE:

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

8. INFORMATION TEMS

Chair Mohler invited members of the audience to provide public comment. No comments were received.

a) **Informational Report and Discussion Regarding Executive Officer's Evaluation and Cost of Living Adjustments and County's Management Equity Study Related to Compensation and Benefits for Commission Personnel and County Employees**

9. COMMISSIONER COMMENTS/REQUESTS FOR FUTURE AGENDA ITEMS

Chair Mohler opened the meeting to Commission comments/requests; none were received.

10. ADJOURNMENT TO NEXT REGULAR SCHEDULED MEETING

The meeting was adjourned at 2:41 PM. The next regular LAFCO meeting is scheduled for Monday, December 5, 2022, at 2:00 PM. The meeting location will be at the Napa County Board of Supervisors Chambers, located at 1195 Third Street, 3rd floor, Napa, CA 94559.

Margie Mohler, LAFCO Chair

ATTEST:

Brendon Freeman, Executive Officer

Prepared by:

Dawn Mittleman Longoria, Interim Commission Clerk



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Agenda Item 5b (Consent/Action)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer *BF*

MEETING DATE: December 5, 2022

SUBJECT: Approval of Meeting Calendar for 2023

SUMMARY AND RECOMMENDATION

This is a consent item for formal action. Accordingly, if interested, the Commission is invited to pull this item for additional discussion with the concurrence of the Chair.

It is recommended the Commission approve a meeting calendar for 2023 consisting of the following dates: February 6; April 3; June 5; July 10 (special meeting); August 7; October 2; and December 4.

The Commission's *Policy on Scheduling of Commission Meetings*, included as Attachment One, states the Commission shall meet on the first Monday of all even-numbered months at 2:00 PM in the Napa County Board of Supervisors Chambers located at 1195 Third Street, Third Floor. Special meetings may also be scheduled as needed.

It is recommended the Commission schedule six regular meetings in 2023 at 2:00 PM in the Board of Supervisors Chambers on February 6; April 3; June 5; August 7; October 2; and December 4. In addition, it is recommended the Commission schedule a special meeting at 9:00 AM in the Town of Yountville Council Chambers on July 10 for a strategic planning session.

ATTACHMENT

- 1) Policy on Scheduling of Commission Meetings

Margie Mohler, Chair
Councilmember, Town of Yountville

Mariam Aboudamous, Commissioner
Councilmember, City of American Canyon

Beth Painter, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Vice 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

Kenneth Leary, Commissioner
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer



LOCAL AGENCY FORMATION COMMISSION OF NAPA

Policy on Scheduling of Commission Meetings

(Adopted: June 14, 2001; Last Amended: August 1, 2022)

I. BACKGROUND

Meetings of the Local Agency Formation Commission (LAFCO) of Napa County will be noticed and conducted in accordance with the Ralph M. Brown Act, [California Government Code \(G.C.\) §54950 et seq.](#) In response to [G.C. §54954](#), this policy establishes the time and place for regular meetings and additionally establishes how a special meeting may be scheduled.

II. PROCEDURES

A. Regular Meetings

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

B. Special Meetings

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



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Agenda Item 5c (Consent/Action)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer *BF*
Dawn Mittleman Longoria, Analyst II/Interim Clerk *DML*

MEETING DATE: December 5, 2022

SUBJECT: Approval of Amendment to General Policy Determinations Changing the Name to Policy on Proposals and Making Other Changes

SUMMARY AND RECOMMENDATION

This is a consent item for formal action. Accordingly, if interested, the Commission is invited to pull this item for additional discussion with the concurrence of the Chair.

It is recommended the Commission adopt the Resolution of the Local Agency Formation Commission of Napa County Amending its General Policy Determinations Changing the Name to Policy on Proposals and Making Other Changes, included as Attachment One.

The Policy Committee met on three occasions and agreed to recommend an amendment to the Commission's adopted *General Policy Determinations* ("the Policy"). A clean version of the proposed amendment is Exhibit "A" to the draft resolution, which is included as Attachment One. The amendment with tracked changes is included as Attachment Two.

The proposed amendment involves the following substantive changes:

- Change the name to *Policy on Proposals* in recognition of the Policy's specific orientation to proposals for changes of organization or reorganization;
- Clarify, modernize, and simplify language throughout the Policy, including deletion of confusing, irrelevant, or unnecessary language; and
- Add recognition of the importance of the Napa County Agricultural Preserve and urban growth boundaries.

ATTACHMENTS

- 1) Draft Resolution Amending the *General Policy Determinations* and Changing Name to *Policy on Proposals*
- 2) Proposed Amendment to *General Policy Determinations* (Tracked Changes)

Margie Mohler, Chair
Councilmember, Town of Yountville

Mariam Aboudamous, Commissioner
Councilmember, City of American Canyon

Beth Painter, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Vice 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

Kenneth Leary, Commissioner
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

RESOLUTION NO. _____

**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
AMENDING ITS GENERAL POLICY DETERMINATIONS CHANGING THE NAME TO
POLICY ON PROPOSALS AND MAKING OTHER CHANGES**

WHEREAS, on August 9, 1972, the Local Agency Formation Commission of Napa County (the “Commission”) adopted its *General Policy Determinations*; and

WHEREAS, the Commission most recently amended the *General Policy Determinations* on June 7, 2021; and

WHEREAS, the Commission considered a proposed amendment to the *General Policy Determinations*, including changing the name to *Policy on Proposals* and making other changes, at its regular meeting on December 5, 2022; and

NOW, THEREFORE, BE IT RESOLVED that the Commission hereby amends the *General Policy Determinations* and changes the name to *Policy on Proposals* and make other changes, as attached hereto as “Exhibit A”.

This Resolution shall take effect immediately.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on December 5, 2022, after a motion by Commissioner _____, seconded by Commissioner _____, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSENT: Commissioners _____

ABSTAIN: Commissioners _____

Margie Mohler
Commission Chair

ATTEST: _____
Brendon Freeman
Executive Officer

Recorded by: Dawn Mittleman Longoria
Interim Commission Clerk



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

Policy on Proposals

(Adopted: August 9, 1972; Last Amended: December 5, 2022)

I. Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) specifies the Local Agency Formation Commission (LAFCO) of Napa County's principal objectives are discouraging urban sprawl, preserving open space and agricultural resources, and encouraging the orderly formation and development of cities, towns, and special districts and their municipal services based on local conditions.¹ Regulatory duties include approving or disapproving proposals involving the formation, reorganization, expansion, and dissolution of cities, towns, and special districts. The Commission's regulatory actions must be consistent with its adopted written policies and procedures. The Commission must also inform its regulatory duties through a series of planning activities, which includes establishing and updating spheres of influence (SOIs).²

II. Purpose

The purpose of this policy is to guide the Commission in considering proposals for changes of organization as defined under [California Government Code \(G.C.\) §56021](#) and reorganizations as defined under [G.C. §56073](#).

III. Objective

It is the objective of the Commission to acknowledge and incorporate the policies of the Legislature regarding the promotion of orderly, well-planned development patterns that avoid the premature conversion of agricultural and open space lands and ensure effective, efficient, and economic provision of essential public services. The Commission reserves discretion in administering these policies to address special conditions and circumstances as needed.

IV. Commission Declarations

The Commission declares its intent not to permit the premature conversion of agricultural or open space lands to urban uses. The Commission shall adhere to the following policies in the pursuit of this intent, and all proposals shall be reviewed with these policies as guidelines.

A) Use of Municipal Service Reviews:

In evaluating a proposal, the Commission will use information contained within the most recently completed Municipal Service Review (MSR) for any affected agencies. The Commission retains discretion to determine if the most recent MSR is adequate for making decisions related to proposals.

¹ CKH is codified under [G.C. §56000](#) et seq.

² The Commission's *Policy on Spheres of Influence* is available online at: <https://www.napa.lafco.ca.gov>.

- B) Use of County General Plan Designations:
 In evaluating a proposal, the Commission will give great weight to the Napa County General Plan to determine designated agricultural and open space lands. The Commission recognizes that inconsistencies may occur between the County General Plan and city or town general plans with respect to agricultural and open space designations. Notwithstanding these potential inconsistencies, the Commission will give great weight to the County General Plan in recognition of the public support expressed in both the incorporated and unincorporated areas of Napa County for the County's designated agricultural and open space lands through enactment of Measure P in 2008.³
- C) Recognition of the Napa County Agricultural Preserve:
 The first Agricultural Preserve in the United States was created in 1968 by the Napa County Board of Supervisors. The Agricultural Preserve protects lands in the fertile valley and foothill areas of Napa County in which agriculture is, and should continue to be, the predominant land use. The Commission will consider the Agricultural Preserve in the processing of proposals.
- D) Location of Urban Development:
 The Commission will give great weight to urban growth boundaries and guide urban development away from agricultural or open space lands until such times as urban development becomes an overriding consideration as determined by the Commission. The Commission encourages urban development be located within areas designated for urban use in the County General Plan and in close proximity to a city, town, or special district that can provide any needed public services. Urban development should be discouraged if it is apparent that any needed public services necessary for the proposed development cannot readily be provided by a city, town, or special district.
- E) Timing of Urban Development:
 The Commission discourages proposals involving the premature annexation of undeveloped or underdeveloped lands to cities, towns, and special districts that provide potable water, sewer, fire protection and emergency response, or police protection services. This policy does not apply to proposals in which the affected lands are subject to a specific development plan or agreement under consideration by a land use authority. This policy does not apply to city or town annexation proposals in which the affected lands are part of an unincorporated island.⁴
- F) Encouragement of Reorganizations:
 The Commission encourages reorganization proposals when appropriate and feasible to facilitate boundary changes involving two or more local governmental agencies. The Commission recognizes the efficiency of reorganizations to simplify and expedite logical and orderly concurrent boundary changes.

³ Measure P is an extension of Measure J, which was enacted in 1990 and requires voter approval for any changes that would re-designate unincorporated agricultural and open space lands.

⁴ The Commission's *Policy on Unincorporated Islands* is available online at: <https://www.napa.lafco.ca.gov>.

- G) Factors for Evaluating Proposals Involving Agricultural or Open Space Lands:
The Commission recognizes there are distinct and varying attributes and classifications associated with agricultural and open space designated lands. A proposal which includes agricultural or open space land shall be evaluated considering the following factors:
- (1) "Agricultural land", as defined by [G.C. §56016](#).
 - (2) "Prime agricultural land", as defined by [G.C. §56064](#).
 - (3) "Open space", as defined by [G.C. §56059](#).
 - (4) Land that is under contract to remain in agricultural or open space use, such as a Williamson Act Contract or Open Space Easement.
 - (5) Land with a County General Plan agricultural or open space designation (*Agricultural Resource* or *Agriculture, Watershed and Open Space*).
 - (6) The adopted general plan policies of the County and any affected city or town.
- H) Activating Latent Services and Deactivating Existing Services:
Commission approval is required for a special district to establish new services (i.e., activate latent service powers that were not previously authorized) or divestiture of existing services (i.e., deactivate service powers that were previously authorized) within all or parts of its jurisdictional boundary. Requests by a special district shall be made by adoption of a resolution of application and include all the information required and referenced under [G.C. §56824.12](#).

V. Policies Concerning Annexations

- A) General Policies Concerning All Annexations:
- (1) Inclusion in SOI:
The affected territory shall be included, or the applicant has concurrently requested the affected territory be included, within the affected agency's SOI prior to issuance of the Executive Officer's certificate of filing for the subject annexation proposal. The Executive Officer may amend both an SOI amendment and annexation application for Commission consideration and action at the same meeting.
 - (2) Property Tax Exchange Agreement:
A property tax exchange agreement between all affected agencies should be in place prior to submittal of an annexation proposal.

(3) Inclusion of Public Rights-of-Way:

When a proposal for annexation involves territory located adjacent to a public right-of-way, the proposal should also include the adjacent portion of right-of-way to facilitate logical and orderly boundaries for any affected agencies.

(4) Boundary Modifications:

The Commission encourages modifications to proposed annexation boundaries when appropriate and feasible in order to facilitate logical and orderly boundaries for any affected local agencies. During the preliminary consultation phase, staff will encourage applicants to contact landowners of nearby properties to solicit interest in joining the annexation.

B) Policies Concerning Annexations to a City or Town:(1) General Plan Designation and Rezoning:

The territory proposed for annexation shall be included in the city or town general plan and rezoned prior to submittal of an annexation proposal.

(2) Urban Growth Boundaries:

To the extent that a city or town maintains an urban growth boundary, the affected territory proposed for annexation should be included in the urban growth boundary prior to submittal of an annexation proposal. This does not apply to proposals consistent with [G.C. §56742](#).

(3) Proposals Within Unincorporated Islands:

When a proposal for annexation involves territory within an unincorporated island, staff will encourage the affected city or town to apply for the annexation of the entire island.

C) Policies Concerning Annexation of Municipally-Owned Land:(1) Land Owned and Used by a City or Town Located Outside Their SOI:

Land that is owned by a city or town, used by the city or town for a municipal purpose, and located outside their SOI may be annexed pursuant to [G.C. §56742](#).

(2) Restricted Use Lands Owned by Public Agencies:

The Commission discourages annexation of municipally-owned land designated agricultural or open space in the County General Plan or subject to a Williamson Act contract unless the land will be used for a municipal purpose and no suitable alternative site reasonably exists within the affected agency's SOI.

(3) Municipal Purpose Defined:

Municipal purpose means a public service facility, but does not include agricultural or open space land.

D) Concurrent Annexation Policies:

The Commission encourages concurrent annexations to cities, towns, and special districts whenever appropriate and feasible.

(1) City of Napa and Napa Sanitation District (NSD):a) Annexations to NSD:

All annexation proposals to NSD involving territory located outside of the City should include annexation to the City if the affected territory is located within the City's SOI, is located within the City's Rural Urban Limit, and annexation is legally possible.

b) Annexations to the City:

All annexation proposals to the City involving territory located outside of NSD should annex to NSD if the affected territory is located within NSD's SOI and if service is available.

(2) City of American Canyon and American Canyon Fire Protection District (ACFPD):a) Annexations to ACFPD:

All annexation proposals to ACFPD involving territory located outside of the City should annex to the City if the affected territory is located within the City's SOI, is located within the City's Urban Limit Line, and annexation is legally possible.

b) Annexations to the City:

All annexation proposals to the City involving territory located outside of ACFPD should annex to ACFPD if the affected territory is located within ACFPD's SOI and if service is available.

(3) County Service Area (CSA) No. 4:a) Annexations to Cities or Towns:

All annexations to a city or town should include concurrent detachment from CSA No. 4 unless the affected territory has been, or is expected to be, developed to include planted vineyards totaling one acre or more.

VI. Policies Concerning City or Town Incorporations

- A) The Commission discourages proposals to incorporate communities unless substantial evidence suggests the County and any affected special districts are not effectively meeting the needs of the community.
- B) The Commission discourages proposals to incorporate communities involving land that is not already receiving essential public services from special districts.



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

General Policy Determinations on Proposals

(Adopted: August 9, 1972; Last Amended: ~~June 7, 2024~~ December 5, 2022)

I. Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) specifies the Local Agency Formation Commission (LAFCO) of Napa County's principal objectives are discouraging urban sprawl, preserving open space and agricultural resources, and encouraging the orderly formation and development of cities, towns, and special districts and their municipal services based on local conditions.¹ Regulatory duties include approving or disapproving proposals involving the formation, reorganization, expansion, and dissolution of cities, towns, and special districts. The Commission's regulatory actions must be consistent with its adopted written policies and procedures. The Commission must also inform its regulatory duties through a series of planning activities, which includes establishing and updating spheres of influence (SOIs).²

II. ~~General Policies~~ Purpose

The ~~intent purpose of these policies~~ this policy is to guide the Commission ~~serve as the Commission's constitution with regards to outlining clear goals, objectives, and requirements in uniformly fulfilling its prescribed duties~~ in considering proposals for changes of organization as defined under California Government Code (G.C.) §56021 and reorganizations as defined under G.C. §56073.

III. Objective

It is the objective of the Commission to acknowledge and incorporate the policies of the Legislature regarding the promotion of orderly, well-planned development patterns that avoid the premature conversion of agricultural and open space lands and ensure effective, efficient, and economic provision of essential public services. The Commission reserves discretion in administering these policies, ~~however,~~ to address special conditions and circumstances as needed.

A) ~~Legislative Declarations~~

~~The Commission acknowledges and incorporates into its own policies, the policies of the Legislature regarding the promotion of orderly, well-planned development patterns that avoid the premature conversion of agricultural and open space lands and ensure effective, efficient, and economic provision of essential public services. The Commission wishes to specifically note the following declarations and policies contained in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000:~~

¹ ~~The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000~~ CKH is codified under California Government Code G.C. §56000 et seq.

² The Commission's Policy on Spheres of Influence is available online at: <https://www.napa.lafco.ca.gov>.

- ~~(1) The Legislature recognizes that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing that development with sometimes competing state interests of discouraging urban sprawl, preserving open space and prime agricultural lands, and efficiently extending government services. (G.C. §56000)~~
- ~~(2) It is the intent of the Legislature that each commission, not later than January 1, 2002, shall establish written policies and procedures and exercise its powers pursuant to this part in a manner consistent with those policies and procedures, and that encourages and provides planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open space lands within those patterns. (G.C. §56300)~~
- ~~(3) In reviewing and approving or disapproving proposals which could reasonably be expected to induce, facilitate, or lead to the conversion of existing open-space lands to uses other than open space uses, the commission shall consider all of the following policies and priorities:~~
- ~~a) Development or use of land for other than open space uses shall be guided away from existing prime agricultural lands in open space use toward areas containing nonprime agricultural lands, unless that action would not promote the planned, orderly, efficient development of an area.~~
 - ~~b) Development of existing vacant or nonprime agricultural lands for urban uses within the existing jurisdiction of a local agency or within the sphere of influence of a local agency should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for non open space uses which are outside of the existing jurisdiction of the local agency or outside of the existing sphere of influence of the local agency. (G.C. §56377)~~

B) IV. Commission Declarations

The Commission declares its intent not to permit the premature conversion of **designated** agricultural or open space lands to urban uses. The Commission shall adhere to the following policies in the pursuit of this intent, and all proposals, ~~projects, and studies~~ shall be reviewed with these policies as guidelines.

A) Use of Municipal Service Reviews:
~~In evaluating a proposal, the Commission will use information contained within the most recently completed Municipal Service Review (MSR) for any affected agencies. The Commission retains discretion to determine if the most recent MSR is adequate for making decisions related to proposals.~~

B) Use of County General Plan Designations:
 In evaluating a proposal, the Commission will ~~use~~ give great weight to the Napa County General Plan to determine designated agricultural and open space lands. The Commission recognizes that inconsistencies may occur between the County General Plan and ~~the affected city or town~~ general plans with respect to

agricultural and open space designations. Notwithstanding these potential inconsistencies, the Commission will ~~give great weight to rely on~~ the Napa County General Plan in recognition of the public support expressed in both the incorporated and unincorporated areas of Napa County for the County's designated agricultural and open space lands through enactment of ~~Measure "J" in 1990 and~~ Measure P in 2008.³

C) Recognition of the Napa County Agricultural Preserve:

The first Agricultural Preserve in the United States was created in 1968 by the Napa County Board of Supervisors. The Agricultural Preserve protects lands in the fertile valley and foothill areas of Napa County in which agriculture is, and should continue to be, the predominant land use. The Commission will consider the Agricultural Preserve in the processing of proposals.

D) Location of Urban Development:

The Commission will give great weight to urban growth boundaries and ~~shall~~ guide urban development away from ~~designated~~ agricultural or open space lands until such times as urban development becomes an overriding consideration as determined by the Commission. The Commission encourages urban development be located within areas designated for urban use in the County General Plan and in close proximity to a city, town, or special district that can provide any needed public services. Urban development should be discouraged if it is apparent that any needed public services necessary for the proposed development cannot readily be provided by a city, town, or special district.
~~The Commission will give great weight to adopted urban growth boundaries.~~

E) Timing of Urban Development:

The Commission discourages proposals involving the premature annexation of undeveloped or underdeveloped lands to cities, towns, and special districts that provide potable water, sewer, fire protection and emergency response, or police protection services. This policy does not apply to proposals in which the affected lands are subject to a specific development plan or agreement under consideration by a land use authority. This policy does not apply to city or town annexation proposals in which the affected lands are part of an unincorporated island.⁴

F) Encouragement of Reorganizations:

The Commission encourages reorganization proposals when appropriate and feasible to facilitate boundary changes involving two or more local governmental agencies. The Commission recognizes the efficiency of reorganizations to simplify and expedite logical and orderly concurrent boundary changes.

³ Measure P is an extension of Measure J, which was enacted in 1990 and requires voter approval for any changes that would re-designate unincorporated agricultural and open space lands.

⁴ The Commission's Policy on Unincorporated Islands is available online at: <https://www.napa.lafco.ca.gov>.

~~FG)~~ G) Factors for Evaluating Proposals Involving Agricultural or Open Space Lands:

The Commission recognizes there are distinct and varying attributes and classifications associated with agricultural and open space designated lands. -A proposal which includes agricultural or open space ~~designated~~ land shall be evaluated ~~in light of~~ considering the ~~existence of the~~ following factors:

~~(1)~~ (1) "Agricultural land", as defined by G.C. §56016.

~~(2)~~ (2) "Prime agricultural land", as defined by G.C. §56064.

~~(3)~~ (3) "Open space", as defined by G.C. §56059.

~~(4)~~ (4) Land that is under contract to remain in agricultural or open space use, such as a Williamson Act Contract or Open Space Easement.

~~(5)~~ (5) Land ~~which has with~~ a County General Plan agricultural or open space designation (*Agricultural Resource or Agriculture, Watershed and Open Space*).

~~(6)~~ (6) The adopted general plan policies of the County and ~~the any~~ affected city or town.

~~(7)~~ (7) ~~The agricultural economic integrity of land proposed for conversion to urban use as well as adjoining land in agricultural use.~~

~~(8)~~ (8) ~~The potential for the premature conversion of adjacent agricultural or open space designated land to urban use.~~

~~(9)~~ (9) ~~The potential of vacant non-prime agricultural land to be developed with a use that would then allow the land to meet the definition of prime agricultural land under the Williamson Act.~~

H) Activating Latent Services and Deactivating Existing Services:

IV. Commission approval is required for a special district to establish new services (i.e., activate latent service powers that were not previously authorized) or divestiture of existing services (i.e., deactivate service powers that were previously authorized) within all or parts of its jurisdictional boundary. Requests by a special district shall be made by adoption of a resolution of application and include all the information required and referenced under G.C. §56824.12.

V. Policies Concerning the County of Napa

V. A) Location of Urban Development in Unincorporated Areas

~~A) Development of an urban character and nature should be located within areas designated as urban areas by the County General Plan in close proximity to a city, town, or special district which that can provide any needed essential public services.~~

~~(1) Urban development should be discouraged if it is apparent that essential any needed public services necessary for the proposed development cannot readily be provided by a city, town, or special district.~~

~~B) The Commission shall review and comment, as appropriate, on development projects that would require the extension of any needed public services or the creation of new service providers to furnish services into previously unserved territory within unincorporated areas.~~

~~B) Use of County Service Areas and Community Services Districts~~

~~(1) In those unincorporated urban areas where essential urban services are being, or will be, provided by the County, the Board of Supervisors should are encouraged to consider the establishment of county service areas or community services districts so that area residents and landowners pay their fair and equitable share for the services received.~~

~~V. Policies Concerning Cities~~

~~A) Incorporations~~

~~A) The Commission discourages proposals to incorporate communities unless substantial evidence suggests the County and any affected special district are not effectively meeting the needs of the community.~~

~~B) The Commission discourages proposals to incorporate communities involving land that is not already receiving essential public services from a special district.~~

~~C) Any community proposed for incorporation in Napa County shall have at least 500 registered voters residing with the affected area at the time proceedings are initiated with the Commission as required under G.C. §56043.~~

~~VI. Policies Concerning Special Districts~~

~~A) In Lieu of New District Creation~~

~~(1) Where a limited purpose special district exists and additional services are required for an unincorporated area designated as urban by the County General~~

~~Plan, the Commission encourages reorganizations to provide the extended services of the existing limited services special district.~~

~~B) Preference for Districts Capable of Providing All Essential Services~~

~~(1) All new special districts proposed for formation in the unincorporated urban areas as designated under the County General Plan should be capable of providing essential urban type services which include, but are not limited to, water, sanitation, fire protection, and police protection.~~

~~C) Establishing New Services or Divestiture of Existing Service Powers~~

~~(2) Commission approval is required for a special district to establish new services (i.e., activate latent service powers that were not previously authorized), or divestiture of existing services powers (i.e., deactivate service powers that were previously authorized) within all or parts of its jurisdictional boundary. Requests by a special district shall be made by adoption of a resolution of application and include all the information required and referenced under G.C. §56824.12.~~

~~A) —~~

~~B) The Commission incorporates the following definitions in administering these this policies policy:~~

~~(3) “New” shall mean activating a latent service not previously authorized.~~

~~— “Divestiture” shall mean deactivating a service power previously authorized.~~

~~(4) — Policies Concerning Annexations~~

~~C) — The Commission shall consider the effect of the proposal in supporting planned and orderly growth within the affected territory.~~

~~VII. — VI. Policies Concerning Annexations~~

~~A) General Policies Concerning All Annexations:~~

~~(1) — Inclusion in SOI:~~

~~The affected territory shall be included, or the applicant has concurrently requested the affected territory be included, within the affected agency’s SOI prior to issuance of the Executive Officer’s certificate of filing for the subject annexation proposal. The Executive Officer may agendize both an SOI amendment and annexation application for Commission consideration and action at the same meeting.~~

~~(2) — Property Tax Exchange Agreement:~~

A property tax exchange agreement between all affected agencies shall should be in place prior to submittal of an annexation proposal.

(3) Inclusion of Public Rights-of-Way:

When a proposal for annexation involves territory located adjacent to a public right-of-way, the proposal should also include the adjacent portion of right-of-way to facilitate logical and orderly boundaries for any affected agencies.

(4) Boundary Modifications:

The Commission encourages modifications to proposed annexation boundaries when appropriate and feasible in order to facilitate logical and orderly boundaries for any affected local agencies. During the preliminary consultation phase, staff will encourage applicants to contact landowners of nearby properties to solicit interest in joining the annexation.

—

B) Policies Concerning Annexations to a City or Town:

(1) General Plan Designation and Rezoning:

The territory proposed for annexation shall be included in the city or town general plan and rezoned prior to submittal of an annexation proposal.

(2) Urban Growth Boundaries:

To the extent that a city or town maintains an urban growth boundary, the affected territory proposed for annexation shall should be included in the urban growth boundary prior to submittal of an annexation proposal. This does not apply to proposals consistent with G.C. §56742.

(3) Proposals Within Unincorporated Islands:

When a proposal for annexation involves territory within an unincorporated island, staff will encourage the affected city or town to apply for the annexation of the entire island.

~~General Plan Designation and Rezoning~~

~~The affected territory shall be included in the city general plan and rezoned prior to submittal of an annexation proposal.~~

CB) Policies Concerning Annexation of Municipally-Owned Land:

(1) Land Owned and Used by a City or Town Located Outside Their SOI:

Land that is both owned and used by a city or town, used by the city or town for a municipal purpose, and located outside their SOI may be annexed pursuant to G.C. §56742. The Commission will consider the proximity of the affected territory to other cities and towns in terms of logical and orderly boundaries prior to taking action on the annexation approval proposal.

~~(1)~~(2) Restricted Use Lands Owned by Public Agencies:

The Commission ~~shall disapprove~~discourages annexation of ~~publicly~~municipally-owned land designated agricultural or open space in the County General Plan or subject to a Williamson Act contract unless the land will be used for a municipal purpose and no suitable alternative site reasonably exists within the affected ~~city~~agency's ~~sphere of influence~~SOI.

~~(2)~~(3) Facilities Exempt from Policy/Municipal Purpose Defined:

Municipal purpose ~~shall mean~~s a public service facility ~~which is urban in nature such as water and sewage wastewater treatment facilities and public buildings,~~ but generally shall does not include agricultural or open space land ~~which is vacant or used for wastewater reclamation irrigation, a reservoir, or designated as agriculture or open space in the County General Plan as a Agricultural, Watershed and/or open Open Sspace.~~

~~DG)~~ Concurrent Annexation Policies:

~~It is the intent of the~~The Commission to promoteencourages concurrent annexations to cities, towns, and special districts whenever appropriate and feasible. ~~The Commission may waive its concurrent annexation policies based on unique conditions or circumstances surrounding the annexation proposal which make application of the policy impractical and will not result in the annexation of lands designated agricultural or open space by the applicable city or County General Plan.~~

(1) City of Napa and Napa Sanitation District (NSD):

a) Annexations to ~~the District~~NSD:

All annexation proposals to ~~the Napa Sanitation District~~NSD involving territory located outside of the City of Napa ~~shall first be required~~should include to annexation to the City if the affected territory is located within the City's ~~sphere of influence~~SOI ~~as adopted by the Commission,~~ is located within the City's Residential Urban Limit LineRural Urban Limit (RUL) ~~as adopted by the City,~~ and annexation is legally possible.

b) Annexations to the City:

All ~~100% consent~~ annexation proposals to the City of Napa involving territory located outside of ~~the Napa Sanitation District~~NSD ~~shall be required to~~should annex to ~~the Napa Sanitation District~~NSD if the affected territory is located within ~~the District's~~NSD's ~~sphere of influence~~SOI and if ~~sanitation~~ service is available.

(2) City of American Canyon and American Canyon Fire Protection District (ACFPD):

a) Annexations to ~~the District~~ACFPD:

All annexation proposals to ~~the American Canyon Fire Protection District ACFPD~~ involving territory located outside of the City of ~~American Canyon shall be required~~should to annex to the City if the affected territory is located within the City's SOI, is located within the City's Urban Limit Line, and annexation is legally possible.~~if the affected territory is located within the City's sphere of influence as adopted by the Commission and if annexation is legally possible.~~

b) Annexations to the City:

All annexation proposals to the City involving territory of American Canyon located outside of ~~the American Canyon Fire Protection District ACFPD~~ shall be required to should annex to ~~the District ACFPD~~ if the affected territory is located within the District's ACFPD's SOI and if service is available ~~sphere of influence.~~

(3) County Service Area (CSA) No. 4:

a) Annexations to Cities or Towns:

All annexation ~~proposals~~ to a city or town shall be required to should include concurrently detachment from ~~County Service Area~~ CSA No. 4 unless the affected territory has been, or is expected to be, developed to include planted vineyards totaling one acre or more ~~in size.~~

VI. VII. Policies Concerning City or Town Incorporations

A) The Commission discourages proposals to incorporate communities unless substantial evidence suggests the County and any affected special districts are not effectively meeting the needs of the community.

—The Commission discourages proposals to incorporate communities involving land that is not already receiving essential public services from a special districts.

B)



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 5d (Consent/Action)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer *BF*

MEETING DATE: December 5, 2022

SUBJECT: Establishing a Matching Retirement Savings Contribution for the Executive Officer in 2023

SUMMARY AND RECOMMENDATION

This is a consent item for formal action. Accordingly, if interested, the Commission is invited to pull this item for additional discussion with the concurrence of the Chair.

It is recommended the Commission adopt the Resolution of the Local Agency Formation Commission of Napa County Consenting to the Participation of LAFCO Management Staff in the County of Napa 401(a) Retirement Savings Plan and Establishing the LAFCO Match for the 2023 Calendar Year, included as Attachment One, establishing a \$1,000 matching 401(a) retirement contribution for the Executive Officer in calendar year 2023.

Management employees with the County of Napa are eligible for a \$1,000 annual employer contribution to a 401(a) retirement savings account. This amount has already been budgeted for the Executive Officer for the current fiscal year. Additionally, the Executive Officer has already been authorized to participate in the 401(a) retirement savings plan. Consistent with prior years, the annual contribution needs to be designated as a matching contribution in calendar year 2023 by way of the Commission adopting a new resolution.

ATTACHMENT

- 1) Resolution Consenting to the Participation of LAFCO Management Staff in the County of Napa 401(a) Retirement Savings Plan and Establishing the LAFCO Match for the 2023 Calendar Year

Margie Mohler, Chair
Councilmember, Town of Yountville

Mariam Aboudamous, Commissioner
Councilmember, City of American Canyon

Beth Painter, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Vice 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

Kenneth Leary, Commissioner
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

RESOLUTION NO. _____

**THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
CONSENTING TO THE PARTICIPATION OF LAFCO MANAGEMENT STAFF
IN THE COUNTY OF NAPA 401(a) RETIREMENT SAVINGS PLAN AND
ESTABLISHING THE LAFCO MATCH FOR THE 2023 CALENDAR YEAR**

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

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

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

WHEREAS, during fiscal year 2022-23, LAFCO hereby agrees to establish a Match for calendar year 2023 pursuant to section 4.02-1 of the Plan.

NOW THEREFORE BE IT RESOLVED by LAFCO that, for calendar year 2023, it hereby approves up to a \$1,000 “Match” for each Management staff of LAFCO (presently the LAFCO Executive Officer) who are or become Participants in the Plan during 2023.

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

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on December 5, 2022, after a motion by Commissioner _____, seconded by Commissioner _____, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSENT: Commissioners _____

ABSTAIN: Commissioners _____

Margie Mohler
Commission Chair

ATTEST: _____
Brendon Freeman
Executive Officer

Recorded by: Dawn Mittleman Longoria
Interim Commission Clerk





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 5e (Consent/Information)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer *BF*

MEETING DATE: December 5, 2022

SUBJECT: First Quarter Budget Report for Fiscal Year 2022-23

BACKGROUND AND SUMMARY

This is a consent item for information purposes only. Accordingly, if interested, the Commission is invited to pull this item for additional discussion with the concurrence of the Chair. No formal action will be taken as part of this item.

On June 6, 2022, the Commission adopted a final budget for fiscal year 2022-23. This report compares budgeted versus actual transactions through September 30, 2022. A first quarter budget sheet with year-end projections is included as Attachment One.

Operating revenues are budgeted at \$663,588. Actual revenues collected through the first quarter totaled \$593,332. Staff projects the Commission will finish the fiscal year with \$670,591 in total revenues, resulting in a surplus of \$7,003 relative to budgeted revenues.

Operating expenses are budgeted at \$663,588. Actual expenses incurred through the first quarter totaled \$121,442. Staff projects the Commission will finish the fiscal year with \$603,062 in total expenses, resulting in a savings of \$60,526 relative to budgeted expenses. The savings in expenses are primarily attributed to the Commission Clerk vacancy.

Local policy directs the Commission to maintain an available/unrestricted fund balance (“reserves”) equal to a minimum of four months, or 33.3%, of budgeted expenses. The Commission’s reserves as of June 30, 2022 totaled \$281,201, representing 42.4% of budgeted expenses in fiscal year 2022-23. Based on these projected revenues and expenses, the Commission is projected to finish the fiscal year with an overall budget surplus of \$67,529, which would increase reserves to \$348,730, or 52.6% of budgeted expenses.

ATTACHMENT

- 1) First Quarter Budget Sheet for Fiscal Year 2022-23 with Year-End Projections

Margie Mohler, Chair
Councilmember, Town of Yountville

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

Kenneth Leary, Commissioner
Representative of the General Public

Mariam Aboudamous, Commissioner
Councilmember, City of American Canyon

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

Eve Kahn, Alternate Commissioner
Representative of the General Public

Beth Painter, Alternate Commissioner
Councilmember, City of Napa

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

Brendon Freeman
Executive Officer

LAFCO FY 2022-23 First Quarter Budget Report

Revenues and Expenses through 9/30/22 with Year-End Projections

Account	Category	Adopted Budget	Actual YTD	YTD Percent of Budget	Year-End Projection	Year-End Projection Percent of Budget
Revenues						
42690	Permits/Application Fees	25,000	17,700	70.8%	28,750	115.0%
43910	County of Napa	313,794	313,794	100.0%	313,794	100.0%
43950	Other-Governmental Agencies	313,794	257,487	82.1%	313,794	100.0%
45100	Interest	6,000	1,684	28.1%	6,736	112.3%
46800	Charges for Services	1,000	-	0.0%	850	85.0%
47900	Miscellaneous	4,000	2,667	66.7%	6,667	166.7%
Total Revenues		663,588	593,332	89.41%	670,591	101.1%
Expenses						
51210	Director/Commissioner Pay	15,200	2,040	13.4%	14,900	98.0%
51300	Medicare	250	29	11.6%	203	81.2%
51305	FICA	500	80	16.1%	480	96.0%
52100	Administration Services	509,844	81,283	15.9%	459,230	90.1%
52125	Accounting/Auditing Services	7,500	427	5.7%	7,450	99.3%
52130	Information Technology Service	23,974	5,994	25.0%	23,974	100.0%
52131	ITS Communication Charges	1,685	423	25.1%	1,685	100.0%
52140	Legal Services	35,000	15,588	44.5%	40,000	114.3%
52310	Consulting Services	10,000	-	0.0%	-	0.0%
52345	Janitorial Services	300	-	0.0%	225	75.0%
52515	Maintenance-Software	1,930	230	11.9%	1,930	100.0%
52600	Rents and Leases - Equipment	4,000	570	14.3%	4,000	100.0%
52605	Rents and Leases - Bldg/Land	25,995	8,600	33.1%	25,995	100.0%
52700	Insurance - Liability	638	-	0.0%	638	100.0%
52800	Communications/Telephone	3,000	346	11.5%	2,380	79.3%
52830	Publications & Notices	1,000	232	23.2%	750	75.0%
52835	Filing Fees	200	-	0.0%	100	50.0%
52900	Training/Conference Expenses	15,000	2,440	16.3%	13,000	86.7%
52905	Business Travel/Mileage	1,000	-	0.0%	700	70.0%
53100	Office Supplies	1,000	83	8.3%	500	50.0%
53110	Freight/Postage	150	-	0.0%	150	100.0%
53115	Books/Media/Subscriptions	119	-	0.0%	119	100.0%
53120	Memberships/Certifications	3,078	3,078	100.0%	3,078	100.0%
53205	Utilities - Electric	2,000	-	0.0%	1,350	67.5%
53415	Computer Software/License	225	-	0.0%	225	100.0%
Total Expenditures		663,588	121,442	18.30%	603,062	90.9%
Net Surplus (Deficit)		-	471,889	71.1%	67,529	10.2%



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

Agenda Item 5f (Consent/Information)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer *BF*

MEETING DATE: December 5, 2022

SUBJECT: Current and Future Proposals

SUMMARY

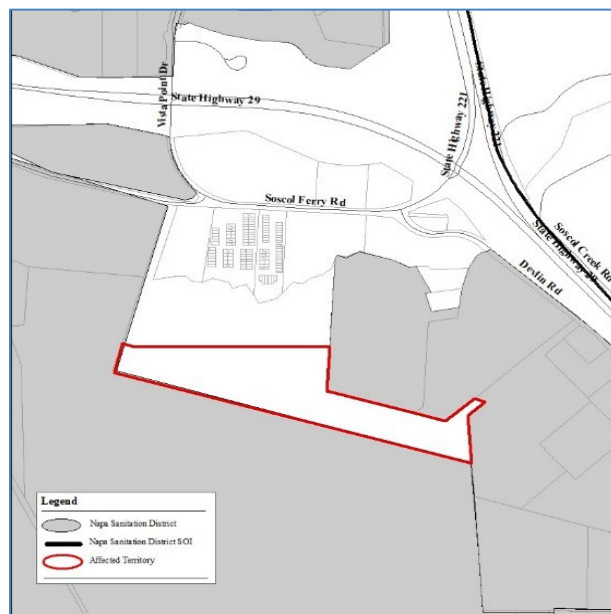
This is a consent item for information purposes only. Accordingly, if interested, the Commission is invited to pull this item for additional discussion with the concurrence of the Chair. No formal action will be taken as part of this item.

This report summarizes all current and future boundary change proposals. There are currently three active proposals on file and seven anticipated new proposals that are expected to be submitted in the future. A summary follows.

Active Proposals

Devlin Road No. 6 Annexation to NSD

A representative for the landowner of one unincorporated parcel has submitted an application to annex the parcel to the Napa Sanitation District (NSD). The parcel is undeveloped, identified as Assessor Parcel Number 057-170-024, has no situs address, and is approximately 27.5 acres in size. Annexation to NSD would facilitate the Nova Business Park North project, which will include industrial land uses. The proposal is on hold until CEQA requirements related to the proposed annexation have been satisfied.



Margie Mohler, Chair
Councilmember, Town of Yountville

Mariam Aboudamous, Commissioner
Councilmember, City of American Canyon

Beth Painter, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Vice 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

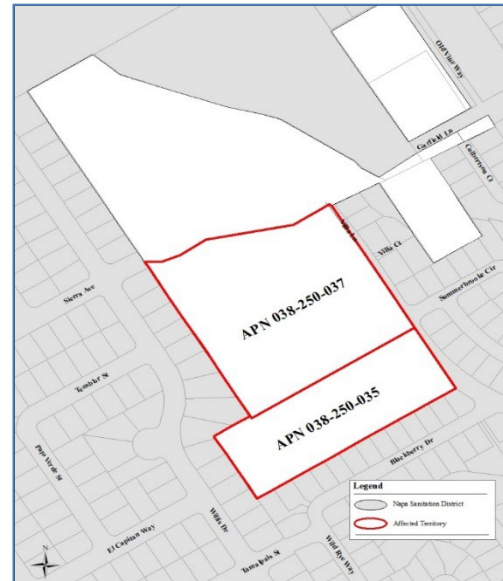
Kenneth Leary, Commissioner
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

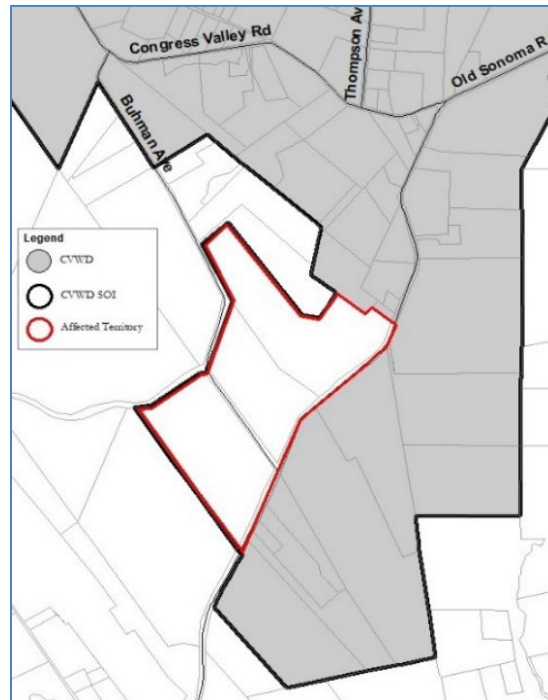
Vintage Farm Subdivision Annexation to NSD

A representative for the landowner of two parcels located at 1185 Sierra Avenue in the City of Napa has submitted an application to annex the parcels to NSD. The parcels are identified as Assessor Parcel Numbers 038-250-035 & -037. The parcels were previously used as the Vintage High School's former farm site. The purpose of the annexation is to facilitate a planned residential subdivision project. It is anticipated the Commission will consider action on the proposal as early as its February 6, 2023 meeting.



Old Sonoma Road/Buhman Avenue Annexation to the Congress Valley Water District (CVWD)

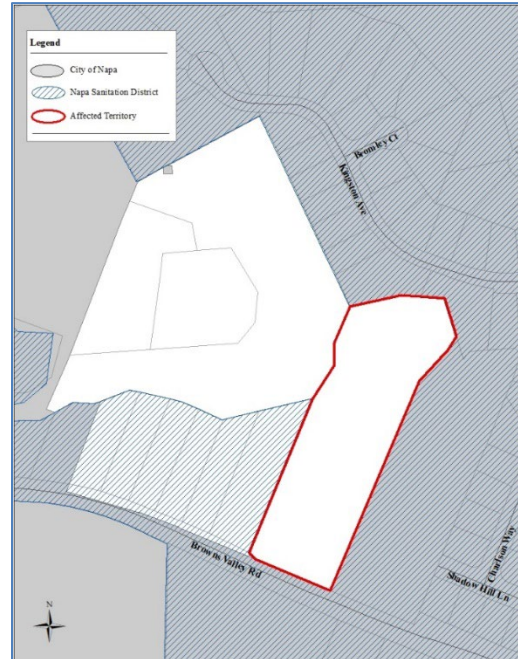
A landowner previously submitted a proposal to annex three unincorporated parcels totaling approximately 141.5 acres in size to CVWD. The parcels are located along the northwestern side of Old Sonoma Road at its intersection with Buhman Avenue and identified as Assessor Parcel Numbers 047-030-005, 047-030-020, and 047-080-001. Current land uses include two single-family residences and commercial vineyards with auxiliary structures and facilities. Two of the parcels already receive water service through grandfathered outside service agreements. Annexation would establish permanent water service to all three parcels. CVWD has requested, and the landowners have agreed, to postpone any LAFCO action until a CVWD's water supply contract with the City of Napa receives a long-term extension.



Anticipated Proposals

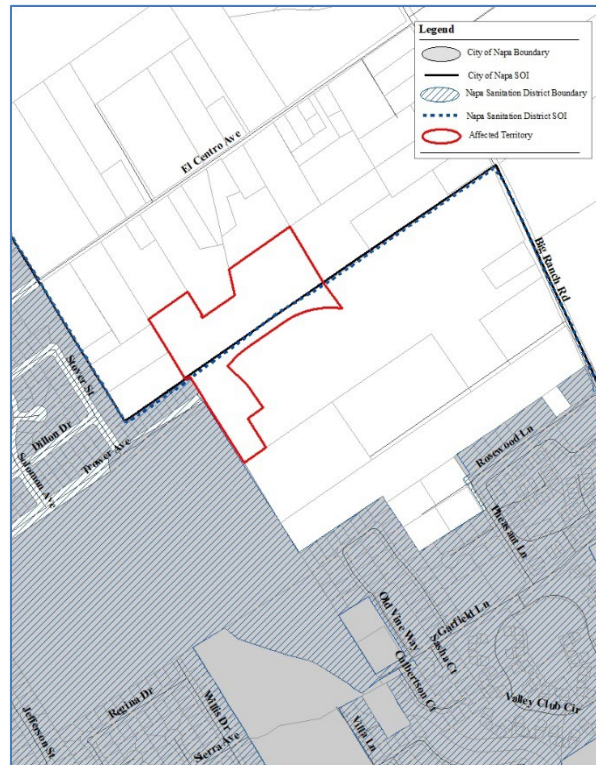
3090 Browns Valley Road Annexation to the City of Napa and NSD

The City of Napa is expected to adopt a resolution of application to initiate the annexation of, at a minimum, one unincorporated parcel located at 3090 Browns Valley Road. Land use within the parcel is limited to one single-family residence. The parcel is approximately 3.8 acres in size, identified as Assessor Parcel Number 041-170-009, and located within an unincorporated island referred to as “Browns Valley/Kingston”. The proposal will involve annexation to the City, annexation to NSD, and detachment from CSA No. 4. The City has invited other landowners within the island to join the annexation. The underlying purpose of annexation of 3090 Browns Valley Road is to facilitate a planned subdivision totaling 12 single-family residences consistent with the City’s rezoning assignments. The proposal is expected to be submitted in the near future.



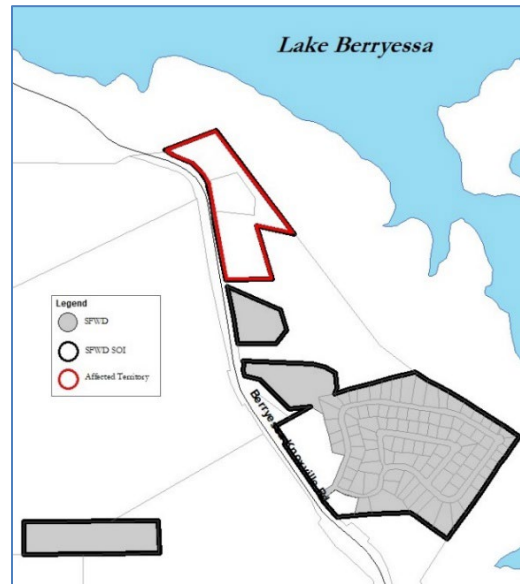
Vintage High School Farm Sphere of Influence Amendment and Annexation Involving the City of Napa and NSD

The Napa Valley Unified School District (NVUSD) has inquired about an SOI amendment and annexation of approximately 12.8 acres of unincorporated territory involving the City of Napa and NSD. The territory is contiguous to the City of Napa near the eastern terminus of Trower Avenue and identified as Assessor Parcel Number 038-240-020. The parcel is currently undeveloped and designated for residential land use under the County of Napa General Plan. The purpose of the SOI amendment and annexation is to facilitate the planned relocation of NVUSD’s educational farm near Vintage High School. It is anticipated a proposal for annexation will be submitted in the future, but there is no current timetable.



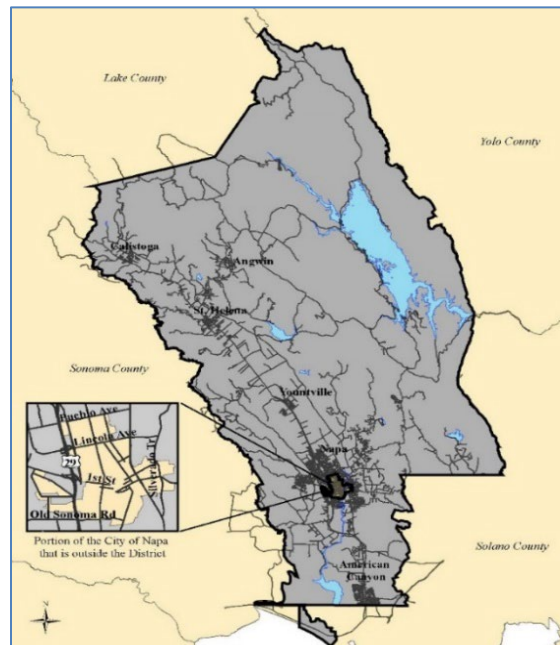
7140 & 7150 Berryessa-Knoxville Road Annexation to the Spanish Flat Water District (SFWD)

A landowner has inquired about annexation of one entire unincorporated parcel and a portion of a second unincorporated parcel totaling approximately 7.9 acres in size to SFWD. The parcels were recently added to SFWD's sphere of influence (SOI), are located at 7140 and 7150 Berryessa-Knoxville Road, and identified as Assessor Parcel Numbers 019-280-004 (entire) and 019-280-006 (portion). Current land uses within the parcels include a commercial boat and recreational vehicle storage facility (Lakeview Boat Storage), approximately 6,000 square feet of enclosed storage structures, an administrative office, and a detached single-family residence. The parcels are currently dependent on private water and septic systems to support existing uses. Annexation would facilitate the connection of existing uses to SFWD's water and sewer services. It is anticipated a proposal for annexation will be submitted in the future, but there is no current timetable.



Napa County Resource Conservation District (NCRCD) Annexation

Staff from NCRCD has inquired about annexation of approximately 1,300 acres of incorporated territory located in the City of Napa. This area comprises the only remaining territory located within NCRCD's SOI but outside its jurisdictional boundary. The purpose of annexation would be to allow NCRCD to expand its service programs and hold public meetings within the affected territory; activities that are currently prohibited within the area. In February 2020, the Commission approved a request for a waiver of LAFCO's proposal processing fees. It is anticipated a proposal for annexation will be submitted in the future, but there is no current timetable.



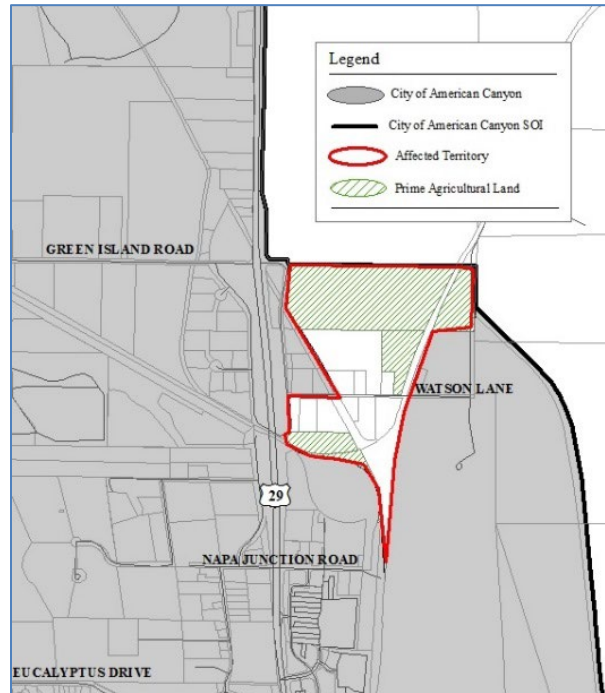
Materials Diversion Facility Annexation to the City of Napa

Staff from the City of Napa has inquired about annexation of approximately 2.9 acres of unincorporated territory comprising a portion of an approximate 35.0-acre parcel currently owned by the Napa-Vallejo Waste Management Authority. The current Assessor Parcel Number is 057-090-060. A property sale and a lot line adjustment are contemplated to create new parcels. The purpose of the property acquisition and future annexation is to expand the City’s existing materials diversion facility operations. The property is located outside the City of Napa’s SOI near the City of American Canyon. Annexation to the City of Napa is allowed given the property is owned by the City and soon will be used by the City for municipal purposes.¹ It is anticipated a proposal for annexation will be submitted in the future, but there is no current timetable.



Watson Lane/Paoli Loop Annexation to the City of American Canyon

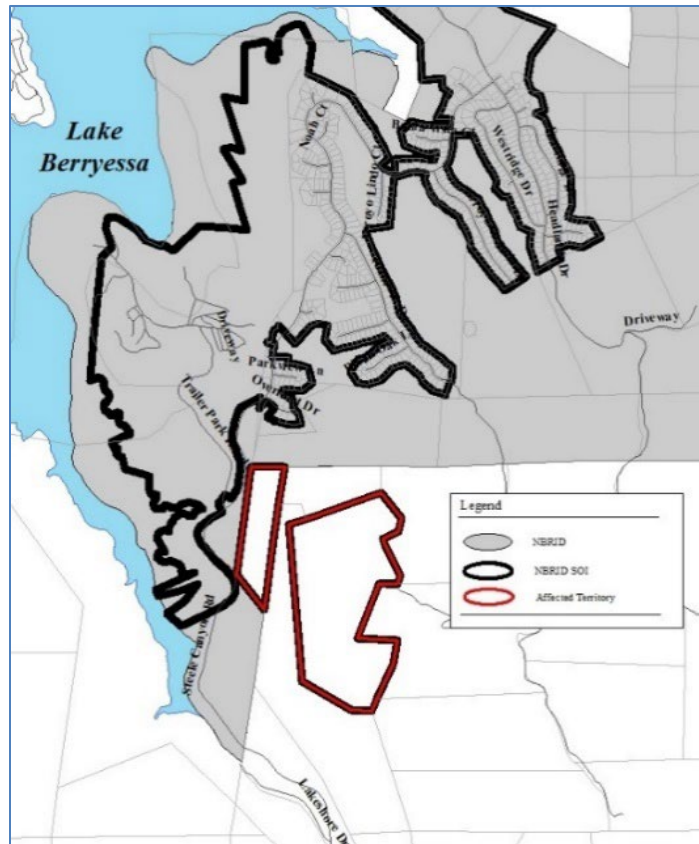
A landowner previously submitted a notice of intent to circulate a petition to annex 16 parcels and a portion of railroad totaling approximately 77.7 acres of unincorporated territory to the City of American Canyon. The area is located within the City’s SOI near Watson Lane and Paoli Loop and identified as Assessor Parcel Numbers 057-120-014, -015, -017, -028, -034, -036, -041, -045, -047, -048, -049, -050, & -051, 057-180-014 & -015, and 059-020-036. The area is within the American Canyon Fire Protection District’s boundary. The purpose of annexation is to allow development of the area for industrial and residential purposes as well as help facilitate the extension of Newell Drive to South Kelly Road. It is anticipated a proposal for annexation will be submitted in the future, but there is no current timetable.



¹ See [California Government Code section 56742](#).

Wastewater Treatment Plant Annexation to the Napa Berryessa Resort Improvement District (NBRID)

Staff from NBRID has inquired about annexation of two unincorporated parcels totaling approximately 101 acres in size that serve as the location of the District's wastewater treatment plant facilities. The parcels were recently added to NBRID's SOI, are owned by NBRID, and are identified as Assessor Parcel Numbers 019-220-028 and 019-220-038. Annexation would reduce NBRID's annual property tax burden. It is anticipated a proposal for annexation will be submitted in the future, but there is no current timetable.



ATTACHMENTS

None



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 5g (Consent/Information)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer *BF*

MEETING DATE: December 5, 2022

SUBJECT: Expiring Commissioner Terms in 2023

SUMMARY

This is a consent item for information purposes only. Accordingly, if interested, the Commission is invited to pull this item for additional discussion with the concurrence of the Chair. No formal action will be taken as part of this item.

All Commissioner terms are four years, pursuant to California Government Code section 56334. The Commission has two members with terms scheduled to expire on May 1, 2023: Mariam Aboudamous (City Member, American Canyon) and Beth Painter (Alternate City Member, Napa).

Appointments of city members to the Commission are the sole jurisdiction of the Napa County City Selection Committee. Pursuant to the policy of the City Selection Committee, the City of Napa's representative will serve the new four-year term as the regular voting City Member on the Commission, and the City of American Canyon's representative will serve the new four-year term as the Alternate City Member.

With this in mind, staff will send a letter requesting the City Selection Committee make new four-year appointments or reappointments for the expiring seats before May 1, 2023. The letter will call attention to the scheduled switch in seat designations in which the regular voting City Member will be from Napa and the Alternate City Member will be from American Canyon. The two affected cities will also receive a copy of the letter.

In addition, Vice Chair Wagenknecht and Commissioner Dillon's terms on the County Board of Supervisors will expire at the end of 2022, at which time their seats on the Commission will become vacant with unexpired terms. Appointments of county members to the Commission are the sole jurisdiction of the County Board of Supervisors. With this in mind, staff will send a letter to the County Clerk of the Board requesting the Board of Supervisors make appointments to fill the vacant seats and complete the unexpired terms.

Margie Mohler, Chair
Councilmember, Town of Yountville

Mariam Aboudamous, Commissioner
Councilmember, City of American Canyon

Beth Painter, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Vice 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

Kenneth Leary, Commissioner
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

A full listing of all Commissioners and term expiration dates follows:

Member	Appointing Authority	Term Expires
Mariam Aboudamous, City	City Selection Committee	May 1, 2023
Beth Painter, Alternate City	City Selection Committee	May 1, 2023
Brad Wagenknecht, County	Board of Supervisors	May 6, 2024
Eve Kahn, Alternate Public	Commission	May 6, 2024
Margie Mohler, City	City Selection Committee	May 5, 2025
Ryan Gregory, Alternate County	Board of Supervisors	May 5, 2025
Diane Dillon, County	Board of Supervisors	May 4, 2026
Kenneth Leary, Public	Commission	May 4, 2026

ATTACHMENTS

None



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

Agenda Item 5h (Consent/Information)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer *BF*
Dawn Mittleman Longoria, Analyst II/Interim Clerk *DML*

MEETING DATE: December 5, 2022

SUBJECT: Bay Area Greenprint Case Study on Napa LAFCO

BACKGROUND AND SUMMARY

This is a consent item for information purposes only. Accordingly, if interested, the Commission is invited to pull this item for additional discussion with the concurrence of the Chair. No formal action will be taken as part of this item.

The Bay Area Greenprint recently interviewed staff to discuss our experience with the Greenprint's online mapping tools. Staff provided information about the process to update the Commission's sphere of influence policies, which involved reliance on the Greenprint's maps showing various characteristics, classifications, and designations of agricultural and open space land. The Greenprint's written summary of the Napa LAFCO case study is included as Attachment One.

ATTACHMENT

- 1) Bay Area Greenprint Case Study Summary on Napa LAFCO

Margie Mohler, Chair
Councilmember, Town of Yountville

Mariam Aboudamous, Commissioner
Councilmember, City of American Canyon

Beth Painter, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Vice 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

Kenneth Leary, Commissioner
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

The Bay Area Greenprint: Uniting stakeholders by creating shared understanding of Napa County's agricultural lands

Planning problem

Understanding agricultural lands is important to the Local Agency Formation Commission (LAFCO) of Napa County, which the California legislature designates as managing local governmental boundaries, evaluating municipal services, and protecting prime agricultural lands. State law also requires Napa LAFCO to adopt policies that guide their actions to carry forth these responsibilities. State and regional policies can be complex, full of different definitions and terms, and quickly outdated with the realities on-the-ground. In 2017, Napa LAFCO was updating their policy on Spheres of Influence pertaining to the physical boundary and service area of a local agency that guides how LAFCOs approve boundary changes such as annexations. The staff of Napa LAFCO often faced ambiguous interpretations of that state law outlined and how to reflect updates based on existing land conditions. Until then, it was unclear just how much prime agricultural land was in Napa County. The staff wanted a full overview of all the different types of agricultural and open space lands along with maps to aid in this policy update process, but lacked the GIS analysis capabilities on staff.

How the Greenprint helped

Brendon Freeman and Dawn Mittleman Longoria, staff of Napa LAFCO, turned to the Bay Area Greenprint to access information representing the multiple values in the landscape. The information included the CA Storie Index, a soil rating based on soil characteristics that govern the land's potential utilization and agricultural capacity, Napa County landscapes' irrigation capability and watershed designations. Through using the Greenprint, staff found alignment about a richer view of the values in the county's lands, and how to draft guidelines related to natural assets in their communities. They were also able to use GIS as a tool to illustrate visually to stakeholders resources and values contained within their land and how the policies may impact their lands. "A picture really is worth a thousand words," said Dawn, referring to how the Greenprint's maps and dashboards could easily depict local reality to stakeholders, who held strong views about their perceptions of Napa County's lands. The Greenprint's dashboard and maps proved to be invaluable in bringing everyone together around a shared view of the actual data. This aided Napa LAFCO staff through difficult discussions and misinformation barriers.

Regional impact

After four years, a revised policy was adopted as a result of the entire Napa County government network concurring around the specific qualities and conditions of their lands, not just misperceived generalities. The Greenprint maps were the magic in this process that brought different perspectives together and promoted mutual understanding of the data that ultimately determined the real opportunities for policy to preserve agricultural and open space lands and promote smart growth for Napa County as a whole.



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Subdivision of the State of California

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

Agenda Item 5i (Consent/Information)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer *BF*

MEETING DATE: December 5, 2022

SUBJECT: Legislative Report

BACKGROUND AND SUMMARY

This is a consent item for information purposes only. Accordingly, if interested, the Commission is invited to pull this item for additional discussion with the concurrence of the Chair. No formal action will be taken as part of this item.

During the 2022 legislative year, the California Association of LAFCOs (CALAFCO) tracked 29 total bills that are directly relevant to LAFCOs. CALAFCO has released a year-end summary of these bills and their outcomes, included as Attachment One.

ATTACHMENT

- 1) CALAFCO 2022 Review of Tracked Bills

Margie Mohler, Chair
Councilmember, Town of Yountville

Mariam Aboudamous, Commissioner
Councilmember, City of American Canyon

Beth Painter, Alternate Commissioner
Councilmember, City of Napa

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

Diane Dillon, Commissioner
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Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

CALAFCO
2022 REVIEW OF TRACKED BILLS

Number of Bills Reviewed: 5129 Number of Bills Tracked: 29

Intro Year	Bill Number/ Author	Subject	Summary/Concerns	CALAFCO Action	Outcome
CALAFCO SPONSORED BILLS					
2021	AB 2957 (Committee on Local Government)	CALAFCO Omnibus	<p>The annual CALAFCO Omnibus bill. As introduced, it made 3 minor, technical non-substantive changes in CKH: (1) Replaces “to be completed and in existence” with “take effect” under GCS 56102; (2) Adds GCS 56078.5: “Successor Agency” means the local agency the Commission designates to wind up the affairs of a dissolved district; and (3) Replaces “proposals” with “applications” within GCS 56653(a), 56654(a), (b), and (c), and 56658(b)(1) and (b)(2).</p> <p>The bill was amended on April 18, 2022 to include additional changes requested by CALAFCO that addressed grammar changes, the correction of a PUC citation in GC Sec 56133(e)(5) from 9604 to 224.3, the extension of the sunset date within R&T Section 99(b)(8)(B) to January 1, 2028, and to renumber the remaining provisions as needed due to the changes.</p>	<p>SUPPORT.</p> <p>CALAFCO sponsored. CALAFCO interfaced with its members, as well as the Senate and Assembly Consultants, to draft the bill and institute the desired changes.</p>	PASSED and approved by the Governor on 6/21/2022.
2022	SB 938 (Hertzberg)	Protest Provisions Amendments	<p>CALAFCO sponsored. This bill is a response to a 2017 recommendation by the Little Hoover Commission and represents the culmination of a five-year effort by CALAFCO staff, and a collaborative three-year effort by an 18-member multi-organizational working group, to clean up, consolidate, and clarify existing statutory provisions associated with consolidations and dissolutions, as well as codify the conditions under which a LAFCo may initiate dissolution of a district at the 25 percent protest threshold.</p>	<p>SUPPORT.</p> <p>CALAFCO sponsored. CALAFCO issued a letter of support, called for and coordinated letters of support from member LAFCOs, and provided lead testimony in support before the Senate Governance and Finance Committee, and the Assembly Local Government Committee.</p>	PASSED and approved by the Governor on 7/1/2022.

Intro Year	Bill Number/ Author	Subject	Summary/Concerns	CALAFCO Action	Outcome
POSITIONS TAKEN – ASSEMBLY BILLS					
2021	AB 897 (Mullin)	Office of Planning and Research: regional climate networks: regional climate adaptation and resilience action plans	As introduced in 2021, the bill sought to build on existing programs through OPR by promoting regional collaboration in climate adaptation planning and providing guidance for regions to identify and prioritize projects necessary to respond to the climate vulnerabilities of their region. Over the course of the next year, the bill would be amended four times to require OPR to develop guidelines for Regional Climate Adaptation Action Plans, make recommendations to the Legislature regarding potential sources of financial assistance for the creation of these Action Plans, and establish geographic boundaries for regional climate networks.	SUPPORT.	DEAD. AB 897 died in Senate Appropriations Committee's Suspense File.
2022	AB 1640 (Ward)	Office of Planning and Research: regional climate networks: regional climate adaptation and resilience action plans	<p>This bill was a follow up and was very similar to AB 897 (2021). As introduced, it would have authorized eligible entities, as defined (including LAFCo), to establish and participate in a regional climate network. The bill also would have authorized a regional climate network to engage in activities to address specific areas of climate change. It would also have required regional climate networks to develop a regional climate adaptation and resilience action plan and to submit the plan to OPR for review, comments, and certification.</p> <p>The bill was amended twice in 2022, the first time to change a requirement to develop regional climate networks to an option. The second amendment removed the deadline for OPR to publish guidelines, and removed an exemption which would have been based on population.</p>	SUPPORT. Upon introduction, CALAFCO conferred with the author's office to ensure that LAFCOs were included in the guideline development process. Once included, CALAFCO's position was SUPPORT.	DEAD. AB 1640 died in the Senate Appropriations Committee's Suspense File.
22	AB 1773 (Patterson)	Return of Williamson Act Subvention Payments	This bill would have reinstated Williamson Act subvention payments with an allocation of \$40 million from the General Fund for the 2022-23 budget year.	SUPPORT. CALAFCO issued a letter of support, called for and coordinated letters of support from member LAFCOs,	DEAD. AB 1773 died in Assembly Appropriations Committee's Suspense File.

Intro Year	Bill Number/ Author	Subject	Summary/Concerns	CALAFCO Action	Outcome
			As originally implemented, the Williamson Act was created to incentivize the preservation and conservation of open space and agricultural land. It did that by offering reduced property taxes for lands “under contract,” which are agreements to not develop the land in exchange for lower property taxes. The State then, subsidized the difference through subvention payments to counties. Funding amounted to \$35-\$40 million per year, but was stopped during the recession.	and testified before the Assembly Committee on Local Government.	
2022	AB 2081 (Garcia)	Municipal water districts: extension of sunset date requiring LAFCo approval of water service extension onto tribal lands	<p>This bill extends the sunset date created in AB 1361 (2017). Current law, upon the request of certain Indian tribes and the satisfaction of certain conditions, requires a district to provide service of water at substantially the same terms applicable to the customers of the district to the Indian tribe’s lands that are not within a district. Current law also authorizes a district, under specified circumstances, to apply to the applicable LAFCo to provide this service of water to Indian lands, as defined, that are not within the district and requires the LAFCo to approve such an application. This bill extends the sunset date from January 1, 2023 to January 1, 2025.</p> <p>CALAFCO opposed AB 1361 in 2017 as the process requires LAFCo to approve the extension of service, requires the district to extend the service, and does not require annexation upon extension of service.</p>	<p>OPPOSED. CALAFCO issued a letter in opposition, called for and coordinated letters of opposition from member LAFCos, and provided lead testimony in opposition before the Senate Governance and Finance Committee.</p>	<p>PASSED and approved by the Governor on 9/23/2022.</p>
POSITIONS TAKEN – SENATE BILLS					
2021	SB 739 (Cortese)	At introduction, this bill sought to introduce a pilot program for a California Universal Basic Income for Transition Age Youth.	<p>No concerns as introduced.</p> <p>Gutted and Amended Version: OPPOSED. While the revised bill’s intent to create a streamlined process for the conversion of unused golf courses into housing was laudable,</p>	<p>No position as introduced.</p> <p>OPPOSED to the gutted and amended version. CALAFCO immediately met with Senator Cortese’s office to explain CALAFCO concerns regarding ministerial approvals. Upon the meeting’s conclusion,</p>	DEAD.

Intro Year	Bill Number/ Author	Subject	Summary/Concerns	CALAFCO Action	Outcome
		LATE GUT & AMEND The bill was gutted and amended on 6/13/2022, to allow the annexation of unused golf courses for the development of high-rise housing developments of 600 units or more, and would have required ministerial approvals on all levels including LAFCos.	CALAFCO had significant concerns regarding its requirement for ministerial approvals of annexations and zoning changes. Additionally, the bill assumed that annexation delays were due to LAFCo procedures when CALAFCO data shows that it actually occurs in regards to the negotiation of tax sharing agreements – a process that LAFCos have no control over.	the Senator's office advised that they would not be pursuing the bill, but would float it to other legislators to see if anyone else wished to pursue it in the future.	
2022	SB 1100 (Cortese)	Brown Act: Orderly Conduct	<p>This bill adds a new provision to the Brown Act, which allows the presiding member of a legislative body who is conducting a meeting, to remove of have removed, individual(s) who are disrupting a meeting.</p> <p>“Disrupting” is defined as behavior during a meeting of a legislative body that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to: (A) A failure to comply with reasonable and lawful regulations adopted by a legislative body pursuant to Section 54954.3 or any other law. Or (B) Engaging in behavior that constitutes use of force or a true threat of force.</p> <p>However, before removing the individual(s), the presiding member (or designee) needs to first issue a warning to the individual noting that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal. If the disruptive behavior is not promptly stopped, the presiding member or their designee may then remove the individual.</p> <p>However, the procedure does not apply to behavior that constitutes use of force or a true threat of force.</p>	<p>SUPPORT. CALAFCO submitted a letter of support in concern with a broad coalition of agencies.</p>	<p>PASSED and approved by the Governor on 8/22/2022.</p>

Intro Year	Bill Number/ Author	Subject	Summary/Concerns	CALAFCO Action	Outcome
2022	SB 1490 (Committee on Governance and Finance)	Validating Acts	The first of 3 annual validating acts that validate organizations, boundaries, acts, proceedings, and bonds of public bodies, and provides limitations of time in which actions may be commenced.	SUPPORT.	PASSED and approved by the Governor on 7/1/2022.
2022	SB 1491 (Committee on Governance and Finance)	Validating Acts	The second of the 3 annual validating acts.	SUPPORT.	PASSED and approved by the Governor on 7/1/2022.
2022	SB 1492 (Committee on Governance and Finance)	Validating Acts	The third of the 3 annual validating acts.	SUPPORT.	PASSED and approved by the Governor on 7/1/2022.
2022	SB 1449 (Caballero)	Office of Planning and Research: grant program: annexation of unincorporated areas	This bill sought to incentivize the annexation of islands by developing a program that would provide grants to cities to assist with the costs associated with any infrastructure buildout associated with such an annexation.	SUPPORT. CALAFCO worked with the author's office in an attempt to define a metric that OPR would be able to use when funding such grants, and provided lead testimony in support.	VETOED by the Governor on 9/28/2022. with the message that 1. Costs of the program were not funded in the budget; and 2. Revenues received so far this fiscal year have been lower than expected.
WATCHED BILLS - ASSEMBLY					
2021	AB 903 (Frazier)	Los Medanos Community Healthcare District.	This bill mandates the dissolution of the Los Medanos Community Healthcare District with the County as the successor agency, effective 2-1-22. The bill requires the County to perform certain acts prior to the dissolution. LAFCo would not be involved in the dissolution as the bill was introduced. The bill was then amended to specify how the funds received through the property tax transfer must be used, and defines how profits shall be used. The author then resigned his Assembly seat in December, 2021. Additionally, the appellate court overturned a lower court's decision upon which this bill was predicated.	WATCH.	DEAD. AB 903 failed to make its 2-year deadline on 7/5/2022.

Intro Year	Bill Number/ Author	Subject	Summary/Concerns	CALAFCO Action	Outcome
2021	AB 975 (Rivas, L.)	Political Reform Act of 1974: filing requirements and gifts	As introduced, this bill would have increased the timeframe in which public officials could be reimbursed for attending an invitation-only event, and would have reduced the gift notification timeframe for lobbyist employers. The bill was amended on 4/21/21 and 5/18/21. On 2/24/2022, the author's office indicated that it would be moving forward with the bill this year and would be bringing back amendments. No further action after that.	WATCH.	DEAD. AB975 dead as of 8/31/2022 after failing to meet a deadline.
2021	AB 1195 (Garcia, Cristina D)	Originally, the creation of a regional water agency in southern California. The bill was later amended to address Cal HR procedures.	As introduced, would have created the Southern Los Angeles County Regional Water Agency as a regional water agency serving the drinking water needs of the cities, unincorporated areas, and residents in the communities overlying the Central Basin and West Coast Basin aquifers in southern Los Angeles County. Gut and Amend on 5/18/2022 removed previous verbiage regarding water. Subject matter was changed to address the State Department of Human Resources and the Limited Eligibility and Appointment Program (LEAP), which the California Department of Human Resources administers.	Watch with Concerns at introduction. No concerns after amendment. Consequently, CALAFCO downgraded its stance to Watch , and changed priority to "None."	The final AB 1195 subject matter no longer within the realm of CALAFCO concern.
2022	AB 1757 (Garcia, C.)	California Global Warming Solutions Act of 2006: climate goal: natural and working lands.	Initially introduced by Assemblymember Ward as a Labor Standards bill. Amended on 3/10/22 to, instead, amend the Water Code to create Groundwater Sustainability Agencies. Went through several iterations with Ward as the author, then Haney (5/10/2022), and finally came back, on 8/28/2022, with Garcia and others as authors, and gutted and amended to create the California Global Warming Solutions Act of 2006; climate goal: natural and working lands. The Act requires collaboration among several state boards to, by January 1, 2025, develop standard methods for state agencies to track greenhouse gas emissions and reductions, carbon sequestration, and, where feasible and in	WATCH.	PASSED and approved by the Governor on 8/22/2022.

Intro Year	Bill Number/ Author	Subject	Summary/Concerns	CALAFCO Action	Outcome
			consultation with the Natural Resources Agency and the Department of Food and Agriculture, additional benefits from natural and working lands over time.		
2022	AB 1944 (Lee)	Brown Act: Remote meeting locations	This bill addressed the teleconferencing provisions of the Brown Act. At introduction, it would have allowed members of a legislative body to participate in meetings remotely without identifying their location, as is currently required. The bill was amended twice, once to provide a provision that agendas reflect the names of all members participating remotely, as well as well as to allow a legislative body to determine, by a majority vote, situations when identification of the location did not need to be disclosed. The second amendment added a provision that would have allowed the above exemption to occur only when there was a quorum of the body participating from a single physical location.	WATCH.	DEAD. AB 1944 failed to secure approval by the Senate Governance and Finance Committee by the deadline.
2022	AB 2041 (Garcia, E)	California Safe Drinking Water Act: primary drinking water standards: compliance	This bill would provide for the state board to take specified actions if the state board adopts a primary drinking water standard with a compliance period in which public water systems are given a designated period of time to install necessary corrective measures without being held in violation of the primary drinking water standard. Amended on 4/18/2022 to require the state board to determine which public water system may not be able to comply with the primary drinking water standard without receiving financial assistance and to develop a compliance plan.	WATCH.	DEAD. AB 2041 dead as of 5/20/2022 after failing to meet deadline.
2022	AB 2201 (Bennett, D)	Groundwater sustainability agency: groundwater extraction permit: verification.	Introduced 2/15/2022 as spot holder bill. Amended 3/17/2022 to add a new section into the Water Code that would require, after July 1, 2023, designated extraction facilities to procure permits from the Department of Water	WATCH.	DEAD. AB 2202 dead as of 8/31/2022 after failing to meet deadline.

Intro Year	Bill Number/ Author	Subject	Summary/Concerns	CALAFCO Action	Outcome
			<p>Resources (DWR.)</p> <p>Amended again on 4/27/2022 to remove all provisions regarding groundwater extraction facilities, added in provisions addressing local agencies, which are defined as cities, counties, districts, agencies, or other entities with the authority to issue a permit for a new groundwater well or for an alteration to an existing well.</p>		
2022	AB 2442 (Rivas, R.)	California Disaster Assistance Act: climate change.	<p>This bill sought to add climate change to the California Disaster Assistance Act and went through six iterations which added and removed language including mitigation measures for the preservation of open space, improved forest management and wildfire risk reduction measures, and other investments in natural infrastructure, and also would s requirement that General Plans include "a set of measures designed to reduce emissions of greenhouse gases resulting in climate change, and natural features and ecosystem processes in or near identified at-risk areas threatened by the impacts attributable." The final version confined itself to the CDAA.</p>	WATCH.	<p>DEAD. AB 2442 dead as of 8/31/2022 after failing to meet deadline.</p>
2022	AB 2449 (Rubio, B.)	Brown Act: Disclosing Teleconferencing Locations	<p>As introduced, this bill sought to authorize the use of teleconferencing without noticing and making available to the public teleconferencing locations if a quorum of the members of the legislative body participated in person from a single location that is noticed and open to the public, and it would have required the legislative body to offer public comment via video or phone. However, there was broad opposition and fear that doing so would minimize public access to elected officials. The bill went through five amendments as the author sought to craft a workable bill. The final bill provides a limited set of circumstances and number of times per year when Board members can participate remotely.</p>	WATCH.	<p>PASSED and approved by the Governor on 9/13/2022.</p>

Intro Year	Bill Number/ Author	Subject	Summary/Concerns	CALAFCO Action	Outcome
2022	AB 2647 (Levine)	Brown Act: Posting documents to the internet	Provides that posting, to the internet, those documents that are received and distributed to a legislative body after the agenda has been posted but before the meeting, is in compliance with Brown Act provisions to have the documents available for public inspection.	WATCH.	PASSED and approved by the Governor on 9/30/2022.
WATCHED BILLS - SENATE					
2020	SB 12 (McGuire, D)	Local government: planning and zoning: wildfire	This bill would require the safety element, upon the next revision of the housing element or the hazard mitigation plan, on or after July 1, 2024, whichever occurs first, to be reviewed and updated as necessary to include a comprehensive retrofit strategy to reduce the risk of property loss and damage during wildfires, as specified, and would require the planning agency to submit the adopted strategy to the Office of Planning and Research for inclusion into the above-described clearinghouse	WATCH.	DEAD. SB 2442 dead as of 7/5/2022 after failing to meet deadline.
2022	SB 418	Pajaro Valley Health Care District	Gutted and amended on 1/14/22, this bill forms the Pajaro Valley Health Care District within Santa Cruz and Monterey counties. The formation, done by special legislation, bypasses the LAFCo process, with language explicitly stating upon formation, LAFCo shall have authority. The bill requires that within 5 years of the date of the first meeting of the Board of Directors of the district, the board of directors shall divide the district into zones. The bill would require the district to notify Santa Cruz LAFCo when the district, or any other entity, acquires the Watsonville Community Hospital. The bill requires the LAFCo to order the dissolution of the district if the hospital has not been acquired by January 1, 2024 through a streamlined process, and requires the district to notify LAFCo if the district sells the Watsonville Community Hospital to another entity or stops providing health care services at the facility, requiring the	WATCH. CALAFCO worked closely with the author's office, Santa Cruz County lobbyist and the Santa Cruz and Monterey LAFCos on this bill. We have requested further amendments which the Senator has agreed to take in a follow-up bill this year. Those amendments include requiring Santa Cruz LAFCo to adopt a sphere of influence for the district within 1 year of formation; the district filing annual progress reports to Santa Cruz LAFCo for the first 3 years, Santa Cruz LAFCo conducting a special study on the district after 3 years, and representation from both counties on the governing board.	PASSED and approved by the Governor on 2/4/2022.

Intro Year	Bill Number/ Author	Subject	Summary/Concerns	CALAFCO Action	Outcome
			<p>LAFCo to dissolve the district under those circumstances in a streamlined process.</p> <p>Given the hospital has filed bankruptcy and this is the only hospital in the area and serves disadvantaged communities and employs a large number of people in the area, the bill has an urgency clause.</p> <p>Several amendments were added on 1/24/22 by the ALGC and SGFC all contained within Section 32498.7.</p>		
2022	SB 852 (Dodd)	Climate resilience districts: formation: funding mechanisms.	This bill creates the Climate Resilience Districts Act. The bill completely bypasses LAFCo in the formation and oversight of these new districts because the districts are primarily being created as a funding mechanism for local climate resilience projects (as a tax increment finance – or TIF district - for which LAFCos also have no involvement.)	WATCH.	PASSED and approved by the Governor on 9/9/2022.
2022	SB 969 (Laird, D)	Pajaro Valley Health Care District	<p>This bill is a follow up to SB 418 (Laird) and contains some of the amendments requested by CALAFCO and Monterey and Santa Cruz LAFCos.</p> <p>As introduced the bill requires Santa Cruz LAFCo to adopt a sphere of influence for the district within 1 year of formation; the district filing annual progress reports to Santa Cruz LAFCo for the first 2 years, Santa Cruz LAFCo conducting a Municipal Service Review on the district every 5 years with the first being conducted by 12-31-25. Our final requested amendment, ensuring representation from both counties</p>	WATCH.	PASSED and approved by the Governor on 2/4/2022.
2022	SB 1405 (Ochoa Bogh)	Community service districts: Lake Arrowhead Community Service District: covenants, conditions, and restrictions: enforcement	Would authorize the Lake Arrowhead Community Services District to enforce all or part of the covenants, conditions, and restrictions for tracts within that district, and to assume the duties of the Arrowhead Woods Architectural Committee for those tracts, as provided.	WATCH.	PASSED and approved by the Governor on 9/13/2022.

Intro Year	Bill Number/ Author	Subject	Summary/Concerns	CALAFCO Action	Outcome
2022	SB 1425 (Stern, D)	Open-space element: updates.	As first introduced, the bill addressed consumer products/toy safety. It was amended on 3/16/2022, and would impose an unfunded mandate by requiring every city and county to review and update its local open-space plan by January 1, 2026, and every time it updates its housing element. Subsequent amendments removed the requirement to review and update whenever the housing element is updated, but added requirements for action plans.	WATCH.	PASSED and approved by the Governor on 9/30/2022.
2022	SB 1489 (Committee on Governance and Finance)	Local Government Omnibus Act of 2022	This is the Senate Governance & Finance Committee annual omnibus bill.	WATCH.	PASSED and approved by the Governor on 9/13/2022.



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 5j (Consent/Information)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer *BF*
Dawn Mittleman Longoria, Analyst II/Interim Clerk *DML*

MEETING DATE: December 5, 2022

SUBJECT: CALAFCO Annual Conference Report

BACKGROUND AND SUMMARY

This is a consent item for information purposes only. Accordingly, if interested, the Commission is invited to pull this item for additional discussion with the concurrence of the Chair. No formal action will be taken as part of this item.

LAFCO's state organization, CALAFCO, held their Annual Conference on October 19-21 in Newport Beach. It was the first conference since the pandemic and provided an excellent opportunity to network and learn from each other. The conference program with details regarding sessions and speakers is included as Attachment One.

Representing Napa LAFCO were four Commissioners, both staff members, and legal counsel.

ATTACHMENT

- 1) CALAFCO 2022 Annual Conference Speaker Biographies and Session Summaries

Margie Mohler, Chair
Councilmember, Town of Yountville

Mariam Aboudamous, Commissioner
Councilmember, City of American Canyon

Beth Painter, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Vice 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

Kenneth Leary, Commissioner
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer



Speaker Biographies and Session Summaries

2022 CALAFCO Annual Conference

Wednesday, October 19th- Friday, October 21st

Wednesday, October 19th

10:00 a.m.- 12:00 p.m.

Building on the Basics of LAFCO (LAFCO 101)

Summary:

Government Codes? Statutory Requirements? Legal Ramifications?? If any of these have you scratching your head sometimes, fear not because this “LAFCO 101” session will not only give you an inside scope on becoming a LAFCO Expert in these areas but will also be entertaining beyond belief. Don’t take our word for it and check this session out – you won’t be disappointed.

SR Jones, Executive Officer, Nevada LAFCo

SR Jones has worked with Nevada LAFCo since 1992 and has served as the Executive Officer of Nevada LAFCo since 1993. SR has also been involved with CALAFCO since 1994, serving on the Legislative Committee, and several Program Committees. In 1997, and again in 2008, she was appointed Deputy Executive Officer. She served as Executive Officer of CALAFCO from 1998 until 2000, and again from 2009 to 2011. She received a degree in History from the University of California at San Diego, and currently resides near Nevada City.

Joe Serrano, Executive Officer, Santa Cruz LAFCo

Joe Serrano earned a double major in Finance & Accounting from Cal State University, Fullerton and has over 14 years in LAFCO experience. He began his LAFCO career as an intern for Orange LAFCO in 2008 and was their analyst until 2013 before he started expanding his LAFCO knowledge with other LAFCOs, including San Bernardino, San Diego, and Monterey. Today, he is now the Executive Officer of Santa Cruz LAFCO.

Paula C. P. de Sousa, Partner, Best Best & Krieger LLP’s Special District practice group

Paula C. P. de Sousa is a partner in Best Best & Krieger LLP’s Special District practice group, based out of the firm’s San Diego office. Paula joined BBK upon graduating from the University of the Pacific, McGeorge School of Law. Paula practices in most areas of public agency representation, including the CKH Act. Paula serves legal counsel to San Bernardino LAFCO, assistant legal counsel to Orange LAFCO, and serves as general counsel to a number of special districts in San Diego County (agencies providing sewer and water services). She advises CALAFCO as assistant general counsel, assists in drafting legislation on CALAFCO’s behalf, and regularly advises other public agency clients with respect to LAFCO-related issues. She is the primary author of several “white papers” utilized by LAFCOs and public agencies throughout the state on changes in law impacting changes of organization and reorganizations.

01:30-03:00 p.m.

Municipal Service Reviews: It’s a Brand-New Ballgame

Summary:

Frank (and perhaps provocative) discussion between Commissioners and Executive Officers about the ever-important role of Municipal Service Reviews in light of SB 938.

Gay Jones, Special District Member Commissioner, Sacramento LAFCo

Representing Special Districts on CALAFCO since 2006 and Sacramento LAFCO since 2004, Gay has served as a Director for Sacramento Metropolitan Fire District since inception in 2000. Commissioner Jones is a retired Captain with the Sacramento Fire Department, 1981-2006. From her days as a Peace Corps Volunteer to today, she continues to serve her community on many local levels. Education includes an undergraduate degree in Philosophy and a Master’s in Health and Human Services. Gay looks forward to continued discussion for achieving LAFCO goals to improve all our communities.

Derek J. McGregor, Public Member, Orange LAFCo

Derek J. McGregor has served as the Public Member on Orange LAFCo since 2009 and was recently appointed to the CALAFCo Board of Directors. He is a licensed civil engineer and land surveyor and has owned and operated DMc Engineering, a civil engineering and land surveying firm, since 1987. Derek has more than 30 years of experience as a leader within the community he resides as well as countywide. His involvement includes Orange County Transportation Authority Citizen's Advisory and Environmental Oversight Committees, and Derek is the founding member of the Community Associations of Rancho, that promotes collaboration with some of the largest master homeowners' associations in California. Derek's career began after graduating from Southern Illinois University with a Bachelor of Science in Engineering.

Bill Connolly, County Supervisor Member Commissioner, Butte LAFCo

Bill Connolly has been a CALAFCo Commissioner for eight years and is the current Vice-Chair. His life of public service has been long and includes current service as the District One Supervisor on the Butte County Board of Supervisors, a position which he has held since 2005, and where he is the current Board Chair. He is also the Chair and a 17-year member of the Butte Local Agency Formation Commission, as well as a member of the Butte County Air Quality Board Management District, the Butte County Association of Governments, and a number of other community groups and organizations. With the exception of time enlisted in the United States Air Force, Bill has called Butte County home for most of his life.

Steve Lucas, Executive Officer, Butte LAFCo

Stephen Lucas is the Executive Officer for the Butte LAFCo with over 27 years of LAFCo and land use planning experience. He also serves as CALAFCo's Executive Officer, on the CALAFCo Legislative Committee as well as numerous other CALAFCo workgroups. Prior to joining LAFCo, he worked as a land use planner for the County of Butte, serving as staff to the Planning Commission and Airport Land Use Commission. Aside from his professional pursuits, Steve has also served his community for eight years on the City of Chico Airport Commission and eight years on the Chico Parks Commission as well as serving on the board of a several local leadership development programs. A more recent diversion found Steve taking a leadership role in the development of a K-8 charter school where he has served as the Board Chair for three years. Steve graduated from California State University at Chico, where he received both a B.A. in Geography and an M.A. in Geography and Urban Planning.

Kai Luoma, Executive Officer, Ventura LAFCo

Kai joined the Ventura LAFCo in 2007 and has served as Executive Officer since 2014. Before joining LAFCo, Kai was a senior planner for the City of Santa Clarita, where one his responsibilities was overseeing the city's frequent annexation proposals. He has also been a planner with the City of Roseville, Nevada County, and San Joaquin County. Kai holds a bachelor's degree in geography and a master's degree in public administration.

John Benoit, Executive Officer, Lake, Colusa, Calaveras, Modoc, and Yuba LAFCos

John Benoit has a professional background related to LAFCo, land use planning, project management, environmental, and community and economic development. Mr. Benoit is currently engaged in LAFCo activities currently serving as the LAFCo Executive Officer for LAFCo Commissions in Lake, Colusa, Calaveras, Modoc, Yuba, Sutter and formerly Plumas and Lassen Counties. As LAFCo contract staff to these rural Commissions, Mr. Benoit Plans and Organizes LAFCo activities, processes applications, establishes policies and programs, provides general administration, budget management, and environmental review services. Mr. Benoit has been a lecturer in Geography and French at three community colleges in Northern California and holds a master's degree in Geography.

Paula C. P. de Sousa, Partner, Best Best & Krieger LLP's Special District practice group

Paula C. P. de Sousa is a partner in Best Best & Krieger LLP's Special District practice group, based out of the firm's San Diego office. Paula joined BBK upon graduating from the University of the Pacific, McGeorge School of Law. Paula practices in most areas of public agency representation, including the CKH Act. Paula serves legal counsel to San Bernardino LAFCo, assistant legal counsel to Orange LAFCo, and serves as general counsel to a number of special districts in San Diego County (agencies providing sewer and water services). She advises CALAFCo as assistant general counsel, assists in drafting legislation on CALAFCo's behalf, and regularly advises other public agency clients with respect to LAFCo-related issues. She is the primary author of several "white papers" utilized by LAFCos and public agencies throughout the state on changes in law impacting changes of organization and reorganizations.

03:30 p.m.- 5:00 p.m.

How I learned to Stop Worrying and Love Fire District Consolidations

Summary:

A discussion of the financial, political and cultural challenges in fire district consolidations. Delve into real life, on the ground experiences with the pros and cons to achieve efficiencies for better fire service delivery. What are the factors that drive this service? Examining what is at your disposal. Explaining the “why” for merging, such as response capabilities and equipment resources. The goal is to give commissioners and staff a firm foundation for fire district consolidation discussions. LAFCO’s can be the lead on informative talks to improve and enhance emergency response within their jurisdictions.

Kris Berry, Executive Officer, Amador LAFCo

Kris Berry is the Executive Officer for Amador LAFCO. Kris previously served 16 years as the Executive Officer for Placer LAFCO and Senior Staff Analyst at Monterey LAFCO. Prior to coming to LAFCO, she was a Senior Planner with Monterey County Planning for 17 years. She has a BS in City and Regional Planning from Cal Poly San Luis Obispo. She is a long time Soroptimist and lover of all things Pug.

Gay Jones, Special District Commissioner, Sacramento LAFCo

Representing Special Districts on CALAFCO since 2006 and Sacramento LAFCO since 2004, Gay has served as a Director for Sacramento Metropolitan Fire District since inception in 2000. Commissioner Jones is a retired Captain with the Sacramento Fire Department, 1981-2006. From her days as a Peace Corps Volunteer to today, she continues to serve her community on many local levels. Education includes an undergraduate degree in Philosophy and a Master’s in Health and Human Services. Gay looks forward to continued discussion for achieving LAFCO goals to improve all of our communities.

Walt W. White, Fire Chief, Amador Fire Protection District

Walt W. White is Fire Chief of the Amador Fire Protection District and a 38-year veteran of the California Fire Service. He served as the 21st Fire Chief for the City of Sacramento and currently as Secretary of the Board of Directors for the Sacramento Metropolitan Fire District. Chief White is a survivor of multiple fire agency consolidations and understands the efficiency, effectiveness, and public benefit that is possible through cross silo collaboration. Chief White holds a Masters in Fire Service Management.

Rick Martinez, Executive Director, California Fire Foundation

Rick Martinez has over forty years in public safety service. Rising through the ranks he served in nearly every fire operational and administrative position to include twelve years as fire chief. During his tenure as fire chief, he guided the consolidation of multiple fire departments forming the Sacramento Metropolitan Fire District. He presently serves as the Executive Director of the California Fire Foundation a charitable non-profit that provides assistance to families of fallen and injured firefighters as well as the communities they serve.

Thursday, October 20th

01:45 p.m.- 03:15 p.m.

Recruitment and Succession Planning: Preparing for Future LAFCO Leaders, TODAY

Summary:

A LAFCO career is such a lucrative profession if you think about it – once you discover or stumble upon it of course. In fact, most employees end their careers with LAFCO after 10, 20, 30+ years under their belts. But how do you replace someone with that must experience? How do you find the right candidate to pass the torch? This session goes over succession planning and how to gain/retain LAFCO talent.

Brendon Freeman, Executive Officer, Napa LAFCo

Brendon Freeman is the Executive Officer of Napa LAFCO, to which he was promoted in July 2015 after working as a staff Analyst for Napa LAFCO since June 2008. Mr. Freeman has a Bachelor of Arts degree in Economics with a minor in Statistics from the University of California, Davis. Mr. Freeman previously served four years on the City of Napa Community Development Block Grant Citizens’ Advisory Committee, three years on the Napa Valley Support Services Board of Directors, and is currently a proud member of the Napa Sunrise Rotary service club.

Joe Serrano, Executive Officer, Santa Cruz LAFCo

Joe Serrano earned a double major in Finance & Accounting from Cal State University, Fullerton and has over 14 years in LAFCO experience. He began his LAFCO career as an intern for Orange LAFCO in 2008 and was their analyst until 2013 before he started expanding his LAFCO knowledge with other LAFCOs, including San Bernardino, San Diego, and Monterey. Today, he is now the Executive Officer of Santa Cruz LAFCO.

Rich Seithel, Executive Officer, Solano LAFCo

Rich Seithel has been the Solano LAFCO Executive Officer since July 2017. He previously retired from Contra Costa County after serving 20 years, where notably served as the Chief of Annexations and Economic Stimulus Programs and as a Senior Deputy County Administrator overseeing budget and programs for over twenty departments. He graduated from St. Mary's College, Moraga, CA with an MBA, honoring in Advanced Strategic Marketing.

Luis Tapia, Assistant Executive Officer, Orange LAFCo

Luis Tapia joined the Orange County LAFCO staff in 2016 as a Policy Analyst. In his current position as Assistant Executive Officer, Mr. Tapia is responsible for supervising staff, assisting in the yearly budget and audit, research and analysis involving potential city and district boundary changes and governance issues. Mr. Tapia received a Bachelor of Arts Degree in Political Science and a Master of Arts Degree in Political Science from the California State University of Long Beach and a Certificate in Geographic Information Systems from the California State University of Fullerton. His professional interests include working with organizations that empower the youth to pursue a degree in higher education.

Rachel Jones, Executive Officer, Alameda LAFCo

Rachel Jones is the Executive Officer for the Alameda Local Agency Formation Commission (LAFCO). She joined the Commission in June of 2018. Prior to her current position, she served as the Interim Executive Officer and Analyst at Marin LAFCO for over two years and administered their municipal service review program. She also previously served as the Donor Stewardship Associate and Board Liaison for SPUR, an urban planning think-tank in the Bay Area. Ms. Jones holds a Bachelor of Science degree in Urban Planning from Cornell University and is a graduate of Bishop O'Dowd High School in Oakland.

01:45 p.m.- 03:15 p.m.

Dangerous Currents- Recognizing and Avoiding Conflicts of Interest**Derek McGregor, Public Member, Orange LAFCo**

Derek J. McGregor has served as the Public Member on Orange LAFCO since 2009 and was recently appointed to the CALAFCO Board of Directors. He is a licensed civil engineer and land surveyor and has owned and operated DMc Engineering, a civil engineering and land surveying firm, since 1987. Derek has more than 30 years of experience as a leader within the community he resides as well as countywide. His involvement includes Orange County Transportation Authority Citizen's Advisory and Environmental Oversight Committees, and Derek is the founding member of the Community Associations of Rancho, that promotes collaboration with some of the largest master homeowners' associations in California. Derek's career began after graduating from Southern Illinois University with a Bachelor of Science in Engineering.

Bill Kelly, Present & CEO, Kelly Associates Management Group LLC (KAMG)

Bill Kelly is President/CEO of Kelly Associates Management Group LLC (KAMG), a municipal management firm formed in 2011 that consults only to public agencies (cities, counties, and special districts). Bill specializes in areas of organizational management, economic development, team building/goal setting and community development. Prior to establishing KAMG, he served as City Manager and Deputy City Manager for several cities, as well as other positions that include Director of Public Works and Community Development, Director of Planning and Building and City Planner. Bill has a Bachelor of Science, Urban Planning from Cal Poly Pomona, a Master of Public Administration from the University of Southern California, a Master of Management, an Executive Master of Business Administration and did doctoral work at Claremont Graduate University. He is an Adjunct Professor of Public Policy at the University of Southern California. Mr. Kelly was Vice Chair of the State of California Law Enforcement Telecommunications Commission and Chair of the Los Angeles County Emergency Management Agency Commission.

John Withers, Partner, California Strategies

John Withers has been a Partner at California Strategies for more than 28 years with experience in water resources and regulation; real estate development, entitlement, and asset protection, and government relations. He is able to find pathways to solutions that others miss because he has worked on all sides of the issues, attacking problems as an applicant, an elected official, a regulator, and a consultant. He has served for over 33 years as an elected director

(and former Board President) of the Irvine Ranch Water District, for 25 years as a commissioner (and former Chairman) of the Orange County Local Agency Formation Commission (LAFCO), and 19 years as a governor's appointed board member (and former Chairman) of the Santa Ana Regional Water Quality Control Board.

Scott Smith, Partner, Best Best & Krieger LLP

Best Best & Krieger LLP partner Scott C. Smith advises public and private clients on issues of state and local regulatory and land use law, including advice on development and environmental law and municipal law. Scott's career in public law at BB&K began immediately after law school graduation in 1985, so his early assignments included work implementing the freshly minted Cortese-Knox Act. Scott serves as general counsel for Orange County LAFCO and has worked on that team since 1994. In that capacity, he has served in review of several cityhood applications and major annexations and consolidations. Scott assists in representing several other BB&K LAFCO clients. He lectures frequently on ethics and governance. He loves Latin American literature and backpacking.

03:30 p.m.- 05:00 p.m.

Grand Juries & LAFCo: Why Can't We Be Friends?

SR Jones, Executive Officer, Nevada LAFCo

SR Jones has worked with Nevada LAFCo since 1992 and has served as the Executive Officer of Nevada LAFCo since 1993. SR has also been involved with CALAFCO since 1994, serving on the Legislative Committee, and several Program Committees. In 1997, and again in 2008, she was appointed Deputy Executive Officer. She served as Executive Officer of CALAFCO from 1998 until 2000, and again from 2009 to 2011. She received a degree in History from the University of California at San Diego, and currently resides near Nevada City.

Matthew Summers, Shareholder, Colantuono, Highsmith & Whatley

Matthew Summers is a Shareholder in Colantuono, Highsmith & Whatley's Pasadena office who has specialized in representing cities, special districts, joint powers agencies, and other public agencies since 2011. He serves as City Attorney for the Cities of Barstow, Calabasas, and Ojai, and as General Counsel for Eco-Rapid Transit, a 15-city joint powers agency working towards development of a light rail line along the Gateway Cities corridor in Los Angeles County. His practice covers the full range of public law issues, including land use, elections, conflicts of interest, open meetings and public records, public works and public contracting, labor and employment, post-redevelopment advice and litigation, cannabis regulation and enforcement, telecommunications, public agency litigation, LAFCO proceedings, and the California Environmental Quality Act ("CEQA"). Matt also advises the Cities of Sierra Madre and South Pasadena, and, as well as our other general and special counsel clients. Matt received his J.D. cum laude from the University of California, Hastings School of Law in 2011 where he was an Articles Editor of the Hastings West-Northwest Journal of Environmental Law & Policy. He graduated from Reed College with a B.A. in Economics in 2008 and is a member of Phi Beta Kappa.

Luis Tapia, Assistant Executive Officer, Orange LAFCo

Luis Tapia joined the Orange County LAFCO staff in 2016 as a Policy Analyst. In his current position as Assistant Executive Officer, Mr. Tapia is responsible for supervising staff, assisting in the yearly budget and audit, research and analysis involving potential city and district boundary changes and governance issues. Mr. Tapia received a Bachelor of Arts Degree in Political Science and a Master's of Arts Degree in Political Science from the California State University of Long Beach and a Certificate in Geographic Information Systems from the California State University of Fullerton. His professional interests include working with organizations that empower the youth to pursue a degree in higher education.

Gordon Mangel, Special District Member, Nevada LAFCo

Gordon was born and raised in Southern California and has been married for 57 years. Attended Cal Poly Pomona College with a major in Animal Science. Spent 34 years in Law Enforcement, mainly working for the Court System. Worked for the Presiding Judge of Los Angeles County for eight years. Moved to Penn Valley in 1998. Joined Gold Country Softball for several years as a board member. Became a member of Nevada County Grand Jury in 2015 and served as Foreperson for two years. Left Jury in 2020. Became a member of Penn Valley Fire Protection Board of Directors in 2021. Was elected by the Nevada County Special Districts to serve as District Member on Nevada LAFCo in 2021.

03:30 p.m.- 05:00 p.m.

The Definitive Session on Pensions: LAFCO's Two-fold Responsibility to Take Care of its Own and Review Agencies

Summary:

LAFCOs have a two-fold responsibility regarding pensions and OPEBs. First, LAFCOs are responsible for their own liabilities and payments. As a government agency, commissioners and staff need to understand the impacts of, and how to address, pension and OPEB liabilities. Second, as we perform service reviews, LAFCOs should be reviewing pensions and OPEBs -- not just identifying liabilities, but also the benefits and consequences of funding or not funding its pension and OPEB obligations. In some cases, this financial liability leads to service insolvency. Importantly, a proper review of an agency's liabilities cannot occur if LAFCOs do not understand their own pension and OPEB obligations.

Isabel Safie, Partner, Employee Benefits Practice Group of Best Best & Krieger LLP.

Isabel Safie is a partner in the Employee Benefits Practice Group of Best Best & Krieger LLP. She works with public and private sector clients on the design of employee benefit programs and issues related to those programs. Isabel also advises public agencies on their ability to modify or reduce pension and retiree health benefits under California's vested rights doctrine, and provides guidance on fiduciary obligations under federal, state and local pension laws. Isabel has substantial experience in all things related to CalPERS – in both its pension and health benefit programs – and has assisted her clients favorably resolve a variety of matters, including new agency eligibility determinations, membership eligibility, compensation earnable determinations, compliance reviews and resolutions, and retiree employment matters. Isabel graduated from the University of California Los Angeles, School of Law and received her Bachelor of Arts degree in Political Science with a minor in Human Biology from Stanford University.

Jim Bagley, Chair, San Bernardino LAFCO

Jim Bagley is currently the Chair for San Bernardino LAFCO. His first stint on the Commission began in 2001 as a City Member, and his second stint began in 2008 as a public member. Professionally, Jim is a real estate broker and has served in the following public agencies: Twentynine Palms Water District (board member); City of Twentynine Palms (Mayor, Mayor Pro Tem, and council member); San Bernardino Associated Governments (President, Vice President, and member); Southern California Association of Governments (member); California League of Cities (board member, Desert Mountain Division President and Vice President); Bureau of Land Management's Desert District Advisory Council (member); Real Estate Specialist for the Department of Defense; and, to this day, San Bernardino County Airport Commission (Chair, Vice Chair, and currently member). Jim's family has been part of the Twentynine Palms community for three generations. Serving his community, Jim has been active in the Rotary Club, Chamber of Commerce, and the Board of Realtors. In addition, he is a commercial pilot and a FAA certified flight instructor. Jim received his Bachelor of Arts degree in Political Science from the University of California Los Angeles.

Samuel Martinez, Executive Officer, San Bernardino LAFCO

Samuel Martinez is the Executive Officer for San Bernardino LAFCO. Sam joined San Bernardino LAFCO as an Analyst in 2003, moved up to Senior Analyst in 2008, promoted to Assistant Executive Officer in 2011, and appointed Executive Officer in 2018. Prior to joining LAFCO, Sam was a planner for the County of San Bernardino.

Michael Tuerpe, Sr. Analyst San Bernardino LAFCO

Michael Tuerpe has been with San Bernardino LAFCO for 17 years. He has completed over 100 individual service reviews and four countywide service reviews for the largest county in the state. Michael has degrees from UCLA and USC, as well as having served as an officer in the Air Force.

Friday, October 21st

9:00-10:15 am

Over the Hill LAFCo Commission Hearing on the proposal to dissolve the Over the Hill Fire District

Summary:

Join us for this “**mock-commission hearing**”, where we consider the not so simple dissolution of a rural fire district. The Commissioners and staff, as well as specific public instigators for this hearing are all experienced LAFCo people who will portray an actual local LAFCo hearing process. The intent is to evoke audience participation in the form of questions, comments on dos and “don’ts”, and constructive feedback on the hearing progress.

Jurg Heuberger, Executive Officer, Imperial LAFCo

Jurg Heuberger worked for the Land Use Department in Imperial County from 1975 to 2010, serving as the Planning Director for the last 26 years. He became the Executive Office to LAFCO in 1985 while LAFCO was still under County staffing. In 2010 Imperial LAFCo became totally independent, and he has continued to serve as the EO. Jurg has a degree in Architecture from California Polytechnic State University at San Luis Obispo. He serves on several Boards including the Imperial County Historical Society and was a founding member and still on the Board of Imperial Valley Telecommunications Authority (IVTA). IVTA provides high speed internet services to all 33-member public agencies in Imperial County. Jurg was born and raised in Switzerland.

Paula Graf, Sr. Analyst, Imperial LAFCo

Paula Graf is a Sr. Analyst for Imperial LAFCo. She started in 2015 as a limited-time clerk and has since moved up to Senior Analyst. Prior to joining LAFCo, Paula worked as an accounting assistant and assistant property accounts manager. She enjoys camping and hiking to get away from the noise of the day-to-day.

Holly Whatley, Shareholder, Colantuono, Highsmith & Whatley, PC.

Holly is a shareholder at Colantuono, Highsmith & Whatley, PC. She serves as General Counsel to San Diego County LAFCO and is conflicts counsel for San Bernardino LAFCO. She also litigates on behalf of public agencies throughout the state, including LAFCOs. Her LAFCO-related experience includes litigating a Rev. & Tax. 99 property tax negotiation dispute, island annexation disputes, election law disputes regarding voter approval of reorganizations and disputes regarding property tax implications of reorganizations.

Andy Vanderlan, Public Member, San Diego LAFCo

Commissioner Andrew “Andy” Vanderlaan has served as a regular public member on San Diego LAFCO since his initial appointment in 1996. Mr. Vanderlaan also served as an elected board member of CALAFCO between 2011 and 2012. Mr. Vanderlaan is a retired public safety professional and most recently served as Fire Chief for the North County Fire Protection District. It was also during his tenure with the North County Fire Protection District that Mr. Vanderlaan served as an elected member of the Special Districts Advisory Committee. Mr. Vanderlaan currently resides in the unincorporated community of Bonsall with his wife Miriam. Commissioner Vanderlaan’s current term ends on May 2025.

Gary Thompson, Executive Officer, Riverside LAFCo

Gary Thompson began his service as Executive Officer in May of 2019, after previously serving 5 years as City Manager for the City of Jurupa Valley. Gary has over 18 years of local government experience, and unique experience in understanding the methodologies and legal boundaries associated with formation and implementation of municipal agencies, municipal agency management and financing, and setting municipal level policy. Gary also previously served in a consulting capacity to several LAFCOs throughout California working on various projects including municipal service reviews, sphere of influence updates, incorporation fiscal analyses, and special studies.

Gary also worked 30 years in the federal sector, a significant portion in management level positions within various agencies of the Department of the Navy. Gary holds a Bachelor of Arts degree in Business Administration from California State University, Long Beach, and an Associate in Science degree from Long Beach City College.

Derek McGregor, Public Member, Orange LAFCo

Derek J. McGregor has served as the Public Member on Orange LAFCO since 2009 and was recently appointed to the CALAFCO Board of Directors. He is a licensed civil engineer and land surveyor and has owned and operated DMc Engineering, a civil engineering and land surveying firm, since 1987. Derek has more than 30 years of experience as a leader within the community he resides as well as countywide. His involvement includes Orange County Transportation Authority Citizen’s Advisory and Environmental Oversight Committees, and Derek is the founding member of the Community Associations of Rancho, that promotes collaboration with some of the largest master

homeowners' associations in California. Derek's career began after graduating from Southern Illinois University with a Bachelor of Science in Engineering.

Priscilla Mumpower, Local Government Analyst II, San Diego LAFCo

Priscilla Mumpower joined San Diego LAFCo in August 2020 and currently serves as a Local Government Analyst II. She received her undergraduate degree from Arizona State University, College of Public Service and Community Solutions. As a San Diego native, she aspires to positively impact and contribute to San Diego communities. Previously, Priscilla worked in the hospitality industry as a Human Resources Manager. When not at work she enjoys spending time with her husband and daughter.

Carolyn Emery, Executive Officer, Orange LAFCo

Carolyn Emery joined OC LAFCo in 2000. With more than 25 years of experience with local and state government, Ms. Emery currently provides executive leadership on agency projects that include developing governance alternatives involving infrastructure challenges and facilitating solutions through the vehicles of urban and regional planning. As Executive Officer, she is responsible for the agency's external relations and the development of annual strategic plans, work plans and the operational budgets. Additionally, Ms. Emery serves on multiple committees and boards that include the: Orange County Council of Governments, Center for Demographic Research Management Oversight Committee, and the CALAFCo Legislative Committee. Prior to joining Orange LAFCo, Carolyn worked with the City of Los Angeles, Commission on the Status of Women established by Mayor Tom Bradley. Ms. Emery earned a B.A. in Political Science and a master's degree in Public Policy and Administration from CSU Long Beach. She is also a graduate of the Stanford University Bill Lane Center Local Governance Summer Institute and the Coro Southern California Women in Leadership Cohort. Carolyn is a member of the International City/County Management Association (ICMA) and Women Leading Government (WLG).



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

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Napa, California 94559
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We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

Agenda Item 6a (Action)

TO: Local Agency Formation Commission

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

MEETING DATE: December 5, 2022

SUBJECT: Financial Audit for Fiscal Year Ending June 30, 2022

RECOMMENDATION

Receive and file the financial audit report for the fiscal year ending June 30, 2022, included as Attachment One.

SUMMARY

Brown Armstrong was retained to conduct an independent audit of the agency's financial statements for the 2021-22 fiscal year. Brown Armstrong completed their audit in November 2022 and found no material misstatements. The audit also found no instances of significant or unusual changes in reporting practices and does not include any suggestions for improvements. A copy of the audit is included as Attachment One.

Brown Armstrong's audit provides an unqualified opinion the Commission's financial statements are reliable representations of the agency's financial position as of June 30, 2022. This "clean" opinion affirms the Commission maintains an effective level of internal control in managing its financial records and transactions which helps to ensure maximum accountability with respect to the agency's use of public funds. The audit also affirms that the Commission is in relatively strong financial position given it finished the fiscal year with an available/unrestricted fund balance of \$281,201; an amount representing approximately 49.3% of the agency's budgeted expenditures for the 2021-22 fiscal year.

A financial summary chart, included as Attachment Three, depicts changes in the Commission's audited fund balance for the past 15 fiscal years, beginning with 2007-08.

ATTACHMENTS

- 1) LAFCO Financial Audit Report for the Fiscal Year Ended June 30, 2022
- 2) Communications Letter From Brown Armstrong to the Commissioners
- 3) LAFCO Financial Summary Chart Fiscal Years 2007-08 to 2021-22

Margie Mohler, Chair
Councilmember, Town of Yountville

Mariam Aboudamous, Commissioner
Councilmember, City of American Canyon

Beth Painter, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Vice 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

Kenneth Leary, Commissioner
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

**LOCAL AGENCY FORMATION
COMMISSION OF NAPA COUNTY**

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

**FOR THE YEAR ENDED
JUNE 30, 2022**

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
JUNE 30, 2022

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**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
COMMISSION MEMBERSHIP
FOR THE YEAR ENDED JUNE 30, 2022**

Margie Mohler	Chair City Selection Committee	May 2025
Brad Wagenknecht	Vice Chair Napa County Board of Supervisors	May 2024
Mariam Aboudamous	Commissioner City Selection Committee	May 2023
Diane Dillon	Commissioner Napa County Board of Supervisors	May 2026
Kenneth Leary	Commissioner Public Member	May 2026
Beth Painter	Alternate Commissioner City Selection Committee	May 2023
Ryan Gregory	Alternate Commissioner Napa County Board of Supervisors	May 2025
Eve Kahn	Alternate Commissioner Public Member	May 2024

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Basic Financial Statements

Opinions

We have audited the accompanying basic financial statements of the governmental activities and the major fund of the Local Agency Formation Commission of Napa County (the Commission), as of and for the year ended June 30, 2022, and the related notes to the basic financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Commission, as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Basic Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Basic Financial Statements

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

In preparing the basic financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Basic Financial Statements

Our objectives are to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the basic financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the basic financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the basic financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the basic financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–8 and 22–23 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2022, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 30, 2022

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

The Local Agency Formation Commission of Napa County (the Commission) administers a section of California Government Code now known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The Commission is delegated regulatory and planning responsibilities to coordinate the logical formation and development of local agencies in a manner preserving agricultural and open-space resources, promoting the orderly extension of municipal services, and discouraging urban sprawl. Key duties include regulating boundary changes through annexations or detachments; approving city incorporations or disincorporations; and forming, consolidating, or dissolving special districts. The Commission is also responsible for preparing studies in order to knowledgeably perform its regulatory activities, including establishing and updating spheres of influence for all cities and special districts within its jurisdiction. Spheres are planning tools used by the Commission to designate the territory it believes represents the appropriate and probable future service area of the affected agency. All jurisdictional changes, such as annexations, must be consistent with the spheres of the affected agencies with limited exceptions. As of June 30, 2022, there are currently 23 cities and special districts subject to Commission jurisdiction in the County of Napa (the County).

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

This narrative overview and analysis of the financial activities for the fiscal year ending June 30, 2022, is offered by the Commission's manager, the Executive Officer, to provide greater context to the audit performed by the Commission's independent auditor, Brown Armstrong Accountancy Corporation. Please read it in conjunction with the Commission's basic financial statements, which follow this section.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

Government-Wide Statements

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

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

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

Fund Financial Statements

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

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

Notes to the Basic Financial Statements

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

Required Supplementary Information (RSI)

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

FINANCIAL ANALYSIS OF THE COMMISSION

Net Position

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

Condensed Statement of Net Position As of June 30, 2022

	2022	2021	Variance
Assets			
Current Assets	\$ 301,290	\$ 291,764	\$ 9,526
Noncurrent assets	110,019	-	110,019
Total Assets	<u>411,309</u>	<u>291,764</u>	<u>119,545</u>
Liabilities			
Current Liabilities	432	1,521	(1,089)
Long-Term Liabilities	113,770	-	113,770
Total Liabilities	<u>114,202</u>	<u>1,521</u>	<u>112,681</u>
Net Position			
Net Investment in Capital Assets (Leased Assets)	(3,751)	-	(3,751)
Unrestricted	300,858	290,243	10,615
Total Net Position	<u>\$ 297,107</u>	<u>\$ 290,243</u>	<u>\$ 6,864</u>

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Commission, total assets exceeded total liabilities by \$297,107 as of June 30, 2022, due to revenues exceeding projected expenses.

Changes in Net Position

The government-wide financial statement presented below represents an analysis of the Commission's governmental activities.

Condensed Statement of Activities For the Year Ended June 30, 2022

	2022	2021	Variance
Revenues:			
Intergovernmental	\$ 509,670	\$ 485,400	\$ 24,270
Charges for Services	31,599	37,949	(6,350)
Interest Income	5,418	6,818	(1,400)
Total Revenues	<u>546,687</u>	<u>530,167</u>	<u>16,520</u>
Expenses:			
Contracted Administrative Services	444,598	434,700	9,898
Services and Supplies	93,224	124,986	(31,762)
Debt Service:			
Interest	2,001	-	2,001
Total Expenses	<u>539,823</u>	<u>559,686</u>	<u>(19,863)</u>
Change in Net Position	6,864	(29,519)	36,383
Net Position - Beginning of Year	<u>290,243</u>	<u>319,762</u>	<u>(29,519)</u>
Net Position - End of Year	<u>\$ 297,107</u>	<u>\$ 290,243</u>	<u>\$ 6,864</u>

Financial Analysis of the Commission's Governmental Fund

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

For the year ending June 30, 2022, the Commission reported an ending fund balance of \$300,858, for an increase of \$10,615 from the prior year.

BUDGETARY HIGHLIGHTS

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

State law requires that the County, and the four cities and town within the County, fund the Commission's budget each year. The Commission is also authorized to establish and collect fees for purposes of offsetting agency contributions. It is also the practice of the Commission to make use of its unrestricted fund balance to help cover operating costs to help minimize the fiscal impact on local agencies as long as the balance does not fall below the equivalent of four months of operating expenses. This practice of using the unrestricted fund balance to help cover operating costs occasionally results in budgeting an

operating shortfall. For the year ending June 30, 2022, the Commission budgeted an operating shortfall of \$29,696. The actual change in fund balance was a surplus of \$10,615, primarily due to the increase in charges for services and decrease in contracted administrative expenditures, legal expenditures, rent and lease expenditures, and training expenditures.

It should be noted that Intergovernmental Revenues represent the amount each agency was required to contribute to the Commission's budget.

CAPITAL ASSETS

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

The Commission has an assigned fund balance of \$19,657 for the eventual replacement of the document management system.

During fiscal year 2021-22, the Commission implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The Commission recognized two (2) right-to-use leased assets for a building lease and a Xerox copier machine. Right-to-use leased assets totaled \$110,019 (net of accumulated amortization) as of June 30, 2022. Refer to Note 3 for additional details.

DEBT ADMINISTRATION

The Commission's long-term obligations were for lease liabilities. The Commission's obligations totaled \$113,770 as of June 30, 2022. Refer to Note 4 for additional details.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Commission is committed to fulfilling its state-mandated mission with as little fiscal impact on local agencies as possible. In preparing the budget for fiscal year 2022-23, the Commission used a spending baseline to estimate how much it would cost to continue the level of its activities and services at next year's price for labor and supplies. The Commission's adopted fiscal year 2022-23 budget is \$663,588, an overall percentage increase of 19.7% from prior year's original adopted budget. This increase is due to administrative cost increases involving anticipated changes to staff job classifications and salary ranges, increased legal service needs, and anticipated conference attendance.

CONTACTING THE COMMISSION

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

Local Agency Formation Commission of Napa County
1754 Second Street, Suite C
Napa, California 94559

BASIC FINANCIAL STATEMENTS

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2022

Assets	
Cash in County Treasury	\$ 298,990
Imprest Cash	100
Deposits with Others	2,200
Leased Assets	
Right-to-Use Intangible Assets, Net of Accumulated Amortization	<u>110,019</u>
Total Assets	<u><u>411,309</u></u>
Liabilities	
Accounts Payable	206
Accrued Salaries and Benefits	226
Long-Term Liabilities	
Due Within One Year:	
Lease Liability	26,015
Due in More Than One Year:	
Lease Liability	<u>87,755</u>
Total Liabilities	<u><u>114,202</u></u>
Net Position	
Net Investment in Capital Assets (Leased Assets)	(3,751)
Unrestricted	<u>300,858</u>
Total Net Position	<u><u>\$ 297,107</u></u>

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

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Program Expenses	
Contracted Administrative Services	\$ 444,598
Services and Supplies	93,224
Debt Service:	
Interest	<u>2,001</u>
Total Program Expenses	<u>539,823</u>
Program Revenues	
Intergovernmental Revenues:	
County of Napa	254,835
Other Governmental Agencies	254,835
Charges for Services	<u>31,599</u>
Total Program Revenues	<u>541,269</u>
Net Program Revenue	1,446
General Revenues	
Interest Income	<u>5,418</u>
Change in Net Position	6,864
Net Position - Beginning of Year	<u>290,243</u>
Net Position - End of Year	<u><u>\$ 297,107</u></u>

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

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2022

Assets	
Cash in County Treasury	\$ 298,990
Imprest Cash	100
Deposits with Others	<u>2,200</u>
Total Assets	<u><u>\$ 301,290</u></u>
Liabilities	
Accounts Payable	\$ 206
Accrued Salaries and Benefits	<u>226</u>
Total Liabilities	<u>432</u>
Fund Balance	
Assigned	19,657
Unassigned	<u>281,201</u>
Total Fund Balance	<u>300,858</u>
Total Liabilities and Fund Balance	<u><u>\$ 301,290</u></u>

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

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Total fund balance - governmental fund (page 11)	\$ 300,858
Amounts reported for governmental activities in the statement of net position are different because:	
Right-to-use leased assets used for governmental activities are not reported as assets in the governmental fund.	110,019
Lease liability is not reported in the governmental fund.	<u>(113,770)</u>
Net position of governmental activities (page 9)	<u>\$ 297,107</u>

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

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

Revenues	
Intergovernmental Revenues:	
County of Napa	\$ 254,835
Other Governmental Agencies	254,835
Charges for Services	31,599
Interest Income	5,418
	<u>546,687</u>
Total Revenues	
	<u>546,687</u>
Expenditures	
Contracted Administrative Services	444,598
Services and Supplies	68,267
Debt Service:	
Principal	21,206
Interest	2,001
Capital Outlay	
Right-to-Use Leased Assets	134,976
	<u>671,048</u>
Total Expenditures	
	<u>671,048</u>
Deficiency of Revenues under Expenditures	
	<u>(124,361)</u>
Other Financing Sources	
Lease Inception	134,976
	<u>134,976</u>
Change in Fund Balance	
	10,615
Fund Balance - Beginning of Year	
	<u>290,243</u>
Fund Balance - End of Year	
	<u><u>\$ 300,858</u></u>

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

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Net change in fund balance - governmental fund (page 13)	\$ 10,615
Amounts reported for governmental activities in the statement of activities are different because:	
Lease amortization expense does not use current financial resources but has an effect on net position.	(24,957)
Lease principal payments on long-term debt use current financial resources but have no effect on net position.	<u>21,206</u>
Change in net position of governmental activities (page 10)	<u>\$ 6,864</u>

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

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Local Agency Formation Commission of Napa County (the Commission) was created in 1963 by the California Legislature to encourage the orderly formation and development of local agencies, promote the efficient extension of municipal services, and protect against the premature conversion of agricultural and open-space lands. In 2001, following the enactment of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the Commission became an independent agency separate from the County of Napa (the County). As of June 30, 2022, there are 23 cities and special districts under the jurisdiction of the Commission in the County.

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

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

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

B. Basis of Presentation and Accounting

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

C. Capital Assets

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

D. Use of Estimates

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

E. Lease Assets

Right-to-use leased assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payment made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any direct costs that are ancillary charges necessary to place the lease assets into service in accordance with GASB Statement No. 87, *Leases*.

Right-to-use leased assets are amortized using the straight-line method over the shorter of the lease term or the useful life on the underlying asset, unless the lease contains a purchase option that the Commission has determined is reasonably certain of being exercised.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)F. New Accounting Pronouncements Implemented

GASB Statement No. 87 – Leases. The requirements of this statement are effective for fiscal years beginning after June 15, 2021, and all fiscal years thereafter. The Commission has implemented this statement and the provisions are contained within the financial statements.

GASB Statement No. 89 – Accounting for Interest Cost Incurred before the End of a Construction Period. The requirements of this statement are effective for fiscal years beginning after December 15, 2020. This statement did not impact the financial statements or disclosures of the Commission as the Commission does not have these types of transactions.

GASB Statement No. 92 – Omnibus 2020. The requirements of this statement are effective as follows:

- The requirements related to the effective date of GASB Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of GASB Statements No. 73 and No. 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of GASB Statement No. 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in fiscal years beginning after June 15, 2021.

This statement does not impact the financial statements or disclosures of the Commission as the Commission does not have these types of transactions.

GASB Statement No. 93 – Replacement of Interbank Offered Rates. The requirements of this statement, except for paragraphs 11b, 13, and 14 are effective for fiscal years beginning after June 15, 2020. The requirement in paragraph 11b is effective for fiscal years ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021, and all fiscal years thereafter. This statement did not impact the financial statements or disclosures of the Commission as the Commission does not have these types of transactions.

GASB Statement No. 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32. The requirements of this statement are effective as follows:

- The requirements in (1) paragraph 4 of this statement as it applies to defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and other employee benefit plans and (2) paragraph 5 of this statement are effective immediately.
- The requirements in paragraphs 6–9 of this statement are effective for fiscal years beginning after June 15, 2021.

This statement does not impact the financial statements or disclosures of the Commission as the Commission does not have these types of transactions.

G. Future Accounting Pronouncements

GASB Statement No. 91 – Conduit Debt Obligations. The requirements of this statement are effective for fiscal years beginning after December 15, 2021. Earlier application is encouraged. The Commission has not fully judged the impact of implementation of this standard on the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)G. Future Accounting Pronouncements (Continued)

GASB Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all fiscal years thereafter. The Commission has not fully judged the impact of implementation of this standard on the financial statements.

GASB Statement No. 96 – Subscription-Based Information Technology Arrangements. The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The Commission has not fully judged the impact of implementation of this standard on the financial statements.

GASB Statement No. 99 – Omnibus 2022. The requirements of this statement are effective as follows:

- The requirements related to extension of the use of the London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in GASB Statement No. 34, as amended, and terminology updates related to GASB Statement No. 53 and GASB Statement No. 63 are effective upon issuance.
- The requirements related to leases, public-private and public-public partnerships (PPPs), and subscription-based information technology arrangements (SBITAs) are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all fiscal years thereafter.

Earlier application is encouraged. The Commission has not fully judged the impact of implementation of this standard on the financial statements.

GASB Statement No. 100 – Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62. For fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The Commission has not fully judged the impact of implementation of this standard on the financial statements.

GASB Statement No. 101 – Compensated Absences. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The Commission has not fully judged the impact of implementation of this standard on the financial statements.

NOTE 2 – CASH

Cash at June 30, 2022, consisted of the following:

Cash in County Treasury	\$ 298,990
Imprest Cash	<u>100</u>
	<u>\$ 299,090</u>

NOTE 2 – CASH (Continued)

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

Required disclosures for the Commission's deposit and investment risks at June 30, 2022, were as follows:

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

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

NOTE 3 – CAPITAL ASSETS

Capital assets and right-to-use leased asset activity at June 30, 2022, were as follows:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022
Capital assets being depreciated:				
Equipment	\$ 19,657	\$ -	\$ -	\$ 19,657
Total capital assets being depreciated	<u>19,657</u>	<u>-</u>	<u>-</u>	<u>19,657</u>
Less accumulated depreciation:				
Equipment	(19,657)	-	-	(19,657)
Total accumulated depreciation	<u>(19,657)</u>	<u>-</u>	<u>-</u>	<u>(19,657)</u>
Capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Right-to-use leased assets being amortized:				
Building	-	125,943	-	125,943
Equipment	-	9,033	-	9,033
Total right-to-use leased assets being amortized	<u>-</u>	<u>134,976</u>	<u>-</u>	<u>134,976</u>
Less accumulated amortization:				
Building	-	(23,090)	-	(23,090)
Equipment	-	(1,867)	-	(1,867)
Total accumulated amortization	<u>-</u>	<u>(24,957)</u>	<u>-</u>	<u>(24,957)</u>
Right-to-use leased assets, net	<u>-</u>	<u>110,019</u>	<u>-</u>	<u>110,019</u>
Total capital assets and right-to-use leased assets, net	<u>\$ -</u>	<u>\$ 110,019</u>	<u>\$ -</u>	<u>\$ 110,019</u>

Amortization for right-to-use leased assets for the fiscal year ended June 30, 2022, was \$24,957.

NOTE 4 – LONG-TERM LIABILITIES

The Commission has entered into two (2) lease agreements as follows:

The Commission has entered into a lease agreement, with a recognized inception date of August 1, 2021, as lessee for the use of 1754-C 2nd St. The lease term ends on July 31, 2026. An initial lease liability of \$125,943 was recorded on August 1, 2021. As of June 30, 2022, the value of the lease liability was \$106,538. The difference of \$19,405 is related to the principal portion of the lease payments made during the fiscal year 2022. The Commission has a fixed base rent schedule, ranging from \$1,850 a month on August 1, 2021, to \$2,350 a month ending July 1, 2026. The Commission is utilizing the County's incremental borrowing rate of 1.9%.

The Commission has entered into a lease agreement, with a recognized inception date of July 1, 2021, as lessee for the use of a Xerox copier machine. The lease term ends on April 28, 2026. An initial lease liability of \$9,033 was recorded on July 1, 2021. As of June 30, 2022, the value of the lease liability was \$7,231. The difference of \$1,802 is related to the principal portion of the lease payments made during the fiscal year 2022. The Commission has a fixed base rent of \$163 a month through the end of the term on April 28, 2026. The Commission is utilizing the County's incremental borrowing rate of 1.9%.

Principal and interest payments to maturity are as follows:

Year Ending June 30,	Principal	Interest
2023	\$ 26,015	\$ 1,937
2024	27,301	1,432
2025	28,626	902
2026	29,485	346
2027	2,343	4
Total	<u>\$ 113,770</u>	<u>\$ 4,621</u>

NOTE 5 – NET POSITION/FUND BALANCE**Net Position**

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

Fund Balance

Governmental funds report fund balance in classifications based primarily on the extent to which the Commission is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2022, fund balances for governmental funds are made up of the following:

- *Nonspendable fund balance* – amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- *Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

NOTE 5 – NET POSITION/FUND BALANCE (Continued)**Fund Balance** (Continued)

- *Committed fund balance* – amounts constrained to specific purposes by the Commission itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the Commission takes the same highest level of action to remove or change the constraint.
- *Assigned fund balance* – amounts the Commission intends to use for a specific purpose. Intent can be expressed by the Board of Commissioners or by an official or body to which the Board of Commissioners delegates the authority.
- *Unassigned fund balance* – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

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

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

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

NOTE 6 – RELATED PARTY TRANSACTIONS

During the year ended June 30, 2022, the Commission paid the County, a related party, \$459,647 for personnel and other support services.

In addition, the Commission received \$254,835 during the year ended June 30, 2022, from the County, a related party, pursuant to Government Code Section 56381. The County provides half of the intergovernmental revenue to the Commission. The other half is funded by the City of Napa, City of St. Helena, City of American Canyon, City of Calistoga, and Town of Yountville.

NOTE 7 – RISK MANAGEMENT

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

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 30, 2022, which is the date the basic financial statements were available to be issued. No events have occurred that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Intergovernmental Revenues	\$ 509,670	\$ 509,670	\$ 509,670	\$ -
Charges for Services	20,600	20,600	31,599	10,999
Interest Income	10,000	10,000	5,418	(4,582)
	<u>540,270</u>	<u>540,270</u>	<u>546,687</u>	<u>6,417</u>
Total Revenues				
Expenditures				
Contracted Administrative Services	437,326	453,151	444,598	8,553
Services and Supplies	93,608	93,608	68,267	25,341
Debt Service:				
Principal	23,207	23,207	21,206	2,001
Interest	-	-	2,001	(2,001)
Capital Outlay:				
Right-to-Use Leased Assets	-	-	134,976	(134,976)
	<u>554,141</u>	<u>569,966</u>	<u>671,048</u>	<u>(101,082)</u>
Total Expenditures				
Deficiency of Revenues under Expenditures	<u>(13,871)</u>	<u>(29,696)</u>	<u>(124,361)</u>	<u>(94,665)</u>
Other Financing Sources				
Lease Inception	-	-	134,976	134,976
	<u>-</u>	<u>-</u>	<u>134,976</u>	<u>134,976</u>
Change in Fund Balance	<u>\$ (13,871)</u>	<u>\$ (29,696)</u>	10,615	<u>\$ 40,311</u>
Fund Balance - Beginning of Year			<u>290,243</u>	
Fund Balance - End of Year			<u>\$ 300,858</u>	

See accompanying note to the required supplementary information.

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

BUDGET AND BUDGETARY REPORTING

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

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

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

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

OTHER REPORT



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities and the major fund of the Local Agency Formation Commission of Napa County (the Commission), as of and for the year ended June 30, 2022, and the related notes to the basic financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated November 30, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 30, 2022



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

We have audited the financial statements of the governmental activities and the major fund of the Local Agency Formation Commission of Napa County (the Commission) for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 28, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 30, 2022.

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 4200 Truston Avenue, Suite 300
 Bakersfield, CA 93309
 661-324-4971

FRESNO
 10 River Park Place East, Suite 208
 Fresno, CA 93720
 559-476-3592

STOCKTON
 2423 West March Lane, Suite 202
 Stockton, CA 95219
 209-451-4833

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

Restriction on Use

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

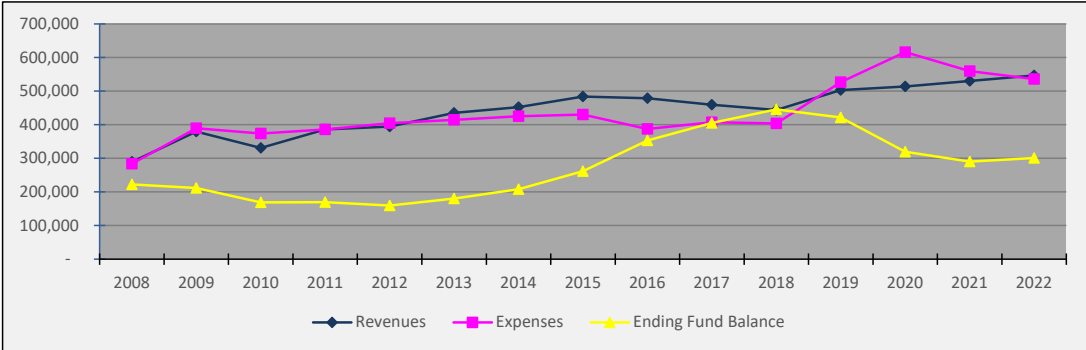
BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
November 30, 2022

**LAFCO Financial Summary
For the Past 15 Years**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues	\$289,341	\$379,499	\$330,942	\$386,070	\$394,658	\$435,317	\$452,727	\$483,743	\$479,137	\$459,555	\$443,870	\$503,137	\$514,135	\$530,167	\$546,687
Expenses	283,622	389,688	373,993	385,677	404,358	414,578	424,924	430,146	387,701	407,207	403,630	526,982	616,203	559,686	536,072
Surplus/Deficit	\$5,719	\$(10,189)	\$(43,051)	\$393	\$(9,700)	\$20,739	\$27,803	\$53,597	\$91,436	\$52,348	\$40,240	\$(23,845)	\$(102,068)	\$(29,519)	\$10,615
Fund Balance:															
Beginning Fund Balance	\$216,340	\$222,059	\$211,870	\$ 168,819	\$169,212	\$159,512	\$180,251	\$208,054	\$261,651	\$353,087	\$405,435	\$445,675	\$421,830	\$319,762	\$290,243
Surplus/Deficit 6/30	5,719	(10,189)	(43,051)	393	(9,700)	20,739	27,803	53,597	91,436	52,348	40,240	(23,845)	(102,068)	(29,519)	10,615
Ending Fund Balance	\$222,059	\$211,870	\$168,819	\$169,212	\$159,512	\$180,251	\$208,054	\$261,651	\$353,087	\$405,435	\$445,675	\$421,830	\$319,762	\$290,243	\$300,858
Breakdown of Fund Balance:															
Professional Services	\$50,000	\$50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Reserve	37,879	40,594	-	-	-	-	-	-	-	-	-	-	-	-	-
Petty Cash Reserve	-	-	100	100	100	100	100	100	100	100	100	100	100	100	100
Equipment Replacement Reserve	-	-	3,931	7,862	11,793	15,724	19,557	19,557	19,557	19,557	19,557	19,557	19,557	19,557	19,557
Future Projects	55,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Available Fund Balance	79,180	121,276	164,788	161,250	147,619	164,427	188,397	241,994	333,430	385,778	426,018	402,173	300,105	270,586	281,201
Total Fund Balance	\$222,059	\$211,870	\$168,819	\$169,212	\$159,512	\$180,251	\$208,054	\$261,651	\$353,087	\$405,435	\$445,675	\$421,830	\$319,762	\$290,243	\$300,858





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

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Phone: (707) 259-8645
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We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

Agenda Item 7a (Information)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer *BF*

MEETING DATE: December 5, 2022

SUBJECT: Presentation on the Napa Valley Drought Contingency Plan

SUMMARY

No actions will be taken as part of this item. The Commission will receive information on the Napa Valley Drought Contingency Plan (DCP) from Patrick Costello, Water Resources Analyst for the City of Napa. The DCP final report was adopted in September 2022, and is available online at: <https://www.napawatersheds.org/dcp>.

The DCP was conducted by a task force of local water managers using a grant secured under the US Bureau of Reclamation's Drought Response Program. The DCP Task Force includes the County of Napa, the City of American Canyon, the City of Calistoga, the City of Napa, the City of St. Helena, the Town of Yountville, and the Napa Sanitation District. The City of Napa is the lead agency and convener for the DCP Task Force.

The DCP represents a cooperative and collaborative effort to build long-term drought resiliency throughout the Napa Valley. The DCP prepares local agencies for drought and associated impacts in advance of a crisis. By prioritizing the development of projects and management response actions, the DCP assists local water managers and provides the tools for long-term drought resilience for the region's water supply.

The presentation of this item relates to recommendations included in the Commission's *Napa Countywide Water and Wastewater Municipal Service Review*, available online at: https://www.napa.lafco.ca.gov/uploads/documents/NapaCountywideWaterWastewaterMSR_Updated_10-4-21.pdf.

ATTACHMENTS

None

Margie Mohler, Chair
Councilmember, Town of Yountville

Mariam Aboudamous, Commissioner
Councilmember, City of American Canyon

Beth Painter, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Vice 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

Kenneth Leary, Commissioner
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer