



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

MEETING MINUTES OF APRIL 4, 2011

1. CALL TO ORDER; ROLL CALL

Acting Chair Wagenknecht called the regular meeting of April 4, 2011 to order at 4:00 P.M. At the time of roll call, the following Commissioners and staff were present:

Regular Commissioners	Alternate Commissioners	Staff
Brad Wagenknecht (<i>Acting Chair</i>)	Joan Bennett (<i>Voting</i>)	Keene Simonds, Executive Officer
Juliana Inman	Mark Luce (<i>Voting</i>)	Jackie Gong, Commission Counsel
Brian J. Kelly	Gregory Rodeno	Brendon Freeman, Analyst
		Kathy Mabry, Secretary

Absent: Bill Dodd, Chair and
Lewis Chilton, Vice Chair

2. PLEDGE OF ALLEGIANCE

Acting Chair Wagenknecht led the Pledge of Allegiance.

3. AGENDA REVIEW

There were no requests to rearrange the agenda.

4. PUBLIC COMMENT

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

5. CONSENT ITEMS

a) Meeting Minutes

The Commission considered approving draft meeting minutes prepared for the February 7, 2011 meeting.

b) Current and Future Proposals

The Commission received a report summarizing current and future proposals, which was presented for information. One new proposal has been submitted since the February 7, 2011 meeting.

c) Assembly Committee on Local Government Hearing on LAFCOs

The Commission received a publication prepared by the California Association of Local Agency Formation Commissions as part of its recent presentation to the Assembly Committee on Local Government. The publication provides a primer on LAFCOs' principal duties and objectives and is being presented for information.

Upon motion by Commissioner Bennett and second by Commissioner Kelly, the consent items were approved.

6. PUBLIC HEARING ITEMS

a) Final Report on the Lake Berryessa Region Municipal Service Review

Staff provided the Commission with a review of the final report on the scheduled municipal service review on the Lake Berryessa region. Affected agencies include the Lake Berryessa Resort Improvement District, Napa Berryessa Resort Improvement District, and the Spanish Flat Water District. The region contains four distinct unincorporated communities – Berryessa Estates, Berryessa Highlands, Berryessa Pines, and Spanish Flat – with a combined resident population of approximately 1,800. The final report follows the presentation of a draft at the February 7, 2011 meeting. The Commission also considered adopting a resolution confirming the determinative statements in the report, including a recommendation to reorganize the Napa Berryessa Resort Improvement District into a community services district.

Staff provided a supplemental report to the Commission entitled: *Other Types of Local Governmental Services Provided within the Lake Berryessa Region*.

Acting Chair Wagenknecht opened the public hearing. No comments were received relative to this agenda item. Acting Chair Wagenknecht closed the public hearing.

Upon motion by Commissioner Kelly and second by Commissioner Bennett, the municipal service review on the Lake Berryessa region was received and filed.

Upon motion by Commissioner Luce and second by Commissioner Inman, the resolution making determinations was approved (**Resolution No. 2011-03**).

b) Proposal to Reorganize the Napa Berryessa Resort Improvement District (NBRID) into the Napa Berryessa Community Services District (NBCSD)

The Commission considered (a) initiating and (b) approving a proposal to reorganize the Napa Berryessa Resort Improvement District into a new community services district with the same boundary, duties, powers, assets, and liabilities as allowed under Senate Bill 1022. The reorganization is consistent with the recommendation of a municipal service review for the affected region and would position the agency to provide additional services – subject to future approval – consistent with the evolving needs of the community. Reorganization is also expected to facilitate transitioning governance from a dependent board, comprised of the County of Napa Board of Supervisors, to an independent board, comprised of locally elected registered voters.

LAFCO staff recommended that the Commission approve the transition with a condition that the district first reaches a water and wastewater service agreement with the Arizona-based Pensus Group, as requested by the Napa Berryessa Resort Improvement District Board.

Acting Chair Wagenknecht opened the public hearing:

- Georgi Maule-ffinch, Pensus' Representative, said that in response to LAFCO staff's condition, Pensus was willing to enter into an agreement with the District, but would be unable to do so until the costs of the needed system upgrades — specifically Pensus' share — had been established. Ms. Maule-ffinch also noted that if the District's timeline does not match up with those of the Bureau of Reclamation, the group may be forced to move forward without the District and operate its own water and wastewater systems.
- Commissioner Luce pointed out that asking the District to provide Pensus with a cost estimate before knowing if its largest customer would sign on made the Pensus Group appear "something less than a participant."

- Peggy Brooks, a representative of the Bureau of Reclamation, requested that, if LAFCO kept the Pensus condition in place, language be added to the resolution that would make the agreement between Pensus and the District subject to “prevailing federal laws”. Ms. Brooks said that the last-minute language was intended to protect federal jurisdiction over the lake.
- Napa Berryessa Resort Improvement District Board Member Diane Dillon, said the language proposed by the Bureau would effectively “render the condition meaningless,” setting the stage for Lupine Shores — which is located on federal land — to move forward with their own water and wastewater systems. Ms. Dillon said the Berryessa Highlands residents have been waiting and waiting for that transition to take place, noting that approving the reorganization without the bureau’s added language was the “least LAFCO can do”.
- Stu Williams, a resident and de facto spokesman of the Berryessa Highlands, recognized how important reaching an agreement with Pensus would be in the coming months, stating he believes if they are successful, the District is going to be successful, too.

Acting Chair Wagenknecht closed the public hearing.

Upon motion by Commissioner Luce and second by Commissioner Kelly, the Commission unanimously approved the reorganization from *Napa Berryessa Resort Improvement District* into *Napa Berryessa Community Service District* consistent with Option One as outlined in the staff report, and is subject to the standard and special conditions outlined on pages 10 to 12 of the staff report. The reorganization was approved without the Bureau of Reclamation’s requested language. In addition, the Commission unanimously approved the resolution making determinations (**Resolution #2011-04**).

c) Proposed Budget for Fiscal Year 2011-2012

The Commission considered adopting a proposed budget setting operating expenses and revenues for the 2011-2012 fiscal year. The proposed budget is identical to a draft approved by the Commission in February and subsequently circulated for review. Budgeted expenses total \$422,522; an amount that represents a 2.2% increase over the current fiscal year. Budgeted revenues total \$395,441 with the remaining shortfall (\$27,081) to be covered by drawing down on agency reserves.

Acting Chair Wagenknecht opened and closed the public hearing with no comments received.

Upon motion by Commissioner Kelly and second by Commissioner Bennett, the Commission unanimously:

- 1) Adopted the proposed budget for 2011-2012 (**Resolution #2011-12**);
- 2) Directed the Executive Officer to circulate the adopted proposed budget for review and comment to each funding agency; and
- 3) Directed the Executive Officer to schedule a public hearing for the Commission to consider adopting a final budget at its June 6, 2011 meeting.

7. ACTION ITEMS

a) Proposed Revisions to the Commission’s *General Policy Determinations and Policy on Outside Service Agreements* along with the Creation of a New Application Packet

Staff provided the Commission with a report on proposed revisions prepared by the Ad Hoc Committee on Policies and Procedures (Luce, Rodeno and Simonds) to the agency’s *General Policy Determinations and Policy on Outside Service Agreements* as well as the creation of a new application packet for processing all changes of organization. The policy revisions were circulated for review and comments to each local agency. Comments were received from the County.

Staff clarified the intent of the revisions regarding policy language to prescribe criteria in addressing public health and safety threats specific as it relates to administering outside service agreements in Napa County under G.C. Section 56133; a section that restricts agencies in providing new or extended services outside their spheres of influence unless approved by LAFCO and in response to an existing or impending threat to public safety or health. Specifically, Commissioners noted their interest in establishing inclusive criteria relating to public health and safety threats in order to accommodate otherwise logical extensions of services beyond agency spheres of influence given local conditions.

Acting Chair Wagnenknecht invited public comment. The following comments were received:

- Phil Brun, Deputy Public Works Director for City of Napa, commented that he would like to have an administrative process for applicants to follow so the applicants don't have to go through both the City Council process and the LAFCO process. Commissioner Luce agreed with Mr. Brun's comments on this process.
- Larry Florin, Director of Housing and Intergovernmental Affairs for County of Napa, remarked that although the County appreciates LAFCO effectively incorporating its comments into the policy revisions, he said their comments regarding deference to timing of annexations weren't addressed. Staff responded by clarifying that once territory is added to the SOI, it is a signal that annexing is explicitly expected subject to timing.

Upon motion by Commissioner Kelly and second by Commissioner Luce, the revisions to the *General Policy Determinations* and *Policy on Outside Service Agreements* were approved, as well as the creation of a new application packet. Motion included directing staff to amend the proposed language to the *Policy on Outside Service Agreements* as shown in Attachment Two, IV, 3) (d) to read as follows: "The proposed service extension can be accommodated by appropriate connection for a single-family uses".

8. DISCUSSION ITEMS

a) Legislative Report

The Commission received a report on the first year of the 2011-2012 session of the California Legislature as it relates to bills directly or indirectly effecting Local Agency Formation Commissions. The Commission also received an update on efforts to amend California Government Code Section 56133 to provide more flexibility to LAFCOs in authorizing new or extended services outside spheres of influence.

Staff reported that Napa LAFCO's proposal to amend Government Code 56133 was approved unanimously by the CALAFCO Legislative Committee; and now goes before the CALAFCO Board.

b) Update on the Countywide Law Enforcement Services Municipal Service Review

The Commission received an update from staff on LAFCO's scheduled municipal service review on countywide law enforcement services due to staff's involvement in preparing the Lake Berryessa Region municipal service review. Staff plans to present the draft report for this agenda item in the next several months.

9. EXECUTIVE OFFICER REPORT

No report was given.

10. CLOSED SESSION

There was no closed session.

11. COMMISSIONER COMMENTS; REQUEST FOR FUTURE AGENDA ITEMS

There was no discussion of this item.

12. ADJOURNMENT

The meeting was adjourned at 5:39 p.m. The next regular LAFCO meeting is scheduled for Monday, June 6, 2011 at 4:00 p.m.

Brad Wagenknecht, *Acting Chair*

ATTEST:

Keene Simonds, Executive Officer

Prepared by:

Kathy Mabry, Commission Secretary