



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 7a

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer

MEETING DATE: August 3, 2015

SUBJECT: Final Sphere of Influence Update for Napa Sanitation District

RECOMMENDATION

Adopt the resolutions (Attachments Two and Three) making California Environmental Quality Act (CEQA) findings and amending the sphere of influence for Napa Sanitation District (NSD) to include the Cuttings Wharf and Dry Creek Road Study Areas.

BACKGROUND

At its April 6th regular meeting, the Commission received a draft sphere of influence update for NSD. The draft report included preliminary staff recommendations that generated several comments from Commissioners, affected local agencies, and landowners. Staff noticed a public hearing for a final report to be presented at the Commission's June 1st regular meeting. However, several requests for additional time to submit comments on the draft report were submitted by landowners and affected agencies, which resulted in the Commission continuing the public hearing to today's regular meeting. At its June 29th special meeting, the Commission received a staff report containing responses to all comments on the draft report. The City of Napa ("City") has subsequently submitted written comments on the draft report. A full response to the City's comments is provided within this staff report.

SUMMARY

The final sphere of influence update for Napa Sanitation District (Attachment One) is submitted to the Commission for action as part of a noticed public hearing. The final report recommends the Commission update and expand NSD's existing sphere to include the Cuttings Wharf and Dry Creek Road Study Areas to facilitate the annexation of the affected lands to the District and formalize the extension of sewer services. The draft report included a recommendation that the Commission remove the Browns Valley Study Area from NSD's sphere given that public sewer service within the area does not appear needed now or within the foreseeable future based on its existing land use as a public park. However, the City has recently submitted information that demonstrates the potential for intensification of urban uses as allowed under the City's land use authority within the Browns Valley Study Area in the near future. Accordingly, staff has amended its recommendation to retain the Browns Valley Study Area within NSD's sphere.

Juliana Inman, Chair
Councilmember, City of Napa

Greg Pitts, Commissioner
Councilmember, City of St. Helena

Joan Bennett, Alternate Commissioner
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Commissioner
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

The final report also recommends no change to NSD's sphere with respect to the Boca Property, Coombsville Road, Monticello Road, and Solano Avenue Study Areas given that public sewer service within the affected lands does not appear needed now or within the next five years, but sewer service may be needed beyond the five year scope of this sphere update. Additional information regarding the required factors for review pursuant to Government Code Section 56425(e) is included in the attached final report.

City of Napa Comments on Draft Report

Browns Valley Study Area

The City comments that only 13 of the Browns Valley Study Area out of 226 total acres are used for Timberhill Park. The remaining 213 acres have development potential consistent with the underlying zoning. The City has approved applications for development in the past and there are pending applications for single-family housing development within the area. The City also notes that the Hidden Hills residential development was recently constructed within the Browns Valley Study Area and includes a condition requiring annexation to NSD. Additionally, the City identifies market conditions associated with the recent recession as a variable associated with development that needs to be considered.

Staff has considered the City's comments and agrees that it would not be appropriate to remove the Browns Valley Study Area from NSD's sphere given the referenced existing Hidden Hills development and additional pending applications that will require public sewer service. Staff also appreciates the City's specificity regarding the actual extent of Timberhill Park.

Coombsville Road Study Area

The City comments that the Coombsville Road Study Area was previously considered for inclusion within its Rural Urban Limit (RUL) during the City's 1998 General Plan Update. The proposed expansion of the RUL resulted in several significant effects that could have resulted from increased development activity, including the following:

- Uncertain adequacy in water supply and wastewater treatment capacity
- Encroachment into and conversion of productive agricultural lands
- Non-conformance with City, County, and LAFCO objectives regarding preservation of the natural environment to the maximum extent possible
- Accommodation of a growth rate and buildout population that would be excessive for the planning horizon

The City further comments that infrastructure planning typically follows land use planning and extension of public sewer service would be considered growth inducing given that it would allow additional development and put pressure on existing land use policies. Without adequate environmental review, the timing of a long range NSD sphere expansion appears premature. The City supports LAFCO's recommendation to take no action with respect to the Coombsville Road Study Area until the necessary environmental analysis has been completed.

Staff appreciates the City's support of the existing recommendation for the Coombsville Road Study Area. However, it may be appropriate to re-visit this area as part of the next comprehensive sphere of influence update for NSD.

County Jail Study Area

The City comments that the County Jail Study Area (now known as the Boca Property Study Area following an individual sphere amendment for the County Jail project location) is located outside the RUL. The City does not propose to expand its RUL to include the future jail property given that the area is not considered for potential future development with the exception of the jail facilities and supporting municipal services.

The Commission recently approved an amendment to NSD's sphere to include the County Jail project location. The County Jail Study Area has since been amended and is now known as the Boca Property Study Area, which includes one 55.3 acre parcel located immediately east of the County Jail project location. The Boca Property Study Area is located outside the City's RUL and is not currently planned for development that would require extension of public sewer services from NSD. It would be appropriate to retain staff's recommendation to take no action with respect to the Boca Property Study Area until a development project and associated environmental analysis have been approved and submitted to the Commission.

Cuttings Wharf Study Area

The City supports staff's recommendation that the Commission amend NSD's sphere of influence to include the Cuttings Wharf Study Area to address the existing public health and safety concerns. However, the City notes that water service generally should be considered for areas that are adjacent to the City where sewer service is being proposed for extension.

Staff will confer with the City on all future proposed extensions of sewer service to areas that are adjacent to the City's jurisdictional boundary.

Solano Avenue Study Area

The City comments that the Solano Avenue Study Area is located outside the RUL and is designated "Greenbelt" in the City's General Plan. The City's Greenbelt designation is applied to lands outside the RUL that bear a relationship to the City's planning policies. The City further comments that expansion of NSD's sphere to include this area does not advance LAFCO's goals of protecting agricultural land, avoiding urban sprawl, and good governance. The intent of expanding NSD's sphere is to promote expanded development and revenue. The area should be developed as allowed within existing zoning and with capacity to sustain its own impacts on the environment and on municipal services. The City notes that this could potentially set a precedent for additional lands to begin receiving municipal service extensions for purposes of new development. The City agrees with staff's recommendation that the Commission take no action on NSD's sphere with respect to the Solano Avenue Study Area given that a sphere amendment would result in non-conformance with City, County, and LAFCO objectives regarding preservation of the natural environment to the maximum extent possible. Finally, no environmental review has been performed to analyze such impacts resulting from expansion of municipal utilities to this area.

Staff concurs with the City's statements that including the Solano Avenue Study Area within NSD's sphere would be premature at this time. However, it would be appropriate to consider a future sphere amendment if and when the appropriate level of environmental planning for a development project has been prepared pursuant to CEQA.

CEQA

The Commission serves as lead agency for the amendments to NSD's sphere of influence.

With regards to the Cuttings Wharf Study Area, staff has determined that the proposal qualifies for a Class 19 Categorical Exemption as allowed under CEQA given that the affected territory is developed to the density allowed under the County General Plan and no additional residential development is planned. Further, the proposed amendment would provide sewer service only to existing land uses and would resolve a current inadequate condition.

With regards to the Dry Creek Road Study Area, staff has determined that the proposal qualifies for a Class 19 Categorical Exemption as allowed under CEQA given that the affected territory would be developed with one single-family residence consistent with facilities exempted by Section 15303 (Class 3) of the CEQA Guidelines. Further, existing public sewer infrastructure is located immediately adjacent to the Dry Creek Road Study Area and would not require significant infrastructure improvements. NSD has established adequate capacities to extend public sewer service to the area.

PROCEDURES FOR CONSIDERATION

This item has been agenzized for consideration as part of a noticed public hearing. The following procedures are recommended with respect to the Commission's consideration of this item:

- 1) Receive verbal report from staff;
- 2) Open the public hearing and invite testimony (mandatory); and
- 3) Discuss item and – if appropriate – close the hearing and consider action on recommendation.

ATTACHMENTS

- 1) Final Sphere of Influence Update for Napa Sanitation District
- 2) Draft Resolution of Approval for Cuttings Wharf Study Area
- 3) Draft Resolution of Approval for Dry Creek Road Study Area
- 4) Response to Comments on Draft Report from June 29th Special Meeting
- 5) City of Napa Comment Letter on Draft Report (July 9, 2015)



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
Political Subdivision of the State of California

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

**NAPA SANITATION DISTRICT
SPHERE OF INFLUENCE REVIEW AND UPDATE**

Prepared in accordance with Government Code Section 56425

Final Report

August 2015



LAFCO of Napa County
Overseeing the
logical formation and development
of cities and special districts.

Commissioners

Juliana Inman, Chair, City Member
Diane Dillon, Vice Chair, County Member
Brian J. Kelly, Commissioner, Public Member
Gregory Pitts, Commissioner, City Member
Brad Wagenknecht, Commissioner, County Member
Joan Bennett, Alternate Commissioner, City Member
Keith Caldwell, Alternate Commissioner, County Member
Gregory Rodeno, Alternate Commissioner, Public Member

Staff / Administrative Office

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Kathy Mabry, Commission Secretary

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I. EXECUTIVE SUMMARY

This report is presented as part of a process mandated by Section 56425 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. A “sphere of influence” is defined under Government Code Section 56076 to be “a plan for the probable physical boundaries and service area of a local (government) agency.” Decisions on annexations, detachments and other boundary or organizational changes must be consistent with the conclusions that the Commission has drawn in its previous research and policy activities. The adopted spheres of influence are used by LAFCO as a policy guide in its consideration of boundary change proposals affecting each city and special district in Napa County. The following report reviews the sphere of influence of the Napa Sanitation District (NSD), originally established by Napa LAFCO in 1975 and updated in 1976 as well as in 2006. The Commission is required to consider and adopt written determinations for five factors relevant to the development of spheres of influence. Those factors are:

1. The present and planned land uses in the area, including agricultural and open space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.
5. If the city or district provides water, sewer, or fire, the present and probable need for those services of any disadvantaged unincorporated communities within the existing sphere.

This periodic review and update is partially based on the Commission’s Central County Region Municipal Service Review which details services provided by NSD as well as the District’s ability to continue and extend those services. The Central County Region Municipal Service Review is available on the Commission’s website and can be accessed by clicking the link provided below:

http://www.napa.lafco.ca.gov/uploads/documents/MSR_CentralCounty_FinalReport_2014.pdf

Study Areas

For NSD, staff identified seven total study areas according to each area’s consistency with the definition of “sphere of influence” as well as recent changes to local planning policy, service demand and service availability. The study areas are listed and discussed beginning on page four of this report. A map showing all seven study areas is included on page six. Staff recommends the Commission amend NSD’s sphere of influence to include the Cuttings Wharf and Dry Creek Road Study Areas. Justification for these recommended amendments follows.

- The Cuttings Wharf Study Area is substantially developed for urban purposes and public sewer service is generally preferable to individual, private onsite septic systems along the Napa River.
- The Dry Creek Road Study Area would benefit from being included within NSD’s sphere of influence to allow the land to be appropriately developed for single-family residential purposes.

The other five study areas are not recommended for amendments to NSD’s sphere at this time. The four additional study areas considered for inclusion within NSD’s sphere are not likely to require the extension of public sewer services within the next ten year period. The Browns Valley Study Area is considered for potential removal from NSD’s sphere, but a sphere amendment is not recommended given that the area includes several parcels that have been designated and zoned by the City of Napa for residential purposes. Removing the lands from NSD’s sphere would be a signal that the Commission does not believe extension of public sewer services would be appropriate in the future. NSD is able to provide sewer services as discussed in the Commission’s Central County Region Municipal Service Review.

II. OVERVIEW

NSD provides public sewer services to the majority of the City of Napa as well as several surrounding urbanized unincorporated areas. NSD's current resident population is estimated at 86,991. Future population growth is expected to generally match growth within the City of Napa and result in an estimated population of 88,965 in 2020. NSD provides sewage collection, treatment, and disposal services through approximately 40,000 connections and 280 miles of collection system pipelines. Upgraded treatment facilities have a dry weather treatment design capacity of 15.4 million gallons per day. NSD's adopted operating budget for fiscal year 2014-15 is \$18.7 million and includes 51 total employees. NSD's governance structure, finances, municipal service provision, and Commission determinations are described in more detail on pages 64 to 79 in the Central County Region Municipal Service Review.

NSD's sphere of influence was established in 1975 and later updated in 1976 and 2006. Since the 2006 sphere of influence update, the Commission has approved 26 annexations of territory within NSD's sphere of influence totaling approximately 650 acres to the District as shown in the following table.

| Annexations to NSD Since 2006 (Napa LAFCO) | | |
|--|-----------------------------------|---------------------|
| Year Approved | Proposal Name | Size (Acres) |
| 2015 | Buhman Court No. 1 | 13.9 |
| | Redwood Road No. 5 | 1.7 |
| | Garfield Lane No. 4 | 1.0 |
| 2014 | Orchard Avenue No. 4 | 7.7 |
| | Big Ranch Road No. 5 | 6.5 |
| | Airport Road No. 1 | 19.7 |
| | Borrette Lane No. 9 | 0.4 |
| | Garfield Lane No. 3 | 1.4 |
| | Silver Trail No. 9 | 3.8 |
| | Airport Boulevard No. 5 | 32.5 |
| 2013 | Valley Green Lane No. 1 | 2.2 |
| 2012 | Rosewood Lane No. 1 | 1.1 |
| 2011 | Stanly Ranch | 469.8 |
| | Garfield Lane No. 2 | 1.3 |
| 2010 | Jefferson Street No. 9 | 0.7 |
| | Linda Vista Avenue No. 20 | 0.8 |
| | Big Ranch Road No. 4 | 1.1 |
| 2009 | Villa Lane / Trancas Street No. 2 | 6.9 |
| 2008 | Silver Trail No. 8 | 0.8 |
| 2007 | Hussey Ranch | 40.0 |
| | McCormick Lane No. 3 | 0.7 |
| | Villa Lane No. 7 | 1.3 |
| | Browns Valley Road No. 11 | 0.8 |
| 2006 | Montalcino Resort | 31.3 |
| | Linda Vista / Wine Country No. 5 | 0.8 |
| | Redwood Road / Argyle Street | 0.5 |
| TOTAL | | 648.7 |

Relevant Planning and Service Factors

City of Napa

Approximately 71% of NSD's jurisdictional area and 91% of the District's registered voters lie within the City of Napa's jurisdictional boundary. Growth within NSD generally parallels growth and development within the City's sphere of influence with limited exceptions. The typical exception involves pre-existing single-family residences in unincorporated areas located outside the City's sphere that experience failure in their onsite septic systems and pose an environmental threat to public health and safety.

The City of Napa General Plan was updated in 1998 and codifies land use and development policies through 2020. Major land use objectives within the General Plan include restricting development to the area within the rural urban limit (RUL) and maintaining and cultivating distinct neighborhood characteristics. The General Plan also emphasizes redevelopment of the downtown area in step with the implementation of the Napa River/Napa Creek Flood Protection Project. All unincorporated lands located within the RUL – which currently total approximately 580 acres – have been pre-zoned by the City and, with limited exceptions, are assigned moderate to low residential densities. The General Plan contemplates a total population in the City of 90,000 by 2020.

Governance, finances, population growth, municipal service provision, and agency determinations made by the Commission for the City of Napa are more broadly discussed on pages 10 to 62 in the Commission's Central County Region Municipal Service Review.

County of Napa

The County General Plan was comprehensively updated in 2008 and codifies land use policies through 2030. The General Plan includes a vision statement for the County to moderate and direct growth in ways that minimize resource consumption and make the unincorporated area a sustainable rural community. The General Plan also incorporates and complements two voter initiatives strongly influencing growth in the unincorporated area commonly referred to as Measures "A" and "P." Measure A was approved by voters in 1980 and subsequently re-adopted by the Board of Supervisors as an ordinance in 2000 and limits housing growth in the unincorporated area to 1.0% annually. Measure P was originally approved by voters in 1990 and subsequently extended in 2008 to prohibit the re-designation of unincorporated lands designated for agricultural or open space use to another category except by majority vote of the people through 2058. The County General Plan emphasizes and directs the majority of urban development to areas within the boundaries of the County's five incorporated cities.

III. DISCUSSION

The basic objective of this report is to identify and evaluate areas warranting consideration for inclusion in NSD's sphere of influence as part of a scheduled update required by the State. This effort will culminate in a designated sphere of influence that represents a plan for the probable boundary and service area of NSD that will facilitate the sensible and timely development of the City consistent with the objectives of the Legislature as expressed in the Cortese-Knox-Hertzberg Act. Specific goals under this legislation include discouraging urban sprawl, preserving open-space and prime agricultural lands, and providing for the efficient extension of local government services.

The Commission's *General Policy Determinations* were comprehensively updated in 2011 and provide general prescription in fulfilling its legislative objectives paired with responding appropriately to local conditions and circumstances. The policy determinations highlight the Commission's commitment to avoid the premature conversion of important agricultural or open-space lands for urban uses through a series of restrictive allowances. This includes a broad determination to exclude all agricultural or open-space lands from city and district spheres of influence with limited exceptions.

State law currently requires LAFCOs review and update each local agency's sphere by January 1, 2008 and every five years thereafter. Accordingly, it has been the practice of the Commission to update each local agency's sphere in a manner emphasizing a probable five year annexation or outside service area plan; actual boundary change approvals, however, are subject to separate analysis with particular emphasis on determining whether the timing of the proposed action is appropriate.¹ This update's analysis is consistent with this practice.

Study Areas

The study areas for potential inclusion within NSD's sphere of influence are comprised of lands that might be expected to be developed with uses that would require public sewer services within the next five to ten years as well as areas that are predominantly served by aging private septic systems that may be subject to failure primarily due to improper maintenance. The study areas for potential exclusion from NSD's sphere of influence are comprised of lands that have remained undeveloped, located outside of the District's jurisdictional boundary, and not expected to require extension of public sewer services within the next ten years. Based on these criteria, and in consultation with affected and interested parties, six study areas have been selected for review as part of this update. All study areas selected for review are depicted in the map included on page six.

The evaluation of the six study areas selected for review as part of this report are organized to focus on addressing the five factors the Commission is required to consider anytime it makes a sphere determination under CKH. These five factors are: (a) present and planned uses; (b) present and probable need for public facilities and services; (c) present adequacy and capacity of public services; (d) existence of any social or economic communities of interest; and (e) if the agency provides water, sewer, or fire protection, present and probable need for these services for any disadvantaged unincorporated communities.

¹ LAFCOs are directed to consider 16 specific factors under G.C. Section 56668 anytime it reviews a proposed boundary change (i.e. annexation) for purposes of informing the appropriateness of the action. Additionally, it is Commission policy to discourage annexations to cities and districts involving undeveloped or underdeveloped lands without a known project or development plan.

Discussion and staff’s conclusions are offered for each study area relative to evaluating these factors along with discussion of the policies of the Commission in administering the Cortese-Knox-Hertzberg Act as summarized below.

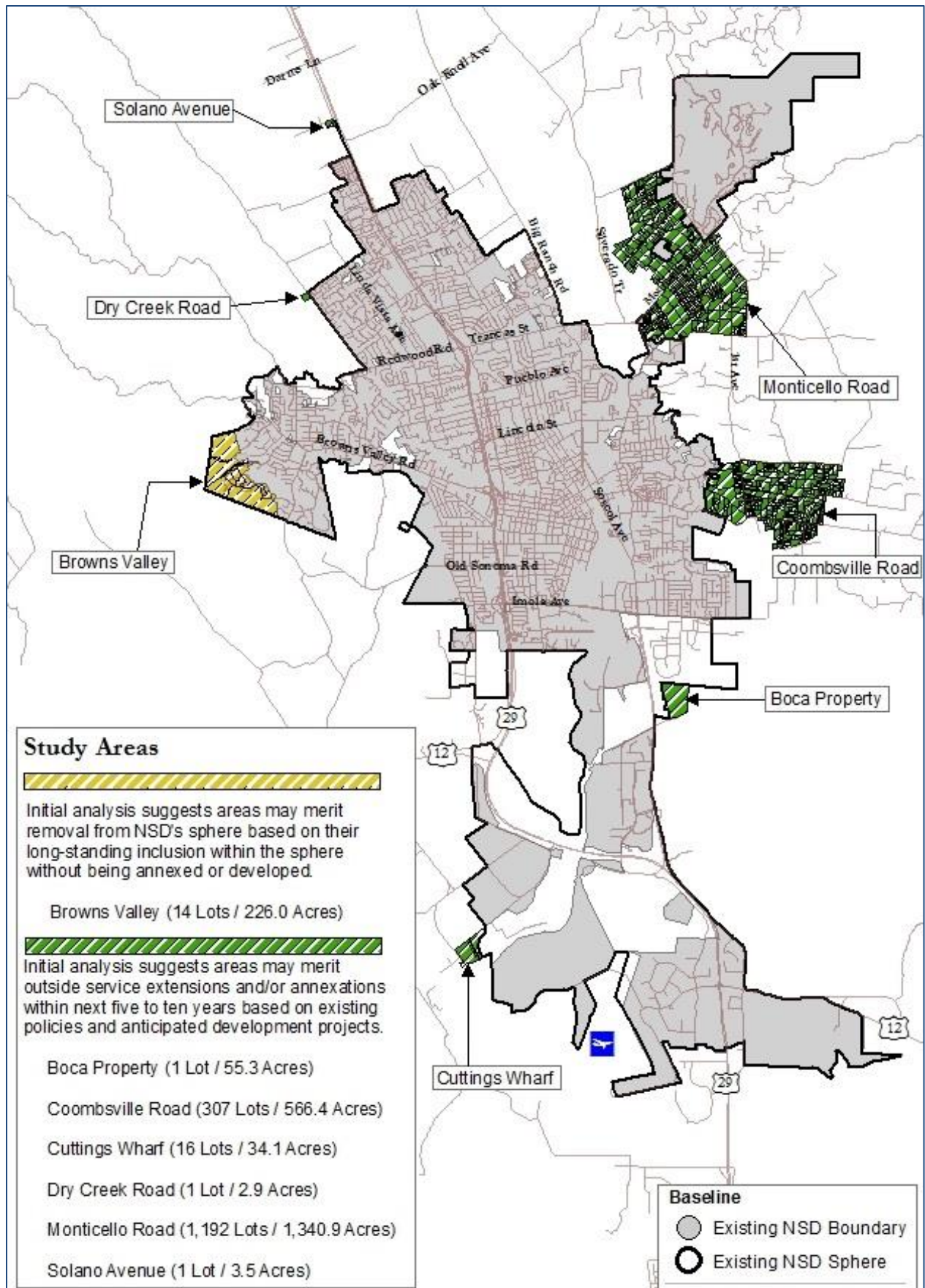
- The establishment, amendment, or update of a special district’s sphere of influence serves to promote urban development with limited exceptions.
- A special district’s sphere of influence should reflect existing and planned service capacities based on information collected by, or submitted to, the Commission.
- A special district’s sphere of influence shall generally be used to guide annexations within a five-year planning period.
- Land designated agricultural or open-space by the applicable city or County general plan shall not be approved for inclusion within any special district’s sphere of influence for purposes of urban development through the extension of essential public services. The Commission may consider exceptions to this policy based on evidence provided by the affected special district demonstrating all of the following:
 - The expansion is necessary in order to provide potable water or sewer to the territory to respond to a documented public health or safety threat.
 - The affected special district can provide adequate potable water or sewer service to the affected territory without extending any mainline more than 1,000 feet.
 - The expansion will not promote the premature conversion of agricultural or open-space land to urban use.

IV. ANALYSIS

Staff has identified seven total study areas; six areas warranting consideration for potential inclusion within NSD’s sphere of influence and one area warranting consideration for potential removal from the District’s sphere. These seven total study areas are summarized in terms of their size and land use designations in the following table and depicted in the map on the following page.

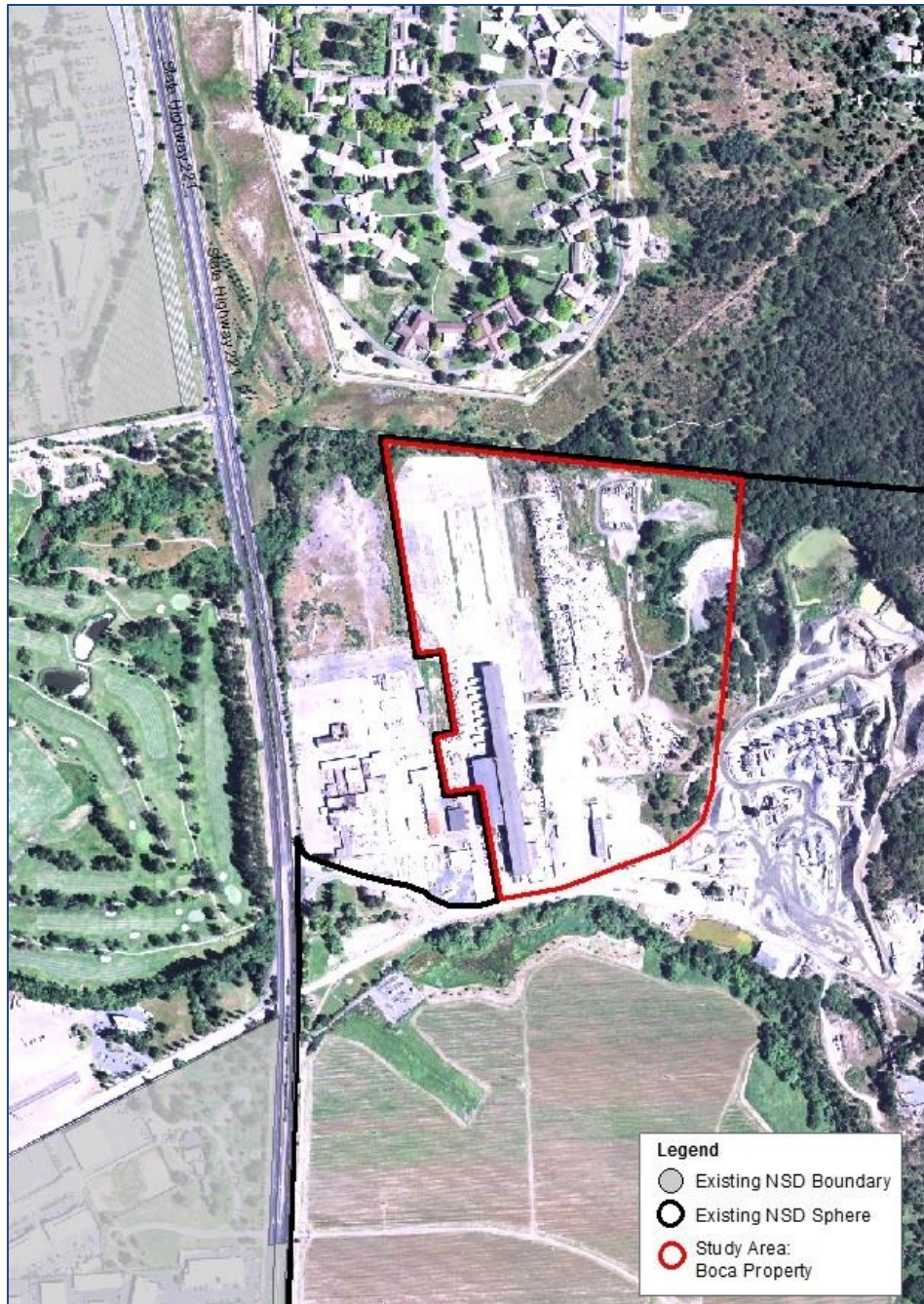
NSD SOI Study Areas: Land Use Planning Characteristics
(Source: Napa LAFCO)

| Study Area | Parcels | Acres | General Plan Designation | Zoning Standard |
|------------------|---------|---------|--|---|
| Boca Property | 1 | 55.3 | Study Area | Industrial |
| Browns Valley | 14 | 226.0 | Browns Valley Planning Area (City of Napa) | 88% Agricultural Resource 5% Park/Open Space 7% Single Family Residential |
| Coombsville Road | 307 | 566.4 | 97% Rural Residential 3% Agriculture, Watershed, and Open Space | Residential Country |
| Cuttings Wharf | 16 | 34.1 | Agricultural Resource | Residential Single: Airport Compatibility |
| Dry Creek Road | 1 | 2.9 | Agriculture, Watershed, and Open Space | Agricultural Watershed |
| Monticello Road | 1,192 | 1,340.9 | 80% Rural Residential 20% Agricultural Resource | 85% Residential Country 13% Residential Single 1% Commercial Limited |
| Solano Avenue | 1 | 3.5 | Agricultural Resource | 1% Planned Development Commercial Limited |



Boca Property

The Boca Property Study Area is located outside NSD’s existing sphere of influence on unincorporated land approximately two miles southeast of Downtown Napa. The area comprises one entire 55.3 acre parcel located on the east side of Soscol Avenue (Napa-Vallejo Highway/State Route 221) immediately south of Napa State Hospital. The parcel to the immediate west of the Boca Property Study Area was recently added to NSD’s sphere of influence as part of an individual sphere amendment request from the County of Napa for purposes of supporting financing endeavors involving the County Jail project. Boca Property was not adequately reviewed and analyzed in the environmental impact report prepared for the County Jail project, but shares similar land use characteristics. The Boca Property Study Area is depicted in the following map.



Present and Planned Land Use

The Boca Property Study Area is designated as “Special Study” in the County General Plan and has been assigned an “Industrial” zoning classification. The area is currently used for equipment storage, retail and wholesale of building materials, and an impound yard for a local towing company. The parcel contains a complex of abandoned industrial buildings, small modern buildings, and a rectangular, open bay, partitioned sand/gravel storage area.

Present and Probable Need for Public Facilities and Services

The landowner of the Boca Property Study Area has expressed interest in receiving public sewer service from NSD. The purpose of public sewer service would be to replace the existing private onsite septic system of undeterminable age and depreciation, which may pose a future threat to public health and safety. Expansion of NSD’s sphere of influence to include the Boca Property Study Area would allow extension of sewer service following approval of annexation or an outside service agreement with the District.

Present Capacity and Adequacy of Public Services

NSD does not currently have adequate capacity or infrastructure to provide public sewer services to the Boca Property Study Area. In order to receive public sewer services, the landowner would be required to identify an appropriate financing mechanism to extend infrastructure into the area without impacting existing ratepayers.

Social and Economic Communities of Interest

No social or economic communities of interest currently exist between the Boca Property Study Area and NSD. However, the area is adjacent to NSD’s existing sphere.

Present and Probable Need for Public Services for Disadvantaged Unincorporated Communities

No disadvantaged unincorporated communities meeting the definition under State law have been identified anywhere in Napa County.

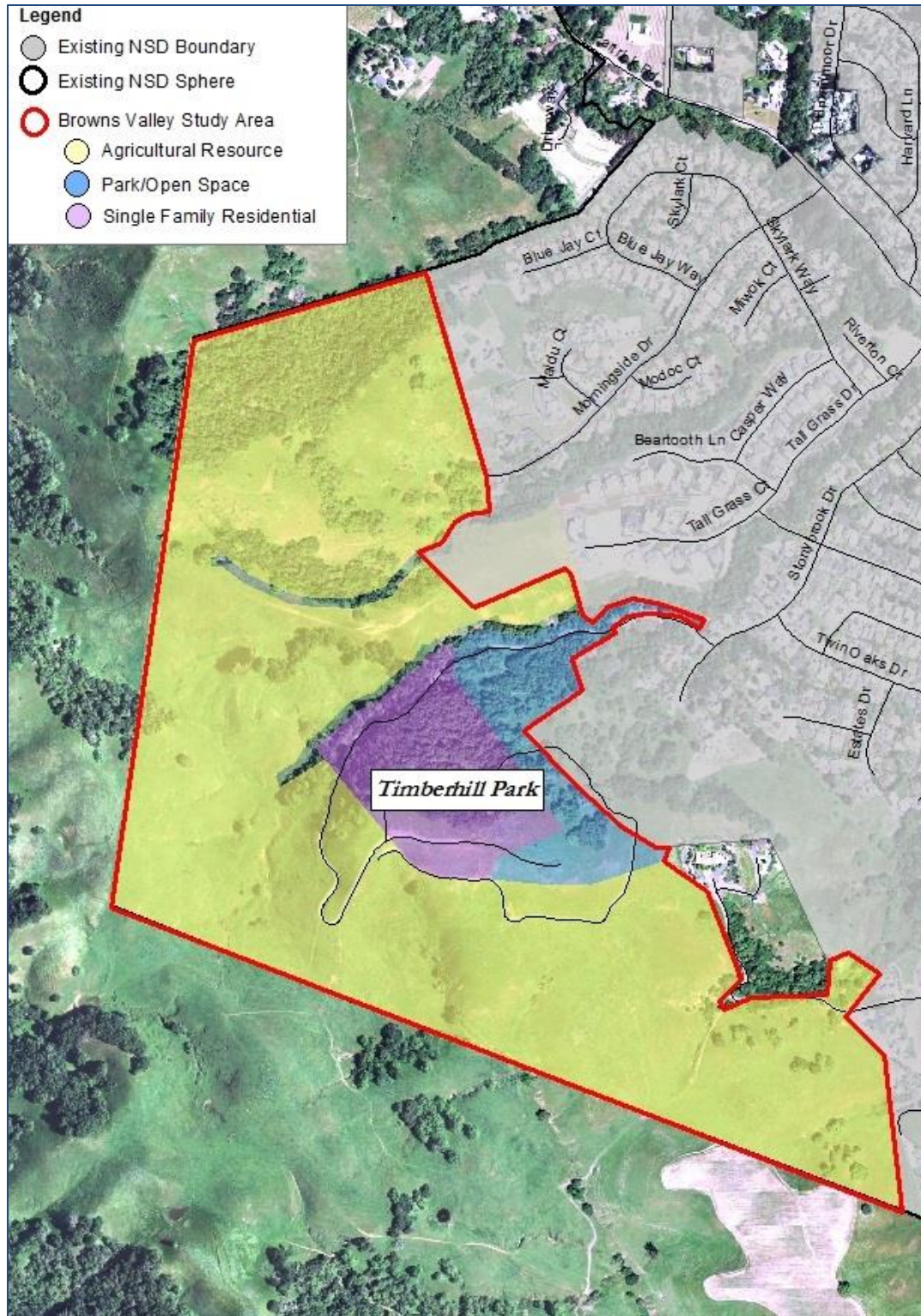
Recommendation

The Boca Property Study Area has been in industrial use for many years. Re-development of the area within NSD’s sphere of influence would be consistent with adopted policies promoting the use of public sewer infrastructure to serve urban development. However, the area remains designated as “Study Area” by the County and no specific development plans or urgent demand for service exists at this time. It would be appropriate to allow the County the opportunity to process a specific development project and perform the necessary environmental review before extending NSD’s sphere of influence to include the area.

Staff recommends the Commission take no action with respect to the Boca Property Study Area.

Browns Valley

The Browns Valley Study Area is comprised of 14 parcels totaling 226.0 acres located within the City of Napa. The area is contiguous to NSD’s present boundary. Access to the area is by means of City streets in the Browns Valley neighborhood. The area includes sloping terrain with existing public park and open space uses and is depicted in the following map.



Present and Planned Land Use

The Browns Valley Study Area is located within NSD's sphere of influence. The area is currently undeveloped and is unlikely to experience urban growth pressure due to high elevation and steep slopes exceeding 30%, thereby limiting urban development potential. The majority of the Browns Valley Study Area is zoned by the City as "Agricultural Resource" and is currently used as a public open space park known as "Timberhill Park." The City of Napa states there may be development plans approved for the area within the next five years that would require extension of public sewer services.

Present and Probable Need for Public Facilities and Services

As referenced above, the Browns Valley Study Area is undeveloped with the majority of the area currently used as a public park. However, and given existing land use designations, the Browns Valley Study Area may experience urban development within the foreseeable future.

Present Capacity and Adequacy of Public Services

NSD's existing public sewer infrastructure is inadequate to serve the Browns Valley Study Area due to its aforementioned topographical characteristics along with its existing land use as Timberhill Park. Any future urban development would require the interested party to identify an appropriate financing mechanism to extend infrastructure into the area without impacting existing ratepayers.

Social and Economic Communities of Interest

The Browns Valley Study Area was included in the sphere of influence established for NSD in 1975. This relationship was recognized in retaining the area in each subsequent sphere update for the District.

Present and Probable Need for Public Services for Disadvantaged Unincorporated Communities

No disadvantaged unincorporated communities meeting the definition under State law have been identified anywhere in Napa County.

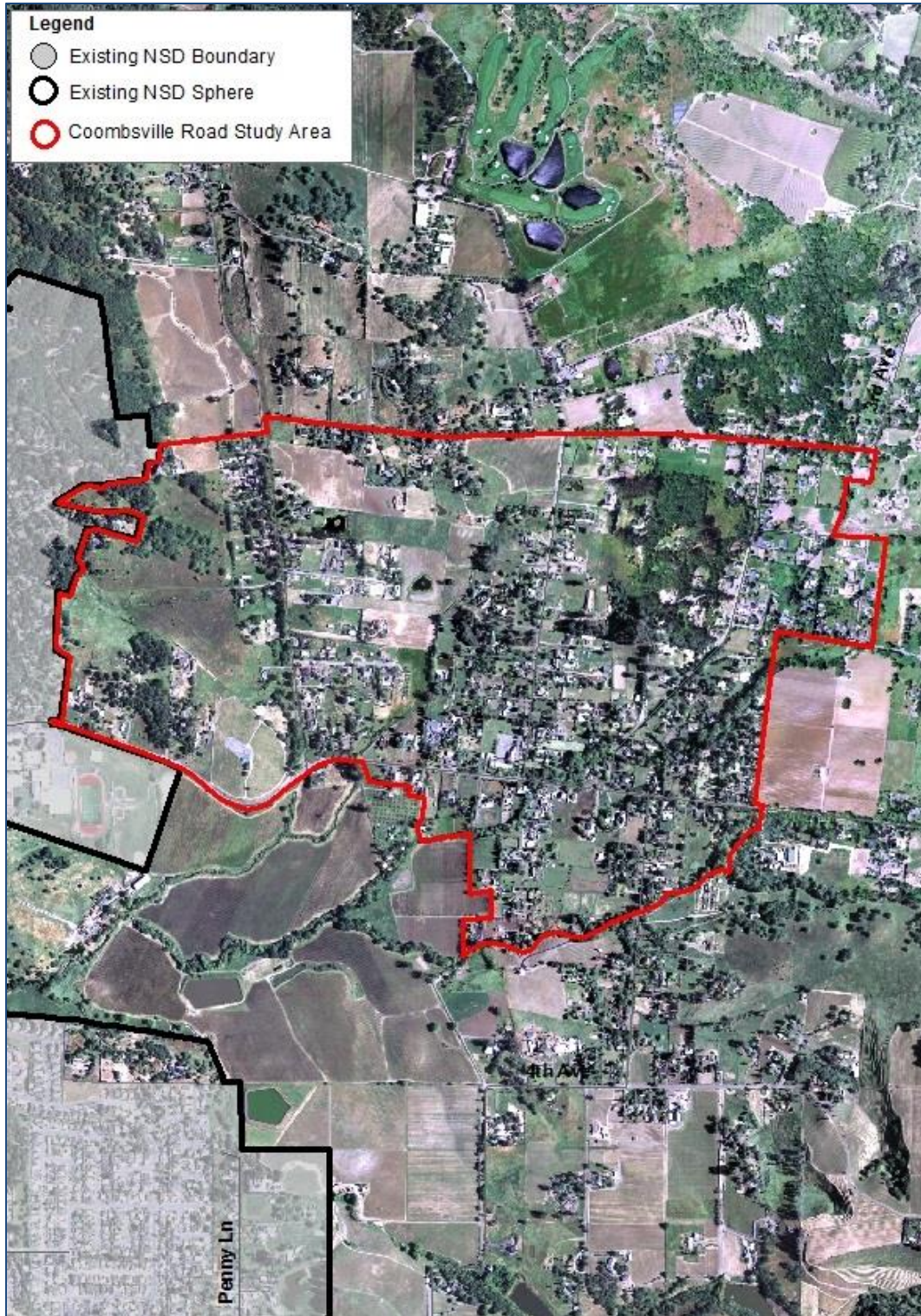
Recommendation

The majority of the area is currently used for public park and open space uses as Timberhill Park under the City of Napa's land use authority. The Commission's adopted policies direct staff to consider the removal of lands from a special district's sphere of influence if those lands are outside the agency's jurisdictional boundary but have been inside the agency's sphere for more than 10 years. The Browns Valley Study Area has been outside NSD's boundary and inside the District's sphere since 1975. However, the City of Napa states there may be development activity occurring within the Browns Valley Study Area that would require public sewer services in the foreseeable future.

Staff recommends the Commission take no action with respect to the Browns Valley Study Area.

Coombsville Road

The Coombsville Road Study Area is comprised of 307 parcels totaling 566.4 acres located immediately east of the City of Napa and NSD’s jurisdictional boundaries and spheres of influence. Access to the area is primarily by means of Coombsville Road and utilizes the road networks of both the City and County of Napa. The area is relatively flat with low-density residential uses and is depicted in the following map.



Present and Planned Land Use

The Coombsville Road Study Area is a rural residential area with some agricultural and open space designations interspersed. The area is characterized by average parcel sizes of two to three acres, typically with either exclusively residential use or with small-scale vineyard or equestrian uses. The area is contiguous to NSD's existing sphere and jurisdictional boundary. Zoning in these areas is Residential Country, which is outside the City of Napa's general plan area and RUL, but not subject to the County's Measure P restrictions on conversion of agricultural and open space lands.

Approximately 97% of the Coombsville Road Study Area is designated by the County as "Rural Residential," a land use category that contemplates low density residential uses in neighborhoods that are in proximity to existing urbanized areas but that are currently in agriculture or where further subdivision will be discouraged. Permitted uses include single-family dwellings, day care centers, large residential care homes, existing major medical care facilities, private schools, agriculture, stables, and – in specified areas – tourist-serving commercial uses.

The remaining 3% of the Coombsville Road Study Area is designated by the County as "Agriculture, Watershed, and Open Space," a land use category that contemplates agriculture as the predominant land use, where watersheds are protected and enhanced, where geological conditions make the land unsuitable for urban development, where urban development would adversely impact all such uses, and where the protection of agriculture, watersheds, and floodplain tributaries from fire, pollution, and erosion is essential to the general health, safety, and welfare. Permitted uses include agriculture, processing of agricultural products, and single-family dwellings.

Present and Probable Need for Public Facilities and Services

NSD has recently completed plans to extend a recycled wastewater pipeline to the Coombsville Road Study Area to allow for vineyard and other non-residential irrigation in support of the area's semi-rural character. The pipeline project will annually deliver approximately 700 acre-feet of recycled water from NSD to the Coombsville Road Study Area. This does not require the area to be within the District's sphere or boundary given that transfers of non-potable water are exempt from Commission oversight. The project involves five miles of pipeline and \$13.3 million in costs. The pipeline system will have a capacity of 2,000 acre-feet annually based on availability of recycled water supply. NSD is currently in the process of increasing its capacity from 2,000 to 3,700 acre-feet per year of recycled water.

The Coombsville Road Study Area is groundwater deficient and includes agricultural land uses with vineyards that require irrigation. The aforementioned recycled water project involves the construction of new public facilities that will provide the area with public water services in support of existing residential and agricultural uses. The existing residences are typically dependent on private onsite septic systems that are aging and may result in a need for public sewer services within the foreseeable future.

Present Capacity and Adequacy of Public Services

Sewer service from NSD is not currently available for the Coombsville Road Study Area. As mentioned above, existing residences within the area typically rely on private onsite septic systems for sewer service. Infrastructure improvements along with financing mechanisms will be required to extend public sewer service to the area.

Social and Economic Communities of Interest

The Coombsville Road Study Area is located within an urbanizing unincorporated area adjacent to NSD's sphere and jurisdictional boundary. The area has established social and economic interests with NSD with respect to the aforementioned recycled water pipeline project. However, the extension of non-potable water to the area does not require consistency with NSD's sphere or jurisdictional boundary.

Present and Probable Need for Public Services for Disadvantaged Unincorporated Communities

No disadvantaged unincorporated communities meeting the definition under State law have been identified anywhere in Napa County.

Recommendation

The Coombsville Road Study Area has been in low density residential uses for many years. Inclusion within NSD's sphere of influence would be consistent with various policies adopted by LAFCO, the County of Napa, and the District with respect to aligning urban development with the availability of essential urban-type municipal services. However, sewer service feasibility and cost should be studied to ensure a stable, long-term financing mechanism is in place for infrastructure improvements. It appears unlikely that planning activities or obtaining financial commitments to extend sewer service to the Coombsville Road Study Area will be able to be completed within the next ten years.

Staff recommends that the Commission take no action on NSD's sphere of influence with respect to the Coombsville Road Study Area until the District has performed the necessary cost and environmental analyses. It may be appropriate to consider amending NSD's sphere of influence to include the Coombsville Road Study Area as part of the next sphere of influence update performed for the District.

Cuttings Wharf

The Cuttings Wharf Study Area is comprised of 16 parcels totaling 34.1 acres located immediately southwest of the City of Napa and NSD’s jurisdictional boundaries and spheres of influence near Stanly Ranch. The area is contiguous to NSD’s present boundary. Access to the area is by means of Las Amigas Road near Cuttings Wharf Road. The area is flat with low-density residential uses and is depicted in the following map.



Present and Planned Land Use

The Cuttings Wharf Study Area is contiguous to NSD's existing sphere of influence and jurisdictional boundary. The area is located along the Napa River immediately southwest of the incorporated area known as "Stanly Ranch" and is developed with 11 single-family residential units as well as a marina. The Cuttings Wharf Study Area is designated by the County as "Agricultural Resource" and is zoned as "Residential Single: Airport Compatibility." These land use designations allow for single-family residential structures in the unincorporated area.

Present and Probable Need for Public Facilities and Services

The landowner recently submitted a letter to the Commission discussing the evaporative pond sewer system, which, according to the landowner, poses a threat to public health and safety given the area's immediate proximity to the Napa River. The letter asserts that results from a recent engineering investigation suggested that the system serving the area is inadequate by current standards. The engineering investigation identified three alternatives, two of which involve rebuilding or replacing the existing onsite wastewater system and are infeasible due to engineering and soil composition concerns. The third alternative is to connect to NSD, which is currently infeasible due to the location of the District's existing sphere of influence and jurisdictional boundary. The letter further discusses the landowner's interest in the Commission including the Cuttings Wharf Study Area within NSD's sphere of influence to allow for immediate connection to the District's public sewer system. This would alleviate the threat to public health and safety associated with the area's evaporative pond waste disposal system.

As referenced above, the Cuttings Wharf Study Area is developed with residential structures and a marina. The residential structures currently rely on an inadequate evaporative pond system for waste disposal services. Residents within the area as well as the Napa River are posed with an immediate risk to health and safety. The landowner has expressed interest in connecting to NSD's public sewer service infrastructure within the immediate future.

Present Capacity and Adequacy of Public Services

NSD's existing public sewer infrastructure is located approximately one mile northeast of the Cuttings Wharf Study Area within Stanly Ranch, which was annexed to the District in 2011. The landowner would be required to finance the needed infrastructure improvements to extend public sewer services to the area. This would allow NSD to serve the Cuttings Wharf Study Area without negatively impacting existing ratepayers or service levels.

Social and Economic Communities of Interest

No social or economic communities of interest currently exist between the Cuttings Wharf Study Area and NSD. However, the area is contiguous to the Stanly Ranch area, which is within NSD's sphere of influence and jurisdictional boundary.

Present and Probable Need for Public Services for Disadvantaged Unincorporated Communities

No disadvantaged unincorporated communities meeting the definition under State law have been identified anywhere in Napa County.

Recommendation

The Cuttings Wharf Study Area has been located outside NSD's sphere of influence since the District's sphere was established in 1975. The area is currently designated by the County as "Agricultural Resource" and zoned as "Residential Single: Airport Compatibility." Extension of public sewer infrastructure would respond to an existing threat to public health and safety associated with an onsite septic system located in close proximity to the Napa River. Further, extension of public sewer infrastructure would not undermine existing agricultural land uses located within close proximity given that they would remain outside NSD's sphere of influence and are subject to the County's restrictive land use designations. These factors significantly reduce the potential for additional growth in adjacent areas. The area is already developed with land uses that are consistent with adopted policies promoting the expansion of public sewer infrastructure.

Staff recommends the Commission amend NSD's sphere of influence to include the Cuttings Wharf Study Area.

Dry Creek Road

The Dry Creek Road Study Area is comprised of one parcel totaling 2.9 acres located northwest of the City of Napa and NSD’s jurisdictional boundaries and contiguous to each of their spheres of influence. Access to the area is by means of Dry Creek Road. The area is flat and is depicted in the following map.



Present and Planned Land Use

The Dry Creek Road Study Area is located to the immediate west of NSD's sphere of influence and jurisdictional boundary. The area is also located immediately north of an existing public park and open space facility owned and operated by the City of Napa. The public park is known as "Alston Park."

Present and Probable Need for Public Facilities and Services

The Dry Creek Road Study Area is currently undeveloped. The landowner has formally requested the Commission include the Dry Creek Road Study Area as part of this comprehensive sphere update for NSD in anticipation of developing a single-family residence in the near future. The landowner has stated that a residence will be built on the property regardless of whether or not the home will be served by a private onsite septic system or public sewer service from NSD. Extension of public sewer services from NSD to the Dry Creek Road Study Area would be preferable to allowing a new private septic system to be constructed in the unincorporated area.

Present Capacity and Adequacy of Public Services

NSD's existing public sewer infrastructure is located immediately adjacent to the Dry Creek Road Study Area and would not require significant infrastructure improvements. NSD has established adequate capacities to extend public sewer service to the area.

Social and Economic Communities of Interest

No social or economic communities of interest currently exist between the Dry Creek Road Study Area and NSD. However, and as mentioned previously, the area is located immediately adjacent to NSD's existing sphere, jurisdictional boundary, and infrastructure.

Present and Probable Need for Public Services for Disadvantaged Unincorporated Communities

No disadvantaged unincorporated communities meeting the definition under State law have been identified anywhere in Napa County.

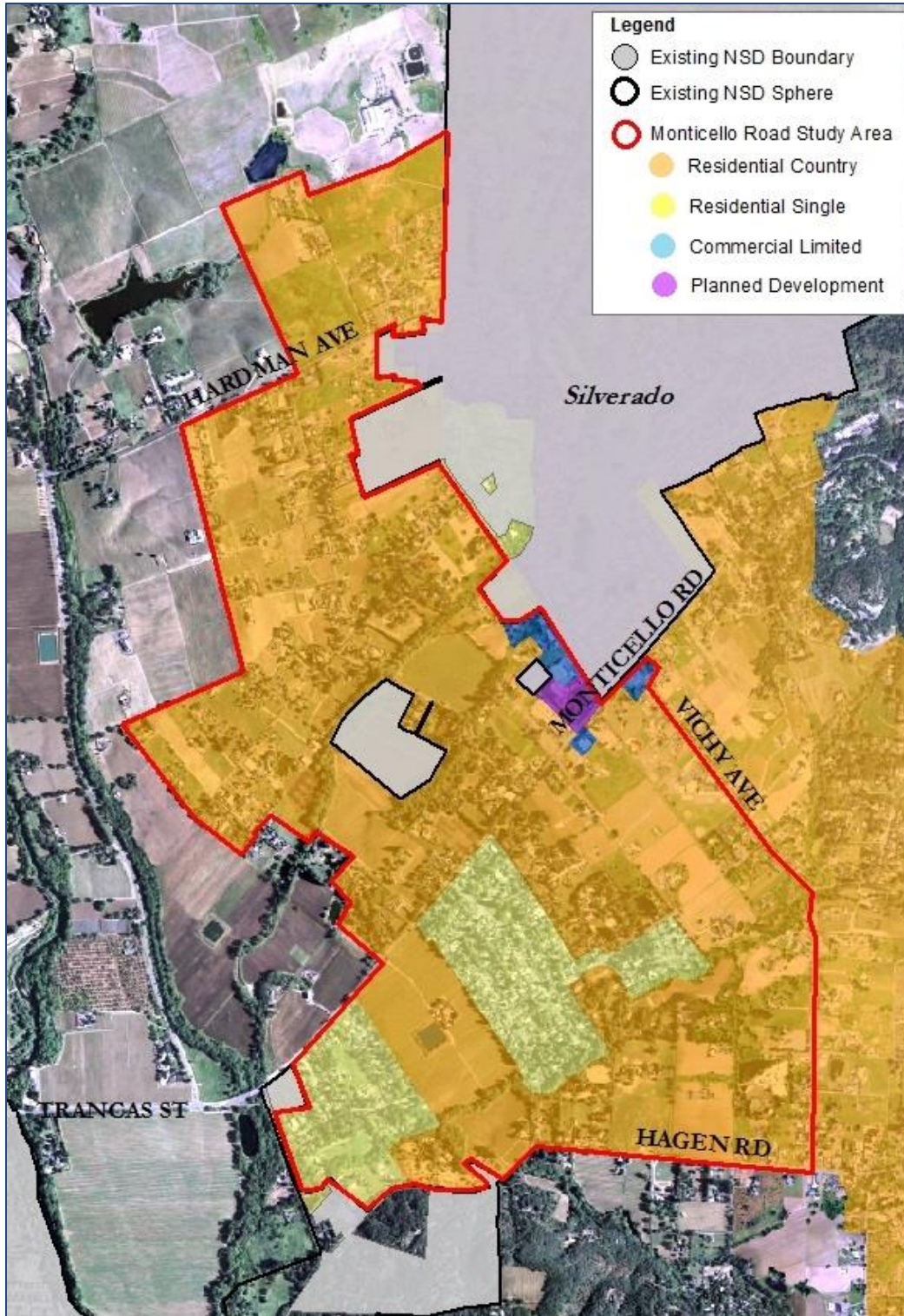
Recommendation

The Dry Creek Road Study Area is currently designated by the County as "Agricultural Resource." However, extension of public sewer service would not undermine existing agricultural land uses located near the Dry Creek Road Study Area given that public sewer service is preferable to construction of new private onsite septic systems.

Staff recommends the Commission amend NSD's sphere of influence to include the Dry Creek Road Study Area.

Monticello Road

The Monticello Road Study Area is comprised of 1,192 parcels totaling 1,341 acres located between the two large non-contiguous portions of NSD’s jurisdictional boundary near the Silverado community. The area is contiguous to both portions of NSD’s present boundary. Access to the area is by means of Monticello Road. The area is flat with low-density residential and commercial uses and is depicted in the following map.



Present and Planned Land Use

Approximately one-fifth of the Monticello Road Study Area is designated by the County as “Agricultural Resource,” a land use category that contemplates agriculture as the predominant land use, where uses incompatible with agriculture should be precluded, and where the development of urban type uses would be detrimental to the continuance of agriculture and the maintenance of open space. Permitted uses include agriculture, processing of agricultural products, and single-family dwellings.

The remaining four-fifths of the Monticello Road Study Area is designated by the County as “Rural Residential,” a land use category that contemplates low density residential uses in neighborhoods that are in proximity to existing urbanized areas but that are currently in agriculture or where further subdivision will be discouraged. Permitted uses include single-family dwellings, day care centers, large residential care homes, existing major medical care facilities, private schools, agriculture, stables, and – in specified areas – tourist-serving commercial uses.

There are current four unincorporated parcels in the Monticello Road Study Area that already lie within NSD’s sphere of influence and jurisdictional boundary. These parcels were previously included within NSD’s sphere and boundary in response to special circumstances and are summarized below.

1. County Fire Station: 1.7 acres at 1820 Monticello Road (APN 039-320-015)
2. Rural residential parcel: 16.26 acres at 1079 Hedgeside Avenue (APN 039-290-032)
3. Rural residential parcel: 2.97 acres at 1105 Hedgeside Avenue (APN 039-290-029)
4. Rural residential parcel: 1.0 acres at 1101 Hedgeside Avenue (APN 039-290-028)

Present and Probable Need for Public Facilities and Services

The Monticello Road Study Area is predominantly developed with single-family residences and agriculture-serving land uses with aging onsite private septic systems. There is one public school (Vichy Elementary) and one restaurant located within the area. Extensive portions of the area receive public water services from the City of Napa through outside service extensions. Some of the existing residences already receive public sewer services from NSD through outside service extensions.

Present Capacity and Adequacy of Public Services

NSD has asserted that the collection line traversing the area – Milliken Trunk Line – was not capable of serving the residential uses in the Monticello Road area given the majority of available capacity had been contractually reserved to accommodate additional development in the Silverado area. As mentioned above, existing residences within the area typically rely on private onsite septic systems for sewage disposal. Infrastructure improvements along with financing mechanisms would be required to extend public sewer service to the area. This would likely involve environmental studies, the creation of a mandatory assessment district, and an alignment study performed by NSD. NSD’s limited capacity to provide adequate services to the Monticello Road Study Area is further described in the Commission’s Central County Region Municipal Service Review.

Social and Economic Communities of Interest

The Monticello Road Study Area is located within an unincorporated area adjacent to NSD's sphere and jurisdictional boundary. The area has established minimal social and economic interests with NSD with respect to the location of public sewer infrastructure as well as a small number of existing residential service commitments within the area.

Present and Probable Need for Public Services for Disadvantaged Unincorporated Communities

No disadvantaged unincorporated communities meeting the definition under State law have been identified anywhere in Napa County.

Recommendation

The Monticello Road Study Area has been in low density residential uses for many years. Inclusion within NSD's sphere of influence would be consistent with policies adopted by LAFCO, the County of Napa, and the District with respect to aligning urban development with the availability of essential urban-type municipal services. However, sewer service feasibility and cost should be studied to ensure a stable, long-term financing mechanism is in place for infrastructure improvements. It would also be appropriate to first review and analyze potential environmental impacts associated with future development projects or requests for service from the affected land use authority: the County of Napa. This would involve identifying a financing mechanism and making determinations pursuant to the California Environmental Quality Act (CEQA) before amending NSD's sphere. Once a project or service request becomes known and all potential environmental impacts have been adequately analyzed, it would be appropriate to reconsider staff's recommendation and allow the County of Napa to submit individual sphere of influence amendment requests with the Commission. It appears unlikely that planning activities or obtaining financial commitments to extend sewer service to the Monticello Road Study Area will be able to be completed within the next ten years.

Staff recommends that the Commission take no action on NSD's sphere of influence with respect to the Monticello Road Study Area until the District has performed the necessary cost and environmental analyses as well as the County of Napa performing the necessary environmental review and analysis of potential environmental impacts. However, it may be appropriate to consider amending NSD's sphere of influence to include the Monticello Road Study Area as part of the next update performed for the District.

Solano Avenue

The Solano Avenue Study Area is comprised of one parcel totaling 3.5 acres located north of the City of Napa and NSD’s jurisdictional boundaries and spheres of influence. The area is not contiguous to NSD’s present sphere. Access to the area is by means of Solano Avenue. The area is flat and is depicted in the following map.



Present and Planned Land Use

The Solano Avenue Study Area is located approximately one mile north of NSD's sphere of influence and outside of the area contemplated by the District's Master Facilities Plan. The parcel located immediately south of the Solano Avenue Study Area is in agricultural use as a vineyard. The area is developed with commercial uses that have been abandoned. The Solano Avenue Study Area is designated by the County as "Agricultural Resource" and is zoned as "Commercial Limited." The landowner has submitted an application to the County for a permit to allow the development of a 50-room hotel. The landowner's development application currently remains incomplete pending technical revisions.

Present and Probable Need for Public Facilities and Services

As referenced above, the Solano Avenue Study Area is developed with abandoned commercial structures. No approved development project currently exists to redevelop the Solano Avenue Study Area. However, a development application has been submitted to the County to construct a 50-room hotel. The development application is unlikely to be approved within the next five years given that, among other issues, (a) an environmental impact report is required to support the proposed development, (b) public sewer infrastructure improvements in support of a commercial use located on land designated as Agricultural Resource would likely be subject to voter approval under the County's Measures J and P, (c) a will-serve letter from the City of Napa would be required for extension of public water service, (d) a new will-serve letter from NSD would be required for extension of public sewer service, and (e) additional detail of the location and improvements of a proposed off-site force main is needed. Therefore, extension of public sewer services to the Solano Avenue Study Area does not appear necessary within the next five years.

Present Capacity and Adequacy of Public Services

NSD's existing public sewer infrastructure is inadequate to serve the Solano Avenue Study Area. As discussed above, the area is located approximately one mile north of the existing sewer main along Solano Avenue.

Social and Economic Communities of Interest

No social or economic communities of interest currently exist between the Solano Avenue Study Area and NSD.

Present and Probable Need for Public Services for Disadvantaged Unincorporated Communities

No disadvantaged unincorporated communities meeting the definition under State law have been identified anywhere in Napa County.

Recommendation

The Solano Avenue Study Area is currently designated by the County as “Agricultural Resource.” Extension of public sewer infrastructure would potentially undermine existing agricultural land uses located immediately between the Solano Avenue Study Area and NSD’s existing facilities and sphere of influence. Development of the area would be inconsistent with current policies promoting the expansion of public sewer infrastructure into agricultural and open space lands without a known project that has been approved by an affected agency. This includes the need to review and analyze potential environmental impacts associated with a project and making determinations pursuant to the California Environmental Quality Act (CEQA). Once a project becomes known and all potential environmental impacts have been adequately analyzed, it would be appropriate to reconsider staff’s recommendation and allow the landowner to submit an individual sphere of influence amendment request with the Commission.

Staff recommends the Commission take no action on NSD’s sphere of influence with respect to the Solano Avenue Study Area.

RESOLUTION NO. _____

**RESOLUTION OF THE
LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
MAKING DETERMINATIONS****NAPA SANITATION DISTRICT
SPHERE OF INFLUENCE UPDATE & AMENDMENT:
CUTTINGS WHARF STUDY AREA**

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

WHEREAS, the Napa Local Agency Formation Commission is required to periodically review and update adopted spheres of influence for each city and special district within Napa County under Government Code Section 56425; and

WHEREAS, the Executive Officer prepared a written report of the review, including his recommendation to amend the sphere of influence of the Napa Sanitation District to include territory referred to as the “Cuttings Wharf Study Area”; and

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

WHEREAS, the Commission heard and fully considered all the evidence presented at public meetings held on April 6, 2015 and August 3, 2015; and

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

NOW, THEREFORE, the Napa Local Agency Formation Commission **DOES HEREBY RESOLVE, DETERMINE AND ORDER**, based upon the information contained in the Executive Officer’s report, correspondence from affected agencies and information received during the public hearings, as follows:

1. The sphere of influence of the Napa Sanitation District is hereby amended to include all areas within its current sphere of influence as of the date of this resolution plus the area known as the Cuttings Wharf Study Area as shown in Exhibit One.
2. The Commission serves as lead agency for the proposed amendment and certifies that it has reviewed and considered staff’s determination that the proposal qualifies for a Class 19 Categorical Exemption as allowed under the California Environmental Quality Act given that the affected territory is developed to the density allowed under the County General Plan and no additional residential development is planned. Further, the proposed amendment would provide sewer service only to existing land uses and would resolve a current inadequate condition. The Commission’s findings are based on its independent judgment and analysis. The records upon which these findings are made are located at the Commission office at 1030 Seminary Street, Suite B, Napa, California 94559.

3. Pursuant to California Government Code Section 56425 of the Government Code, the Commission adopts the statement of determinations as shown in Exhibit Two.
4. The effective date of this sphere of influence update shall be the date of adoption set forth below.
5. The Executive Officer shall revise the official records of the Commission to reflect this update of the sphere of influence.

The foregoing resolution was duly and regularly adopted by the Commission at a meeting held on August 3, 2015 by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSENT: Commissioners _____

ABSTAIN: Commissioners _____

ATTEST: Brendon Freeman
Executive Officer

Recorded by: _____
Kathy Mabry
Commission Secretary

EXHIBIT ONE



EXHIBIT TWO

STATEMENT OF DETERMINATIONS

NAPA SANITATION DISTRICT SPHERE OF INFLUENCE UPDATE & AMENDMENT: CUTTINGS WHARF STUDY AREA

1. Present and planned land uses in the sphere, including agricultural and open-space lands.

The Cuttings Wharf Study Area is contiguous to NSD's existing sphere of influence and jurisdictional boundary. The area is located along the Napa River immediately southwest of the incorporated area known as "Stanly Ranch" and is developed with 11 single-family residential units as well as a marina. The Cuttings Wharf Study Area is designated by the County as "Agricultural Resource" and is zoned as "Residential Single: Airport Compatibility." These land use designations allow for single-family residential structures in the unincorporated area.

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

The landowner recently submitted a letter to the Commission discussing the evaporative pond sewer system, which, according to the landowner, poses a threat to public health and safety given the area's immediate proximity to the Napa River. The letter asserts that results from a recent engineering investigation suggested that the system serving the area is inadequate by current standards. The engineering investigation identified three alternatives, two of which involve rebuilding or replacing the existing onsite wastewater system and are infeasible due to engineering and soil composition concerns. The third alternative is to connect to NSD, which is currently infeasible due to the location of the District's existing sphere of influence and jurisdictional boundary. The letter further discusses the landowner's interest in the Commission including the Cuttings Wharf Study Area within NSD's sphere of influence to allow for immediate connection to the District's public sewer system. This would alleviate the threat to public health and safety associated with the area's evaporative pond waste disposal system.

As referenced above, the Cuttings Wharf Study Area is developed with residential structures and a marina. The residential structures currently rely on an inadequate evaporative pond system for waste disposal services. Residents within the area as well as the Napa River are posed with an immediate risk to health and safety. The landowner has expressed interest in connecting to NSD's public sewer service infrastructure within the immediate future.

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

NSD's existing public sewer infrastructure is located approximately one mile northeast of the Cuttings Wharf Study Area within Stanly Ranch, which was annexed to the District in 2011. The landowner would be required to finance the needed infrastructure improvements to extend public sewer services to the area. This would allow NSD to serve the Cuttings Wharf Study Area without negatively impacting existing ratepayers or service levels.

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

No social or economic communities of interest currently exist between the Cuttings Wharf Study Area and NSD. However, the area is contiguous to the Stanly Ranch area, which is within NSD's sphere of influence and jurisdictional boundary.

5. Present and probable need for public services for disadvantaged unincorporated communities

No disadvantaged unincorporated communities meeting the definition under State law have been identified anywhere in Napa County.

RESOLUTION NO. _____

**RESOLUTION OF THE
LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
MAKING DETERMINATIONS****NAPA SANITATION DISTRICT
SPHERE OF INFLUENCE UPDATE & AMENDMENT:
DRY CREEK ROAD STUDY AREA**

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

WHEREAS, the Napa Local Agency Formation Commission is required to periodically review and update adopted spheres of influence for each city and special district within Napa County under Government Code Section 56425; and

WHEREAS, the Executive Officer prepared a written report of the review, including his recommendation to amend the sphere of influence of the Napa Sanitation District to include territory referred to as the “Dry Creek Road Study Area”; and

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

WHEREAS, the Commission heard and fully considered all the evidence presented at public meetings held on April 6, 2015 and August 3, 2015; and

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

NOW, THEREFORE, the Napa Local Agency Formation Commission **DOES HEREBY RESOLVE, DETERMINE AND ORDER**, based upon the information contained in the Executive Officer’s report, correspondence from affected agencies and information received during the public hearings, as follows:

1. The sphere of influence of the Napa Sanitation District is hereby amended to include all areas within its current sphere of influence as of the date of this resolution plus the area known as the Dry Creek Road Study Area as shown in Exhibit One.
2. The Commission serves as lead agency for the proposed amendment and certifies that it has reviewed and considered staff’s determination that the proposal qualifies for a Class 19 Categorical Exemption as allowed under the California Environmental Quality Act (CEQA) given that the affected territory would be developed with one single-family residence consistent with facilities exempted by Section 15303 (Class 3) of the CEQA Guidelines. Further, existing public sewer infrastructure is located immediately adjacent to the Dry Creek Road Study Area and would not require significant infrastructure improvements. NSD has established adequate capacities to extend public sewer service to the area. The Commission’s findings are based on its independent judgment and analysis. The records upon which these findings are made are located at the Commission office at 1030 Seminary Street, Suite B, Napa, California 94559.

3. Pursuant to California Government Code Section 56425 of the Government Code, the Commission adopts the statement of determinations as shown in Exhibit Two.
4. The effective date of this sphere of influence update shall be the date of adoption set forth below.
5. The Executive Officer shall revise the official records of the Commission to reflect this update of the sphere of influence.

The foregoing resolution was duly and regularly adopted by the Commission at a meeting held on August 3, 2015 by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSENT: Commissioners _____

ABSTAIN: Commissioners _____

ATTEST: Brendon Freeman
 Executive Officer

Recorded by: _____
 Kathy Mabry
 Commission Secretary

EXHIBIT ONE



EXHIBIT TWO

STATEMENT OF DETERMINATIONS

NAPA SANITATION DISTRICT SPHERE OF INFLUENCE UPDATE & AMENDMENT: DRY CREEK ROAD STUDY AREA

1. Present and planned land uses in the sphere, including agricultural and open-space lands.

The Dry Creek Road Study Area is located to the immediate west of NSD's sphere of influence and jurisdictional boundary. The area is also located immediately north of an existing public park and open space facility owned and operated by the City of Napa. The public park is known as "Alston Park."

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

The Dry Creek Road Study Area is currently undeveloped. The landowner has formally requested the Commission include the Dry Creek Road Study Area as part of this comprehensive sphere update for NSD in anticipation of developing a single-family residence in the near future. The landowner has stated that a residence will be built on the property regardless of whether or not the home will be served by a private onsite septic system or public sewer service from NSD. Extension of public sewer services from NSD to the Dry Creek Road Study Area would be preferable to allowing a new private septic system to be constructed in the unincorporated area.

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

NSD's existing public sewer infrastructure is located immediately adjacent to the Dry Creek Road Study Area and would not require significant infrastructure improvements. NSD has established adequate capacities to extend public sewer service to the area.

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

No social or economic communities of interest currently exist between the Dry Creek Road Study Area and NSD. However, and as mentioned previously, the area is located immediately adjacent to NSD's existing sphere, jurisdictional boundary, and infrastructure.

5. Present and probable need for public services for disadvantaged unincorporated communities

No disadvantaged unincorporated communities meeting the definition under State law have been identified anywhere in Napa County.



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 5b

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Interim Executive Officer

MEETING DATE: June 29, 2015

SUBJECT: Draft Sphere of Influence Update for the Napa Sanitation District:
 Response to Comments on Staff Report and Recommendation of
 April 6, 2015

BACKGROUND

In its draft report of April 6, 2015, staff recommended that the Commission amend Napa Sanitation District's (NSD) sphere of influence to (a) remove the Browns Valley Study Area and (b) add a portion of the County Jail Study Area (western parcel) as well as the entire Cuttings Wharf Study Area. The purpose of this memo is to provide staff responses to questions and comments raised during the April 6th meeting or written comments that were subsequently received.

QUESTIONS AND COMMENTS OF COMMISSIONERS

Commissioner Dillon asks that staff provide more explicit detail on what would be required under the California Environmental Quality Act (CEQA) in order to add any or all of the study areas to NSD's sphere. Staff submitted Commissioner Dillon's question to the Commission's CEQA consultant and has received the following information:

Coombsville Road Study Area

Information provided by the County of Napa suggests that amending NSD's sphere to include the Coombsville Road Study Area may ultimately lead to significant new development given that the area's current development potential is restricted due to the need for sewage capacity reserve areas associated with private septic systems. Due to the potential for further development with possible environmental impacts that have not yet been contemplated, no exemptions under CEQA would be available for a sphere amendment. An environmental document (an EIR or mitigated negative declaration) from the County of Napa would represent the appropriate analysis by the relevant planning agency to evaluate a future proposal involving the amendment of NSD's sphere as a key component. For LAFCO to

Juliana Inman, Chair
 Councilmember, City of Napa

Greg Pitts, Commissioner
 Councilmember, City of St. Helena

Joan Bennett, Alternate Commissioner
 Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Commissioner
 Representative of the General Public

Gregory Rodeno, Alternate Commissioner
 Representative of the General Public

Brendon Freeman
 Interim Executive Officer

amend the NSD sphere prior to such action by the County would require that the Commission assume the lead agency role under CEQA and conduct the environmental analysis of the full scope of potential environmental impacts of the eventual buildout and associated service demands for the entire area.

County Jail Study Area

The approved County Jail Project was evaluated and approved in the final environmental impact report (FEIR) adopted by the County of Napa in 2014. The FEIR for the new County Jail Project did not include a description of development of the eastern parcel (“Boca property”) except for use as part of the new County Jail. No other potential impacts were evaluated. Since the new County Jail will be constructed on the western parcel only, the potential environmental impacts of unknown redevelopment of the eastern parcel have not been analyzed. Once a development application or plan is brought forward, the appropriate environmental analysis can be conducted, which could presumably include amendment to NSD’s sphere as part of the approval process.

If only the connection of existing uses on the Boca property are contemplated, such connection is still a project under CEQA unless it can be shown that no other expanded uses of the area would be facilitated by extension of sewer service. An initial study or supplemental EIR may be sufficient to establish a lack of significant environmental effects. If it can be shown without further study that the Boca property is already developed to the fullest extent or to the maximum density allowed by the current zoning ordinance, amendment of the sphere and/or annexation of the area to NSD would not be defined as a project under CEQA and the Commission’s action would qualify for exemption from CEQA under Section 15319 of the State CEQA Guidelines.

Alternatively, since the County Jail Project FEIR considered a sphere expansion and infrastructure expansion to the Boca property as an optional configuration for the new County Jail, it could be argued that the environmental impacts associated with sphere expansion at the Boca property have been adequately evaluated as part of the Napa County Jail FEIR. In this instance, as a responsible agency, the Commission could consider the analysis in the FEIR pertaining to the Boca property and certify the County’s FEIR for the limited purpose of the NSD sphere amendment. In addition, because significant impacts were identified associated with utility expansion, the Commission would need to prepare and consider the adoption of CEQA Findings and a Statement of Overriding Considerations. The Commission would also be required to adopt a Mitigation Monitoring and Reporting Program, and any future annexation of the Boca property could be conditioned on the satisfaction of any adopted mitigation measures. However, even under this alternative, additional environmental review would still be required prior to annexation of the Boca site, once a development proposal for the Boca property was defined for study.

Cuttings Wharf Study Area

Given that the Cuttings Wharf Study Area is primarily developed as allowed under the County's General Plan and zoning land use designations, the Commission could apply the exemption provided under Class 19 of the State CEQA Guidelines which allows exemption from environmental review for the following cases:

(a) Annexations to a city or special district of areas containing existing public or private structures developed to the density allowed by the current zoning or pre-zoning of either the gaining or losing governmental agency whichever is more restrictive, provided, however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities.

Monticello Road Study Area

Information provided by the County of Napa suggests that amending NSD's sphere to include the Monticello Road Study Area may ultimately lead to significant new development given that the area's current development potential is restricted due to the need for sewage capacity reserve areas associated with private septic systems. Due to the potential for further development with possible environmental impacts that have not yet been contemplated, no exemptions under CEQA would be available for a sphere amendment. An environmental document (an EIR or mitigated negative declaration) from the County of Napa would represent the appropriate analysis by the relevant planning agency to evaluate a future proposal involving the amendment of NSD's sphere as a key component. For LAFCO to amend the NSD sphere prior to such action by the County would require that the Commission assume the lead agency role under CEQA and conduct the environmental analysis of the full scope of potential environmental impacts of the eventual buildout and associated service demands for the entire area.

Solano Avenue Study Area

The Solano Avenue study area is the site of a development application to expand existing entitlements (50-seat restaurant) to include the development of a 50-room hotel, a 100-seat restaurant, a spa, and a delicatessen. The area is unincorporated and located approximately 1,900 feet north of NSD's existing infrastructure and jurisdictional boundary.

The area is surrounded on the east, south, and west by vineyards. Lands located immediately north are rural residential. The development application would represent a substantial change in land use and zoning designation. Significant infrastructure extension, including expansion of existing water service by the City of Napa, would be required to serve the project. On July 18, 2014, the County Planning Department completed its initial review and deemed the application incomplete pending submittal of information pertaining to several specific items.

Amending NSD's sphere to include the Solano Avenue Study Area would not qualify for any exemption under the State CEQA Guidelines. Further, the project could potentially undermine existing agricultural land uses located to the immediate south, indicating potential environmental impacts that further study may show to be subject to mitigation requirements.

In November, 2013, the NSD Board issued a "conditional will-serve letter," a statement of the District's ability and willingness to provide sewer service to the area, if project proponents are successful in their effort to amend the District's sphere of influence and annex the territory to NSD. The District took this action without environmental analysis. An environmental document (an EIR or mitigated negative declaration) from the County of Napa would represent the appropriate analysis by the relevant planning agency to evaluate this proposal, including amendment of NSD's sphere as a key component of the project. The application process the developer has initiated with the County should include a CEQA analysis of the proposed project, and Commission staff can work with the County to ensure that any environmental analysis prepared includes the necessary information for a sphere update and annexation, as appropriate.

For LAFCO to amend the NSD sphere prior to such action by the County would require that the Commission assume the lead agency role under CEQA and conduct the environmental analysis of the full scope of the project.

Commissioners Caldwell and Kelly asked staff to confer with the County concerning compliance with State septic regulations pertaining to the health and safety of residents and the environment. Staff has conferred with the County and received the following information:

The Onsite Wastewater Treatment System (OWTS) Policy was approved by the State Water Quality Control Board in May 2013. County of Napa Environmental Health staff is currently working on a Local Area Management Program (LAMP) to submit to the Regional Water Quality Control Board early next year. The LAMP has to show how the county's program meets the intent of the policy, namely to protect water quality and public health. The County's existing program substantially complies with the OWTS Policy, but the existing language in County code needs to be updated as it relates to the septic program and add technical information that was not in the code before. County staff will perform additional monitoring of septic system complaints, failures, and possibly groundwater quality to comply with the OWTS policy, in addition to submitting annual reports to the Regional Water Quality Control Board about the program. County staff does not anticipate that the changes proposed will affect the process for development. The County has its first stakeholder meeting tentatively scheduled for July 20, 2015, at which staff will present the proposed changes and receive feedback from the regulated community. Following the stakeholder meeting, County staff will be presenting to the Board of Supervisors. County Planning will need to review the code changes for compliance with CEQA. The County's LAMP is due in May 2016.

In the absence of adding the entire Monticello Road Study Area to NSD's sphere, Commissioner Caldwell asked staff to consider including a portion of land known as "Monticello Park" given that the septic systems within Monticello Park will require upgrades or replacement within the foreseeable future.

As part of the final report, staff will consider recommending the Commission add just the portion of the Monticello Road Study Area known as "Monticello Park" to NSD's sphere of influence to address a potential health and safety threat associated with aging septic systems within the unincorporated neighborhood.

Commissioner Kelly asked staff to reconsider its recommendation for the County Jail Study Area to include both parcels in NSD's sphere.

Adding the eastern parcel to NSD's sphere would represent a project under CEQA for which no exemptions are available. The EIR for the County Jail Project only contemplates environmental impacts associated with the development of the jail facility as well as the public services that would be required to maintain the jail. The EIR does not contemplate additional development or service impacts for the eastern parcel and therefore a supplemental EIR would be required if the Commission amends NSD's sphere to include both parcels.

Commissioner Kelly also requested more clear maps depicting the parcels within each study area.

Staff has updated the maps for each study area to better depict individual parcels. This includes additional detail where needed regarding existing land uses and land use designations.

QUESTIONS AND COMMENTS OF LOCAL AGENCIES

Staff has received written comments from the Napa Sanitation District. The responses from staff are provided below.

Coombsville Road Study Area

NSD has indicated that the District has no immediate plans to perform a study evaluating service to this area. This comment suggests the timing may not be appropriate to amend NSD's sphere of influence for purposes of including the Coombsville Road Study Area as part of the current sphere update for the District.

County Jail Study Area

NSD has recommended inclusion of both parcels to properly plan for adequate sewer service during planning and design of the utility system highway crossings for the County Jail project. However, as referenced earlier, amending NSD's sphere to include the eastern parcel (Boca property) would trigger the need for an

initial study or supplemental EIR to establish a lack of significant environmental effects. No such environmental review and analysis currently exists that would be adequate to allow the Commission to amend NSD's sphere to include the Boca property.

Monticello Road Study Area

NSD has commented that further definition of the study area is needed prior to the District performing a feasibility study or determining the cost to extend sewer service to the area. In particular, NSD referenced potential additional development within Silverado Resort. LAFCO staff has conferred with the County and confirmed that the Silverado Resort has expressed interest in eventually expanding existing facilities, which would likely include new public sewer connections. However, no formal application for development entitlements has been submitted to the County on behalf of the Silverado Resort. It would be appropriate to consider potential future development and environmental impacts within the Monticello Road Study Area as specific projects become known.

City of Napa Councilmember Scott Sedgley provided verbal comments suggesting that LAFCO ought to work in tandem with the City with respect to promoting logical extensions of municipal boundaries and services. In particular, Councilmember Sedgley recommended that staff coordinate with the City to move towards a more comprehensive and collaborative approach to expanding NSD's sphere.

Staff has provided the City with ample opportunity to provide input on the draft sphere update for NSD. LAFCO's responsibility is to promote the logical and orderly extension of governmental boundaries and service areas. Staff will continue to involve the City at each stage of LAFCO's planning activities.

Councilmember Sedgley further commented that the Browns Valley Study Area ought to remain within NSD's sphere given that it may eventually be further developed with public restrooms that would be connected to the District's public sewer infrastructure. City of Napa Senior Planner, Scott Klingbeil, also commented that the Browns Valley Study Area should remain in NSD's sphere based on its land use designation and zoning assignments under the City's land use authority. Mr. Klingbeil recommended that LAFCO discontinue its use of the City's rural urban limit (RUL) as a guide for sphere considerations involving NSD. Mr. Klingbeil also suggested that the Commission retain lands within NSD's sphere if they are already within the City's jurisdictional boundary, such as the Browns Valley Study Area.

Staff respectfully disagrees with the recommendation to retain the Browns Valley Study Area within NSD's sphere. The Browns Valley Study Area is partially developed with a public park and open space land use and has been in NSD's sphere since 1975. It is unlikely there will ever be a need for public restrooms based on a comparison of similarly-sized parks that are operated and maintained by the City. Further, the Commission's policy on updating spheres states:

The Commission, however, shall consider removal of land from an agency's sphere of influence if any of the two conditions apply:

(a) The land is outside the affected agency's jurisdictional boundary but has been within the sphere of influence for 10 or more years.

(b) The land is inside the affected agency's jurisdictional boundary, but is not expected to be developed for urban uses or require urban-type services within the next 10 years.

The Browns Valley Study Area has been located within NSD's sphere but outside its jurisdictional boundary for over 10 years. Further, the area is not expected to be developed for urban uses or require urban-type services within the next 10 years. Based on local policies, it would be appropriate to remove the Browns Valley Study Area from NSD's sphere.

QUESTIONS AND COMMENTS OF LANDOWNERS AND OTHER INTERESTED PARTIES

Ms. Renee Carter, landowner of the Boca property within the County Jail Study Area, verbally commented at the April 6th meeting that there are several existing businesses operating on the Boca property that currently rely on a private onsite septic system of undeterminable age and operability and these businesses would benefit from public sewer service. Ms. Carter further commented that she would like to see current uses properly maintained without jeopardizing existing users, which would be supported by including the Boca property within NSD's sphere.

Ms. Carter subsequently submitted a comment letter dated April 30, 2015 (Attachment Two) that further describes reasons why the Boca property requires public sewer service from NSD for purposes of replacing the existing private onsite sewer system. The letter states that the existing private onsite septic system poses a potential health and safety threat for the approximately 100 employees currently working for the various business tenants within the Boca property. Ms. Carter's letter also asserts that any future impact on NSD's public sewer infrastructure will be minimal in comparison to the impacts associated with the existing County Jail project, which will be located on the western parcel within the County Jail Study Area.

Ms. Carter's comments regarding the Boca property relying on a private onsite septic system of undeterminable age and functionality are correct and relevant to LAFCO's responsibilities. This includes ensuring the logical and orderly extension of public services in response to health and safety threats.

However, and as discussed earlier, the EIR for the County Jail Project only contemplates development potential and municipal service impacts for the jail and related facilities. An amendment to NSD's sphere to include the Boca property would represent a new project under CEQA and require a supplemental EIR

before the Commission can make its required findings. Given the lack of an adequate environmental planning process for the Boca property, amending staff's recommendation for the County Jail Study Area to also add the eastern parcel to NSD's sphere is not appropriate at this time.

Mr. Brian Russell, representing the Solano Avenue Study Area, provided the following comments in a letter dated April 6, 2015 (Attachment One) and also delivered the comments at the April 6th meeting:

1. The report states that no development project currently exists. Mr. Russell comments that the property is currently entitled for a 290-seat restaurant and 16,800 square feet of retail space plus additional uses. Mr. Russell comments that he has submitted a use permit modification for a hotel with 50 rooms and a 100 seat restaurant.

In staff's estimation, no official development project currently exists. No approvals have been provided by the County of Napa for the conceptual project and therefore no entitlements are in place to allow for the proposed 50-room hotel. However, staff recognizes that Mr. Russell has taken several pertinent steps towards ensuring the conceptual project is eventually processed with the County Planning Department.

2. The report incorrectly speculates that the existing development application to construct a 50-room hotel and a 100-seat restaurant is unlikely to be approved by the County of Napa in the near future. Mr. Russell comments that he has met with the County Planning Director and expects the project to be approved in 2016.

To date, LAFCO has not received any communication from the County or otherwise indicating that Mr. Russell's proposed project will be approved within the foreseeable future. However, staff has met with the County Planning Department and Mr. Russell to discuss possible timelines for future project approvals. County Planning has verified they are willing to process a viable development project as soon as a complete application is submitted that addresses various outstanding issues.

3. The report notes that an environmental impact report (EIR) is required to support the proposed development. Mr. Russell comments that a limited scope EIR will be conducted for the hotel project (the restaurant component is already allowed based on existing zoning and land use entitlements).

The limited scope EIR will need to address cumulative impacts associated with the project as well as potential impacts on agricultural land and municipal utilities such as water and sewer service. The EIR will help address LAFCO's concerns regarding the lack of a service plan for the proposed project.

4. The report states that the project would utilize public sewer infrastructure. Mr. Russell comments that a private force main will be installed and connected to the existing public sewer infrastructure located within the City of Napa.

The extension of public sewer services to the site from NSD through a private force main represents an extension of municipal services and would require either annexation or an outside service agreement.

5. The report states that a will serve letter from the City of Napa would be required for extension of public water service. Mr. Russell comments that the property already receives water service from the City and that the report is considering extension of sewer, not water.

The comment in the report regarding City of Napa water is intended to provide additional context with respect to other agencies with a direct role in the proposed project. Given that the City of Napa would be the water service provider, it is important that the proposed project receives a commitment from the City for future public water service delivery prior to any approvals from the County or sphere amendments from LAFCO.

6. The report states that a new will serve letter from NSD would be required for extension of public sewer service. Mr. Russell comments that the property's existing will serve letter from NSD dated December 5, 2013 is sufficient and that the District's Board of Directors has already supported the property's inclusion within NSD's sphere.

The existing conditional will serve letter from NSD entitles the proposed project to public sewer service for a proposed hotel/spa, restaurant, laundry, and delicatessen facility through December 5, 2016, which was supported by the District's Board of Directors with the understanding that the site would be added to NSD's sphere and annexed prior to the letter's expiration. If the proposed project hasn't obtained its required connection permits from NSD by December 5, 2016, the will serve letter will expire and a new will serve letter will be needed.

7. The report states that additional detail is needed regarding the location and improvements associated with the proposed off-site private force main. Mr. Russell comments that this detail has already been provided to staff and also that this issue is irrelevant when considering if the property should be added to NSD's sphere.

Staff has considered Mr. Russell's comment and agrees that discussion of the location of the private force main ought to be removed from the report given that this is not a factor for consideration in approving sphere of influence amendments for local agencies.

8. Mr. Russell comments that the property has been considered for inclusion within NSD's sphere for several cycles and there is now a proposed hotel project.

The Commission most recently reviewed the site for potential inclusion within NSD's sphere of influence as part of a comprehensive sphere update for the District in 2006. The 2006 sphere update concluded that inclusion was not appropriate at the time given that its inclusion within NSD's sphere would promote the extension of an urban service in a manner that has not been contemplated by the affected land use authority: the County. Further, inclusion within the sphere would also be inconsistent with the adopted policy of the Commission to guide urban services away from agricultural or open-space designated lands. These factors continue to be true today. The proposed hotel project has not been approved by the County as of date.

9. The report states that NSD's capacity is inadequate to serve the property. Mr. Russell comments that NSD has provided a conditional will serve letter and that the District has enough capacity to include the property in the sphere.

NSD currently does not currently have adequate capacity to serve the proposed project without an extension of the District's existing sewer infrastructure (i.e. private force main extension to the site). However, the existing will serve letter provides a temporary entitlement sufficient to serve a 50-room hotel and 100-seat restaurant with daily wastewater flows of approximately 9,850 gallons through December 15, 2016.

10. The report states that the property is located one mile north of the existing sewer main. Mr. Russell comments that the property is only located 1,900 feet north of where the NSD line should be located based on a deferred installation agreement from 1980 with the mobile home park located to the south.

Staff will revise the language in the final report to clarify the location of the site relative to NSD's existing infrastructure.

11. Mr. Russell comments that extension of public sewer service is not being sought, but rather a private six-inch force main that will be sized such that it can only serve the property.

The private nature of the proposed force main would ensure no additional properties located adjacent to the site could connect to NSD and would also ensure the agricultural uses on the property to the immediate south are not undermined.

The Napa County Farm Bureau (NCFB) submitted a letter dated May 6, 2015 (Attachment Three) questioning how LAFCO can add the Cuttings Wharf Study Area to NSD's sphere when the expansion appears to be in conflict with the Commission's policy regarding the addition of agricultural lands to a special district's sphere. The letter also cautions against adverse impacts and premature conversion of agricultural watershed lands surrounding the area.

The Commission's policy on sphere amendments states:

“Land designated agricultural or open-space by the applicable city or County general plan shall not be approved for inclusion within any special district's sphere of influence for purposes of urban development through the extension of essential public services. The Commission may consider exceptions to this policy based on evidence provided by the affected special district demonstrating all of the following:

- *The expansion is necessary in order to provide potable water or sewer to the territory to respond to a documented public health or safety threat.*
- *The affected special district can provide adequate potable water or sewer service to the affected territory without extending any mainline more than 1,000 feet.*
- *The expansion will not promote the premature conversion of agricultural or open-space land to urban use.”*

The recommended inclusion of the Cuttings Wharf Study Area would be for purposes of extended public sewer services to the existing occupied residences. Adding the Cuttings Wharf Study Area to NSD's sphere would not be for purposes of urban development and therefore is not in conflict with the Commission's policies. Further, the area is already substantially built-out as allowed under the County's General Plan designation (Agricultural Resource) and Zoning assignment (Single-family Residential, Airport Compatibility Zone D) for the area.

No surrounding agricultural watershed lands would be impacted by the expansion of NSD's sphere to include the Cuttings Wharf Study Area. The sphere expansion would be parcel-specific and would not undermine existing or planned land uses for adjacent territories.

CONCLUSION

The comments received to date on the draft sphere update for NSD have identified several issues and required staff to clarify some of the report's assertions. The testimony of the affected agencies and landowners has been helpful to staff and to the Commission in this process. However, some differences remain between the views of the affected parties and staff's report and recommendations. Issues identified in the comments and corrected in the response above do not significantly affect the staff report's conclusions or recommendations.

~~ATTACHMENTS~~ Attachments available as part of June 29, 2015 staff report

- ~~1) Letter of Brian Russell (April 6, 2015)~~
- ~~2) Letter of Renee Carter (April 30, 2015)~~
- ~~3) Letter of Napa County Farm Bureau (May 6, 2015)~~
- ~~4) Letter of the Napa Sanitation District (May 18, 2015)~~



CITY of NAPA

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July 9, 2015

Brendon Freeman, Interim Executive Officer
Local Agency Formation Commission of Napa County
1700 Second Street, Suite 268
Napa, CA 94559

Re: Sphere of Influence Update for the Napa Sanitation District

Dear Mr. Freeman:

The City of Napa has completed a review of the Napa Sanitation District Sphere of Influence and Update Draft Report dated April 2015, which was continued by the Commission at its last meeting on June 1, 2015. The City of Napa has the following comments:

Browns Valley Study Area (exclusion)

1. LAFCO Report Page 8, Paragraph 1 states: *"The majority of the Browns Valley Study Area is zoned by the City as "Agricultural Resource" and is currently used as a public open space park known as "Timberhill Park." No development plans currently exist for the area."*

Response: Although the majority of land area within the study area is indeed zoned Agricultural Resource (AR), only two parcels or less than 6% of the area (approximately 13 acres of the 226-acre study area) are currently used for the Timberhill Park. The remaining 12 parcels (213 acres) have development potential consistent with the underlying zoning. Additionally, the City has approved applications for development in the past and there are pending applications for single family housing development in this area.

2. LAFCO Report Page 8, Paragraph 6 states: *"The Browns Valley Study Area has been located within NSD's sphere of influence without being developed or annexed to the District since 1975. The area is currently used for public park and open space uses as Timberhill Park under the City of Napa's land use authority. Development of the area would be inconsistent with adopted policies promoting the expansion of public sewer infrastructure into agricultural and open space lands. The Commission's adopted policies direct the removal of lands from a special district's sphere of influence if those lands are outside the agency's jurisdictional boundary but have been inside the agency's sphere for more than 10 years."*

Response: The report contains information that is not entirely accurate. As an example, the Hidden Hills development (78 single family residences) was recently constructed in this area and included a condition of approval requiring that the area annex into the Napa Sanitation Sphere of Influence.

Additionally, most of the land in this area is not used only as a public park, as noted above in the City's response to comment 1. Development of this area is consistent with the City's underlying zoning and therefore providing sewer service would not be considered "*inconsistent with adopted policies*". The City's intent is to continue to allow these properties to develop consistent with the City's General Plan and applicable zoning and to support public sewer expansion as needed to serve the specific development needs.

Lastly, and perhaps most importantly, although local LAFCO policy suggests removal of lands outside an agency's boundaries that have been inside the sphere of influence for more than 10 years, the fact that Napa has been in a significant recession since 2008 (essentially 7 of the last 10 years), and that market conditions are variable relating to development and should be considered when understanding the time it takes to design, finance, develop and sell housing, should all be considered when making such significant decisions such as pulling property out of an agency's sphere.

Given the above circumstances and actions, the City does not support the removal of the Browns Valley Study Area from the Napa Sanitation Sphere of Influence.

3. Coombsville Road and Monticello Road Study Areas (Inclusion)

Response: The Coombsville Road and Silverado areas were previously considered for inclusion into the Rural Urban Limit (RUL) during the City's 1998 General Plan Update. The proposed expansion of the RUL resulted in several significant effects that could have resulted from increased development activity. These impacts included:

- uncertain adequacy in water supply and wastewater treatment capacity;
- encroachment into and conversion of productive agricultural lands;
- nonconformance with City, County, and the Local Agency Formation Commission objectives regarding preservation of the natural environment to the maximum extent possible; and
- accommodation of a growth rate and buildout population that would be considered excessive for the planning horizon.

As infrastructure planning typically follows land use planning, and extension of sewer service is considered "growth inducing" in that it allows very small lot sizes and puts pressure on land use policies. Without adequate environmental review, the timing of a long range NSD Sphere of Influence expansion and update may be premature at this time. The City supports the LAFCO Staff recommendation to take no action on the sphere at this time until the necessary environmental analysis has been completed.

4. County Jail Study Area (Inclusion)

Response: While the County Jail Study Area is outside the RUL, the City and County have worked closely together to address water service. The City approved an outside water service agreement in February 2014 for the project, and it is anticipated that NSD would do the same (if it has not already) for sewer service. The only question is whether both the City's and NSD's SOIs should be expanded to include the agencies' spheres. The City does not propose to expand its RUL to include the future jail property since the site is not considered potential future development, except for a jail and supporting services.

5. The Cuttings Wharf Study Area (Inclusion)

LAFCO Report Page 17, Paragraph 1 states: *"...(T)his area is currently designated by the County as "Agricultural Resource" and zoned as "Residential Single Family: Airport Compatibility." Extension of public sewer infrastructure would respond to an existing threat to public health and safety associated with an onsite septic system located in close proximity to the Napa River. Further, extension of public sewer infrastructure would not undermine existing agricultural land uses located within close proximity given that they would remain outside NSD's sphere of influence and are subject to the County's restrictive land use designations. These factors significantly reduce the potential for additional growth in adjacent areas. The area is already developed with land uses that are consistent with adopted policies promoting the expansion of public sewer infrastructure."*

Although it is difficult to separate out consideration of sewer service without also considering water service, the challenge in the Cuttings Wharf study area is apparently that there are potential environmental concerns relating to inadequate septic systems. In instances where such concerns exist, the City has the ability to provide outside service when adjacent to the City's jurisdictional boundaries (e.g., for emergencies associated with existing development) without considering this "growth inducing." Further, development in the area is largely built out, therefore expanding NSD's sphere in the area for emergencies purposes would not promote additional growth.

The City supports the LAFCO Staff recommendation that the Commission amend NSD's sphere of influence to include the Cuttings Wharf Study Area to address the public health and safety concerns.

6. Solano Avenue Study Area (Inclusion)

Page 5, Paragraph 2 states: *"The Solano Avenue Study Area is currently designated by the County as "Agricultural Resource." Extension of public sewer infrastructure would potentially undermine existing agricultural land uses located immediately between the Solano Avenue Study Area and NSD's existing facilities and sphere of influence. Development of the area would be inconsistent with adopted policies promoting the expansion of public sewer infrastructure into agricultural and open space lands."*

This area is located outside the City's RUL and designated "Greenbelt" as designated in the City's General Plan. The City's Greenbelt designation "is applied to lands outside of the RUL that bear a relationship to the city's planning policies. Greenbelt lands that surround the RUL are to remain in agricultural or very low density rural residential, public or institutional use. The plan seeks to maintain these areas by providing adequate land and development potential within the RUL to accommodate anticipated growth to the year 2020."

City General Plan policy (LU-1.1) reinforces the purposes and intent of the "Greenbelt" designation by defining the extent of urban development through the year 2020 and protecting the City's surrounding open space/agriculture. This policy was strengthened in 1999 with a City Charter provision that does not permit "urban development" outside the RUL without voter approval as part of a General Plan Amendment.

A proposal to expand NSD's sphere to include Solano Avenue north of the City limits does not advance LAFCO's goals of protecting agricultural land, avoiding urban sprawl and good governance. The intent of this expansion is to promote expanded development and revenue from that development. The County designated land should be developed as allowed within underlying

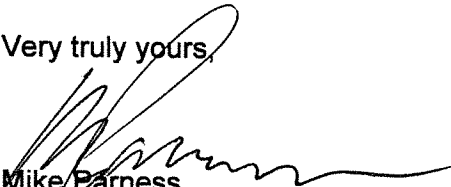
zoning, but with the capacity of the property to sustain on its own site its impacts. If unfettered expansion to service outside existing spheres continues without acknowledgement and understanding of these core principles, there is nothing to discourage other parcels to aggregate land and extend services for the purposes of new development.

The City agrees with the LAFCO Staff recommendation that the Commission take no action on NSD's sphere of influence, as the modification would result in nonconformance with City, County, and the Local Agency Formation Commission objectives regarding preservation of the natural environment to the maximum extent possible. Further, no environmental review has been conducted to analyze such impacts resulting from expanding utilities through this area.

As a summary comment, the overarching concern of the City relates to a review of the provision of utilities seemingly in a vacuum. The underlying purposes of LAFCO are to encourage the orderly formation of local agencies, preserve agricultural land resources, and discourage urban sprawl – the lack of forethought and coordination of which has, in the past, led to a multitude of overlapping, inefficient jurisdictional and service boundaries, and the premature conversion/loss of California's agricultural and open-space lands. While water and sewer services are provided by two separate agencies in Napa, the City of Napa and Napa Sanitation District, respectively, the foundation bestowed upon LAFCO to consider good governance and avoid sprawl are nonetheless still important. Considerations to include expanding NSD's sphere without also considering the City's is important and should be limited to emergency conditions only, unless it is logical and orderly to consider both agency's service, and in that case to also consider the viability of annexation. If both water and sewer were provided by one agency, as is so often the case throughout California, it is unclear whether the conversation of expanding sewer to some areas without also expanding water would likely occur at all in Napa.

If you have any questions or wish to discuss the above items, please feel free to contact me.

Very truly yours,



Mike Parness
City Manager